State of Ohio

Executive Budget

Fiscal Years 2008 and 2009

Book One

Prepared by the Office of Budget and Management
and Submitted to the 127th General Assembly
By Governor Ted Strickland
March 2007

TED STRICKLAND
GOVERNOR
STATE OF OHIO

MARCH 15, 2007

My Fellow Ohioans and Members of the General Assembly,

I am honored to present my recommended budget for fiscal year 2008 and fiscal year 2009 state operations and programs. My recommended budget outlines an ambitious plan of investment in what matters while living within our means.

This budget is balanced, and I have adhered to my commitment to see the tax reforms enacted in Amended Substitute House Bill 66 (HB66) fully phased in as enacted. In terms of tax policy, the centerpiece of the Executive Budget recommends $257 million in annual additional property tax relief through an enhanced homestead exemption for 775,000 Ohioans over age 65, and homeowners with a permanent, total disability. Overall, tax growth from fiscal year 2007 to fiscal year 2008 is projected to be $411.9 million, a modest increase of 2.1 percent. Tax collections are projected to decline by $40 million from fiscal year 2008 to fiscal year 2009, or -0.2 percent. Further, the combined effect of tax changes included in the fiscal years 2008-2009 Executive Budget reduces taxes by an additional $261.5 million over the biennium.

The Lowest Budget Growth in 42 Years

With this modest amount of new tax revenue, General Revenue Fund (GRF) spending growth will also be modest. From fiscal year 2007 to fiscal year 2008 GRF spending declines by -1.6 percent. State GRF spending grows by 6.0 percent from $25.67 billion in fiscal year 2008 to 27.22 billion in fiscal year 2009. For the biennium, total growth is 4.4 percent, slightly less than the growth contained in HB66 of 4.5 percent.

The State Appropriation Limitation, or SAL, has no impact on the Executive Budget since proposed spending is well below allowable spending under the SAL. The SAL allows appropriation increases of 3.5 percent in each year and 7.1 percent over the biennium. Aggregate GRF appropriations to which the SAL applies, decrease by 0.9 percent in fiscal year 2008 and increases by 4.2 percent in fiscal year 2009. For the biennium, aggregate GRF appropriations increase by only 3.2 percent over fiscal year 2007 levels. As a result, the state will be $843.6 million under the SAL in the first year and $751 million under in the second year.

Investing in What Matters

Using this modest growth and a variety of management strategies, the Executive Budget targets all available resources into programs vital to our state's success. Necessarily, the strategy will have a disparate impact on state agencies. Of the 76 agencies receiving GRF appropriations for 2008, 16 will receive a cut, 22 will be flat funded, 15 will receive an increase of between 0 and 3 percent and 23 will receive an increase of more than 3 percent. In other words, for fiscal year 2008 the typical agency will be

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flat funded. In fiscal year 2009, nine agencies will receive a cut in comparison to fiscal year 2008, while 31 will be flat funded, 11 will receive an increase of 0-3%, and 25 will receive increases of 3% or more. For the biennium as a whole, 11 agencies will receive less money in 2009 than they did in 2007, with 20 agencies receiving flat funding from 2007 to 2009. For the biennium the typical state agency will receive zero increase.

Modest revenue growth requires neither consternation, nor concern. It requires tough choices. In only about six weeks, we have learned that there are a few ways to save a lot of money, and a lot of ways to save a little money. We've looked at both. The Executive Budget invests in the priorities of my plan to Turnaround Ohio: life long learning, access to health care, investments in Ohio's strengths, and accountable government.

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

The Executive Budget makes investments and improvements in each level of our state's education and training system. We make new investments in early care and education so that children are ready to succeed when they reach school age. The Executive Budget also redesigns the funding for primary and secondary education to focus limited resources on children's needs. We propose a compact with our institutions of higher education. If they keep tuition flat, keep increases under 3% in the second year, and identify new efficiencies, we match their improvements with a 5% increase in the state share of instruction in fiscal year 2008 and 2% in fiscal year 2009. The Executive Budget also requires private institutions meet the standard of public institutions to be eligible for state grants to students. The Executive Budget also begins to realign and coordinate our workforce programs.

Health Care Access for All Children

The Executive Budget provides access to health care coverage for every child in Ohio. Many hard working Ohioans do not have access to affordable healthcare insurance. The Executive Budget restores access to care for working parents. Additionally, with implementation of our Medicaid buy-in plan, Ohioans with disabilities will no longer have to choose between work and access to affordable healthcare. Finally, we take initial steps to more effectively manage the Medicaid program by developing an implementation plan for a long term care budget.

Investments in Ohio's Strengths

The Executive Budget implements initiatives to boost new and growing industry sectors in Ohio and takes advantage of the work of countless economic development, business and labor leadership groups that already work hard to create and retain jobs in the state. The budget supports multiple initiatives, including investments in vibrant downtowns, accelerates the pace of reclaiming brownfields, and puts resources in the hands of Ohio's businesses to compete in a global marketplace. To build a strong energy industry in our state, the Executive Budget calls for the coordination of almost $1 billion in energy related programs to use energy as an economic development driver in Ohio. To take advantage of Ohio's central location and the increasing role of distribution and logistics, we have set aside $2.5 million to support airport expansions and airport development, as well as increasing our commitment to construction of rail spurs statewide. Finally, we have provided a $20 million down payment on moving Ohio's state network traffic to the NextGen network, laying the groundwork for extending it to all 88 counties.

A Government that is Accountable

The fiscal years 2008 and 2009 Executive Budget demonstrates how we will live within our means and invest in what matters by focusing on core goals and directing the entire state government and budget toward meeting those goals. Beyond targeted investment, we also must be better managers and better stewards of Ohioans tax dollars. In just six weeks, we have identified and worked to correct many unacceptable practices. Four of these practices, totaling $350 million, are described below.

First, the School Employee Health Care Board proposes that the state's 614 school districts could start using regional pools of insurance. It is estimated that this could save between $60 million and $120 million annually in school costs. The Executive Budget suggests that school districts voluntarily participate in such pools, which could significantly reduce overhead costs.

Second, speeding up the paperwork between two agencies that handle PASSPORT services will produce a one-time infusion of $20 million in extra federal funding.

Third, the Executive Budget uses rate control to assure that every Ohioan has access to the entire continuum of care, and the most appropriate care settings for their condition. We've taken a long, hard look at reimbursement rates across the board in Medicaid and among various provider groups. Some providers will be reduced that have enjoyed significant increases over the past decade. Others will be increased. While some types of providers will be reduced by as much as $137 million over the biennium, the entire provider rate bill for the state over the next biennium will still increase by approximately $485 million.

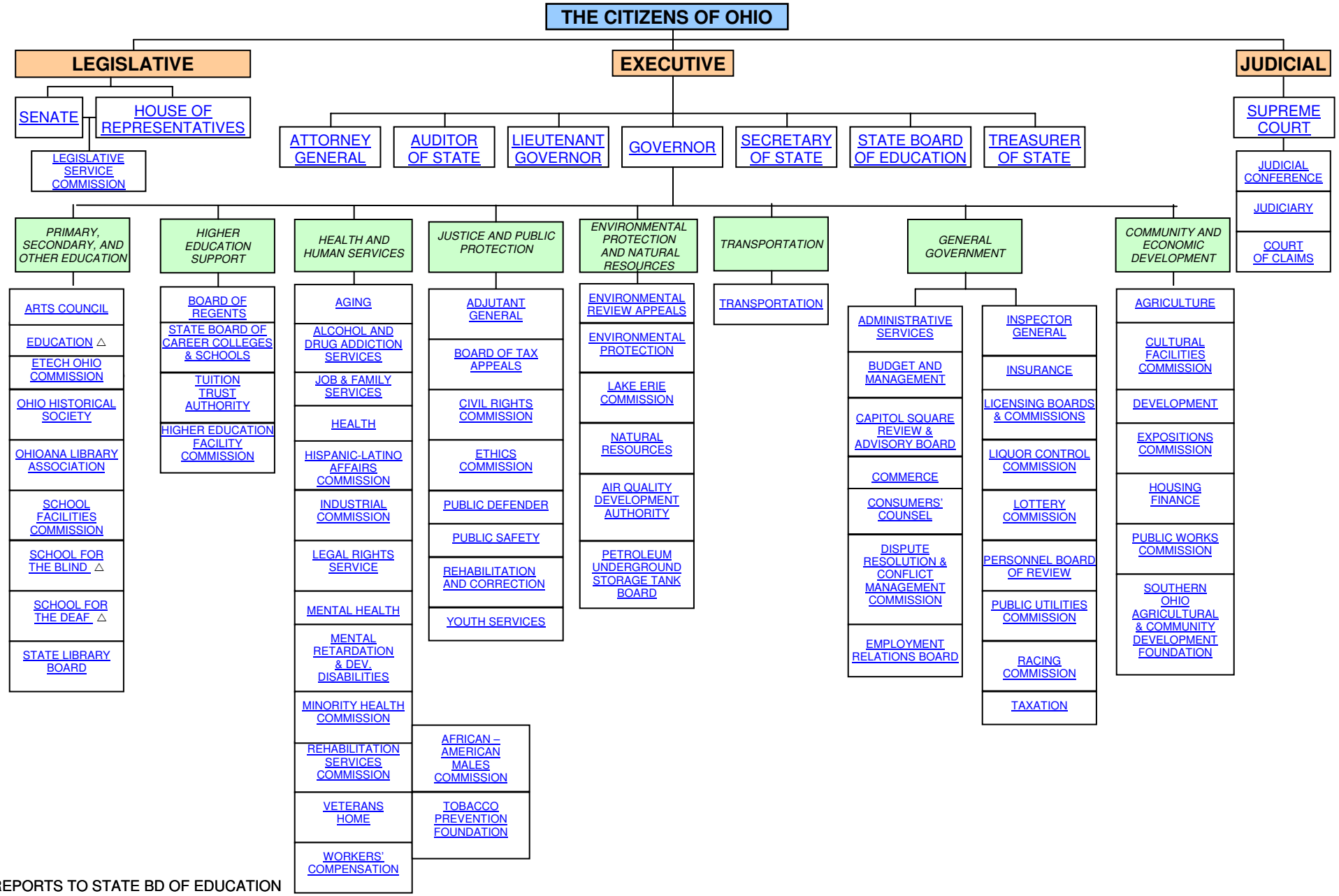
Finally, the Executive Budget implements "best practices" for third party liability in Medicaid. Medicaid is supposed to be the payer of last resort. As pointed out in the Medicaid Administrative Study Council, Ohio is far behind other states in implementing a comprehensive system to review third party liability for claims payments prior to making the Medicaid payment. Other states, and our own workers compensation system, have been using these systems to assure that we are only paying the bills that we should be paying. Implementing a third party liability system in Ohio's Medicaid system is estimated to save at least $49 million over the biennium.

These are a few examples of how this administration will be responsible stewards of taxpayer dollars, while investing in programs that improve the lives of Ohioans. Quite simply, these financial conditions are not a constraint, they are an opportunity to unite in the shared purpose to Turnaround Ohio and realize our greatest potential as a state.

Sincerely,

Ted Strickland
Governor

STATE OF OHIO ORGANIZATION CHART*



△ REPORTS TO STATE BD OF EDUCATION

* Organization Chart as proposed in fiscal year 2008-2009 Executive Budget

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*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.

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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 Strickland's budget proposal for fiscal years 2008 and 2009. 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
- 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 2007 is the state's 127th 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 Strickland in this document is for the two-year period beginning July 1, 2007 and ending June 30, 2009.

Overview

The Executive Budget for fiscal years 2008 and 2009, as submitted to the General Assembly by Governor Strickland, 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 Strickland to the people of Ohio and the General Assembly. Governor Strickland's letter provides an overview of his spending recommendations and outlines his goals and priorities for the fiscal years 2008 and 2009 biennium.

Introduction to the Executive Budget

Section A Reader's Guide

The Reader's Guide section is 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, and a guide to reading the tables.

Section B Economic Forecast and Income Estimates

This section contains information on the forecasts for the national and state economies for fiscal years 2008 and 2009. It describes the methods used to estimate future revenues and also contains a summary table of historical and estimated revenues and ending balances.

Section C Budget Overview

This section summarizes revenue estimates and spending recommendations for fiscal years 2008 and 2009. 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.

Section D Special Analyses

This section contains analyses of some of Governor Strickland's priorities for the fiscal years 2008 and 2009 biennium.

Section 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 by the Governor's funding recommendations for each agency program series and program for the fiscal years 2008 and 2009 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 2007 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 2008 and 2009.
- 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 2007 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.

State of Ohio Demographic Information

TOTAL POPULATION	11,464,042
Female	5,876,435
Male	5,587,607

Population by Race and Hispanic Origin		Population by Age	
White	9,768,243	Under 5 years	6.4%
African-American	1,362,446	5 to 19 years	20.5%
Native American	26,025	20 to 39 years	26.5%
Asian	159,094	40 to 59 years	28.8%
Pacific Islander	3,556	60 to 79 years	13.8%
Two or More Races	139,647	80 years or more	4.1%
Hispanic (may be of any race)	252,269	Median age (years)	37.5
Total Minority*	1,911,626		

* "Total Minority" is the total population minus white non-Hispanic

Source: Population Estimates Branch, U.S. Bureau of the Census

Demographics

Ohio's population of approximately 11.5 million is ranked seventh in the nation and holds 3.9% of the total U.S. population. During the 1950's, Ohio gained 1.8 million residents, growing 22% compared to 19% for the nation. However our rate of growth has slowed and from April 1, 2000 to July 1, 2005 Ohio's population grew 1.0% (110,902), while the nation's population grew 5.3%. Ohio ranked 27th in numeric growth and 47th in percentage change. However, two Ohio counties rank among the fastest 100 growing counties in the nation. Delaware County ranks 12th with a 37% increase in population from 2000 to 2005, and Warren County ranks 65th with a 24% increase.

The geographic location of the majority of the population has been fairly consistent over the last several decades with four out of five Ohioans living in a metropolitan area. Just under half of all Ohioans live in the three largest metro areas of Cincinnati, Cleveland, and Columbus. Approximately one-third of Ohioans live in the four northeast Ohio metro areas of Akron, Canton, Cleveland, and Youngstown, while approximately one in five live in the southwestern metro areas of Cincinnati and Dayton.

Personal income grew at a rate of 4.2% in 2005. Ohio's per capita income is currently $23,322 and median household income is currently $43,493 compared to the national average of $46,242. The average civilian labor force unemployment rate for 2005 was 5.9% in Ohio compared to 5.1% for the nation. This represented a 0.3% reduction in unemployment from 2004 for Ohio and a decrease of 0.4% for the nation. Ohio has the 7th highest unemployment rate in the nation at an average of 5.9% in 2005, which is a decrease from 6.2% in 2004. Total employment in Ohio is expected to increase 9.7% over the ten year period from 2002-2012, which is a projected gain of 562,000 jobs.

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.

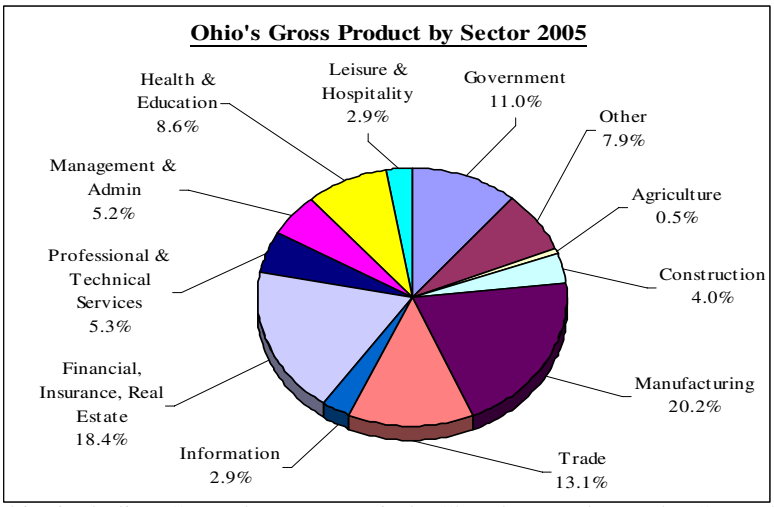
Portrait of Ohio

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 (GSP) was $442 billion in 2005, 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 appliances. 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, Ford, Honda, General Electric, Mittal Steel, Timken, Whirlpool, and Worthington Industries. Other diversified manufacturers include Masco, Emerson, Goodyear, Berkshire Hathaway, Sherwin-Williams, Parker Hannifin, Siemens, Owens Corning, Eaton, and Rockwell Automation.



Ohio is the headquarters for 62 members of the Fortune 1000 including Procter & Gamble, Kroger, Cardinal Health, Federated Department Stores, Nationwide, Progressive, FirstEnergy, American Electric Power, National City, Limited Brands, Fifth Third, KeyCorp, NCR, Western & Southern Financial, American Financial, Cincinnati Financial, Wendy's, and Cintas. Cincinnati, Cleveland, and Columbus are among the 20 U.S. cities with the most Fortune 1000 company headquarters. Ohio is home to the Cleveland Clinic, Ohio State University, Case Western Reserve University, Wright-Patterson Air Force Base, Battelle Memorial Institute, NASA's Lewis Research Center, leading hospitals, and a major operations center for JP Morgan Chase. 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 209 countries and the state accounts for about 4.0 percent of the U.S. export total. Ohio's merchandise exports were $34.8 billion in 2005.

Ohio's companies are also technology intensive. Recently, Battelle using federal government standards identified over 28,000 establishments employing 820,000 people as Ohio's technology engine. Overall, Ohio has a 14% higher concentration of technology operations than the nation. In research, Ohio's educational institutions and private research facilities have core strengths in advanced manufacturing, biosciences, instruments and controls, power and propulsion, and information technology.

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 longer 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. For the fiscal year 2007 budget process, the limitation for General Revenue Fund (GRF) requests was 103% of fiscal year 2007 appropriations, while the limitation for non-GRF requests was 100%. Agencies could submit appeals to increase both GRF and non-GRF limitations.

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.

Glossary of Key Terms

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", 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.

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.

Ohio Administrative Knowledge System (OAKS): An Enterprise Resource Planning system that will integrate the functions of capital improvements, financials, fixed assets, human resources, and procurement. When implemented, OAKS will replace the Central Accounting System, Capital Improvement Project Tracking System, Fixed Assets Management System, and the human resources system.

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 Ohio Public Defender Commission's Pro Bono Training Program that provides continuing legal education training programs to public defenders and private counsel who provide representation to indigent persons in criminal and juvenile matters.

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 Development's Technology Development Program Series that includes the Thomas Edison, Third Frontier, and other technology 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 Appropriation Limitation (SAL): An act passed in Senate Bill 321 of the 126th General Assembly that limits, with certain exceptions, GRF appropriation increases to 3.5% of prior fiscal year spending and allows for adjustments based on the consumer price index (CPI) and population growth.

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.

Zero-Based Budgeting: A budgeting system that, instead of only expenditures in excess of the previous period's funding requires the justification of all requested expenditures. Senate Bill 321 of the 126th General Assembly included a provision requiring the incorporation of zero-based budgeting principles into the budget preparation process.

Basis of Budgeting

Introduction

The legislatively enacted 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.

Budget Calendar

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

June 2006	The Office of Budget and Management (OBM) distributes guidelines to state agencies for preparation of the Executive Budget for fiscal years 2008 and 2009.
August 2006	Agency appeal letters requesting increased Budget Request Limitations for non-GRF funds are due to OBM.
October 2006	All agencies' budget requests, prepared in the program series and program format, are due to OBM.
October through December 2006	OBM completes review and analysis of agency requests; agencies may be asked to provide additional information to assist in the development of recommendations.
November 2006	New Governor is elected.
November 2006	OBM prepares revenue estimates internally for the upcoming biennium.
Dec. 2006 through March 2007	OBM evaluates agencies' budgets and makes recommendations on funding priorities to the Governor within established revenue projections.
February 2007	The first of the budget bills is introduced in the House of Representatives.
March 2007	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.
March 2007	The main operating budget bill is introduced in the House of Representatives.
March through June 2007	The House and Senate hold hearings and vote on the budget bills.
June 2007	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, 2007. If the budget bill is not signed by June 30, 2007, an interim budget must be enacted.

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 steps:

- 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 June 2006, OBM issued to all agencies the *Operating Budget Guidance for Ohio's State Agencies for Fiscal Years 2008 and 2009* that specified the format, content, and due dates for agency budget requests to OBM.

Agency budget submissions were subject to established limitations and due October 2. 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. This process continued as Governor Strickland was elected on November 7, 2006. According to Ohio Revised Code section 107.29 a transition team was assembled with the Director of OBM as the chairperson.

In addition to reviewing the spending requests, OBM must assess and predict the availability of revenue to support the proposed state expenditures. In January 2007, 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.

Enactment by the Legislature

Although the Governor is required to make budget recommendations, the authority to appropriate 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 modifying 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, until 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 any 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.

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 2004 to 2009 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	Third Frontier Research & Development	011
General Services	GSF	Tobacco Settlement	TSF
Higher Education Improvement	034	Transportation Building	029
Highway Capital Improvement	042	Underground Parking Garage	UPG
Highway Operating	HOF	Volunteer Fire Fighters' Dependents	085
Highway Safety Building	025	Waterways Safety	WSF
Holding Account Redistribution	090	Wildlife	WLF
Infrastructure Bank Obligations	045	Workers' Compensation	WCF
Job Ready Site Development	012		

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.

Funds of the State

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.

Job Ready Site Development (012): The Job ready Site Development Budget Fund Group consists of the Job ready Site Development fund that receives proceeds from general obligation debt issuances. Expenditures are for infrastructure capital improvements.

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.

Third Frontier Research & Development (011): The Third Frontier Research & Development Budget Fund Group consists of the Third Frontier Research & Development fund that receives proceeds from general obligation debt issuances. Expenditures are for research, development, and commercialization projects.

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.

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 2008 (July 1, 2007 to June 30, 2008) and fiscal year 2009 (July 1, 2008 to June 30, 2009).

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 Section C under "Revenue Summaries."

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

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 the level of recommended spending from the GRF. Recommended spending from the GRF is $25.67 billion in fiscal year 2008 and $27.22 billion in fiscal year 2009. However, the true size of the budget is the amount appropriated from all funds[1]. Appropriations from all operating funds total $57.16 billion in fiscal year 2008 and $59.29 billion in fiscal year 2009.

How much is the budget growing?

When compared to fiscal year 2007 estimated spending, the GRF spending declines by 1.6 percent in fiscal year 2008 and then grows by 6.0 percent in fiscal year 2009, and total budget for all operating funds grows by 1.8 percent in fiscal year 2008 and 3.7 percent in fiscal year 2009. The fiscal year 2008 and 2009 Executive Budget recommends the lowest GRF growth budget in 42 years.

[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 2008 and 2009 is the Department of Job and Family Services. Total recommended appropriations in fiscal year 2008 are $17.17 billion, and total recommended appropriations in fiscal year 2009 are $18.22 billion. Not only does the department have the largest total budget each year, it also has the largest General Revenue Fund budget ($10.15 billion in fiscal year 2008 and $11.12 billion in fiscal year 2008) and the single largest line item in the GRF—line item 600-525, Health Care/Medicaid ($8.90 billion in fiscal year 2008 and $9.84 billion in fiscal year 2009).

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

- Department of Education, with total appropriations of $10.03 billion in fiscal year 2008 and $10.39 billion in fiscal year 2009. GRF appropriations total $6.90 billion in fiscal year 2008 and $7.21 billion in fiscal year 2009.
- Department of Transportation, which is primarily funded with state and federal motor fuel tax revenues and has total appropriations of $3.23 billion in fiscal year 2008 and $3.08 billion in fiscal year 2009.
- Board of Regents, primarily funded from GRF, with total appropriations of $2.68 billion in fiscal year 2008 and $2.67 billion in fiscal year 2009.
- Department of Rehabilitation and Correction, with total funding of $1.76 billion in fiscal year 2008 and $1.82 billion in fiscal year 2009. Of this amount, $1.54 billion in fiscal year 2008 and $1.59 billion in fiscal year 2009 are from the GRF.
- Department of Mental Retardation and Developmental Disabilities, which is recommended to receive total funding of $1.17 billion in fiscal year 2008 and $1.25 billion in fiscal year 2009. The GRF provides $369.67 million in fiscal year 2008 and $389.28 million in fiscal year 2009.
- Department of Mental Health, with total appropriations of $1.14 billion in fiscal year 2008 and $1.19 billion in fiscal year 2009. Of this amount, $574.26 million in fiscal year 2008 and $576.63 million in fiscal year 2009 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.

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 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 is only available on the OBM Website: http://www.obm.ohio.gov/.

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 Development's Technology Development Program Series that includes the Thomas Edison, Third Frontier, and other technology 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 an identified social or individual need or problem. A varying number of programs can be grouped under each program series. An example of a program is the Ohio Public Defender Commission's Pro Bono Training Program that provides continuing legal education training programs to public defenders and private counsel who provide representation to indigent persons in criminal and juvenile matters.

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 2008-2009 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 2004, 2005, and 2006, estimated spending for fiscal year 2007 (since fiscal year 2007 will not end until June 30, 2007), and recommended spending by the Governor for fiscal years 2008 and 2009. The Program Recommendation Summaries identify the Governor's recommended funding levels by specific program.

Where are the Tables?

Starting with Section E, the Executive Budget contains Governor Strickland'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 2004, 2005, and 2006; estimated spending in fiscal year 2007; and the Governor's recommended appropriations for fiscal years 2008 and 2009 by budget fund group and by object of expense. A diagram of this table appears on page A-22.

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 2008 and 2009. 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-23.

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 2004, 2005, and 2006; estimated spending in fiscal year 2007; and the Governor's recommended appropriations for fiscal years 2008 and 2009. 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-24.

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.

Guide to Reading the Budget Tables

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)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	9,081	13,044	12,731	13,105	2.9	13,105	.0	13,105	.0
General Services Fund Group	7,142	3,553	3,229	4,601	42.5	5,717	24.3	5,717	.0
Fed Special Revenue Fund Group	6,431	5,717	5,173	5,644	9.1	5,692	.8	5,692	.0
TOTAL	**22,654**	**22,314**	**21,133**	**23,350**	**10.5**	**24,514**	**5.0**	**24,514**	**.0**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	5,907	5,929	5,516	6,001	8.8	6,022	.4	6,316	4.9
Purchased Services	349	275	154	119	(23.0)	63	(47.3)	55	(12.8)
Maintenance	6,313	6,661	6,209	8,007	29.0	8,342	4.2	8,271	(.9)
Equipment	3,060	3,385	3,656	3,330	(8.9)	4,188	25.7	4,115	(1.7)
Subsidy	7,024	6,064	5,595	5,890	5.3	5,897	.1	5,754	(2.4)
Transfer & Other	1	1	2	2	35.9	2	.0	2	.0
TOTAL	**22,654**	**22,314**	**21,133**	**23,350**	**10.5**	**24,514**	**5.0**	**24,514**	**.0**

The "Recommended" columns show the Governor's Recommendation for FYs 2008 and 2009.

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

Reductions appear in parentheses.

Guide to Reading the Budget Tables

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: Educational and Interpretive Services

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	360-501	Operating Subsidy	1,183,179	1,183,179
GRF	GRF	360-502	Site & Museum Operations	6,344,736	6,344,736
GRF	GRF	360-505	Nat'l Afro-American Museum	762,433	762,433
GRF	GRF	360-506	Hayes Presidential Center	514,323	514,323
GRF	GRF	360-508	State Historical Grants	75,000	75,000
TOTAL FOR PROGRAM				**8,879,671**	**8,879,671**

Total recommended funding for program 01.01 Educational and Interpretive Services.

Program 01.02: State Archives, Library, and Artifact Collections

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	360-501	Operating Subsidy	1,727,002	1,727,002
GRF	GRF	360-502	Site & Museum Operations	1,801,719	1,801,719
TOTAL FOR PROGRAM				**3,528,721**	**3,528,721**

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

Guide to Reading the Budget Tables

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.

The two "% Change" columns show the percent change between (1) the FY2007 Estimate and FY2008 Recommended columns and (2) the FY2008 and FY2009 Recommended columns.

LINE ITEM SUMMARY - Veterans' Home

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	430-100	Personal Services	20,635,917	19,182,338	21,399,054	21,830,031	22,985,261	5.3	24,303,903	5.7
GRF	430-200	Maintenance	6,290,775	6,701,361	7,209,106	7,246,200	7,835,544	8.1	8,458,613	8.0
GRF	430-402	Hall of Fame	0	0	0	0	125,000	**	125,000	.0
TOTAL General Revenue Fund			**26,926,692**	**25,883,699**	**28,608,160**	**29,076,231**	**30,945,805**	**6.4**	**32,887,516**	**6.3**
484	430-603	Veterans Home Services	600,971	883,887	670,379	882,737	375,880	**	375,880	.0
TOTAL General Services Fund Group			**600,971**	**883,887**	**670,379**	**882,737**	**375,880**	**(57.4)**	**375,880**	**.0**
3BX	430-609	Medicare Services	0	0	0	654,810	1,446,807	**	1,446,807	.0
3L2	430-601	Veterans Home Operating-Federal	10,158,447	13,931,740	13,336,970	15,290,320	15,290,320	.0	15,410,471	.8
TOTAL Fed Special Revenue Fund Group			**10,158,447**	**13,931,740**	**13,336,970**	**15,945,130**	**16,737,127**	**5.0**	**16,857,278**	**.7**
4E2	430-602	Veterans Home Operating	5,475,280	7,982,225	8,520,652	8,530,800	8,530,800	.0	8,530,800	.0
604	430-604	Veterans Home Improvement	585,307	810,701	700,020	770,096	770,096	.0	770,096	.0
TOTAL State Special Revenue Fund Group			**6,060,587**	**8,792,926**	**9,220,672**	**9,300,896**	**9,300,896**	**.0**	**9,300,896**	**.0**
TOTAL Veterans' Home			**43,746,697**	**49,492,252**	**51,836,181**	**55,204,994**	**57,359,708**	**3.9**	**59,421,570**	**3.6**

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.

Reductions appear in parentheses.

Economic Overview and Forecast

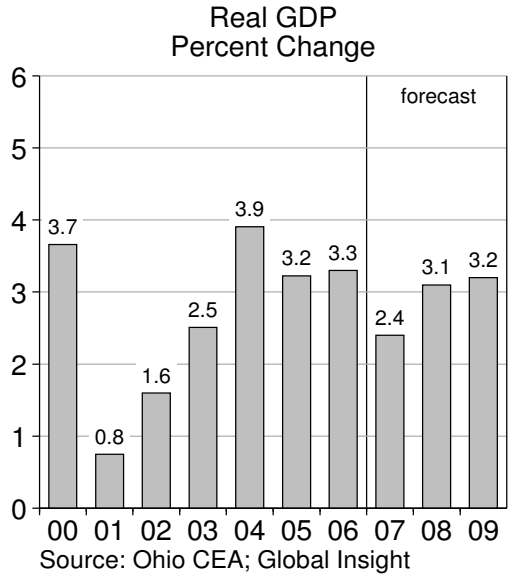
U.S. Economic Outlook

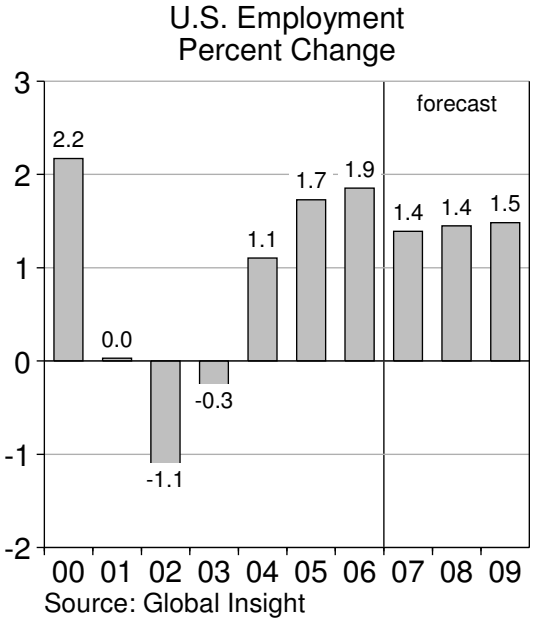
The Ohio Governor's Council of Economic Advisors expects that U.S. economic growth will continue at the recent below-trend pace through early 2007, giving way to somewhat stronger growth at near its potential later in the year and thereafter. Inflation is expected to moderate from the faster pace experienced in 2006, and interest rates are expected to remain within the range of the last year.

The Council predicts that real GDP will increase by 2.4% in 2007, down from 3.3% in 2006, and improve to 3.1% in 2008 and 3.2% in 2009. As a result, growth in corporate profits is predicted to slow from 19.1% in 2006 to 4.9% in 2007, 7.0% in 2008, and 1.7% in 2009.

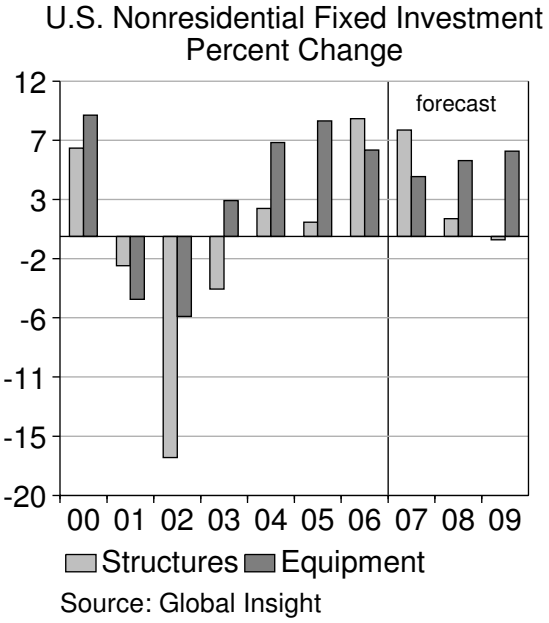
Consumer spending is expected to expand 3.3% in 2007 – about the same as in 2006 – before slowing to 3.0% in 2008 and 2009, according to Global Insight. The Council projects sales of new light vehicles to slip to 16.4 million units in 2007 before rebounding to 16.7 million units in 2008 and 16.9 million units in 2009. Steady growth in employment and earnings, the availability of credit on agreeable terms, and the high level of household wealth and consumer confidence will support spending.

Rising labor productivity and the low and stable level of initial jobless claims indicate a solid demand for labor. Global Insight projects growth of 1.4% in nonfarm payroll employment in 2007 and 2008 and growth of 1.5% in 2009. Interest rates are projected to stay near recent levels, with bank credit remaining ample. The ratio of household wealth to income is at its highest level this decade, as equity price appreciation has more than offset weakness in home values. Finally, consumer sentiment stands near the high end of its range since 2003, according to the Conference Board and Reuters/University of Michigan surveys.

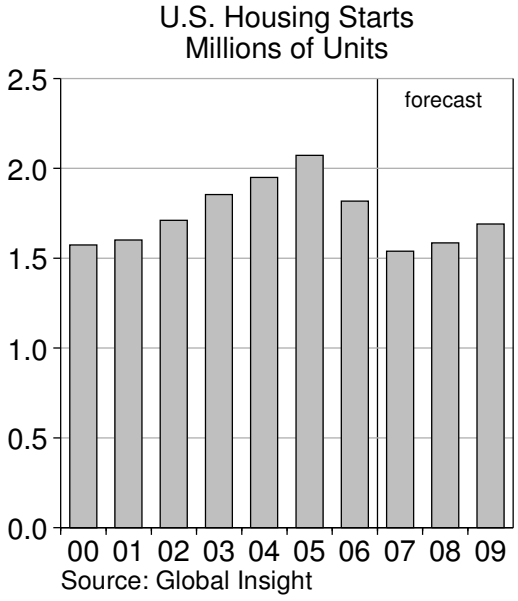




Economic Overview and Forecast



The high rate of capacity use and the need for companies to continue investing in productivity enhancing systems, structures, and equipment in order to remain competitive will fuel business fixed investment. Strong corporate cashflow and relatively easy credit will also support business investment. After rising 9.1% in 2006, business investment in nonresidential structures is projected expand 8.2% in 2007, before slowing to 1.4% in 2008 and -0.3% in 2009. Sharp slowdowns are expected in commercial & health care, power & communication, and mining & petroleum. After rising 6.7% in 2006, business investment in equipment and software is projected to slow to 4.6% in 2007, 5.9% in 2008, and 6.6% in 2009. Leading the slowdown are expected to be communications equipment and industrial equipment, while computers & peripherals remains very strong. Investment in equipment and software in the aircraft industry is expected to post large increases following several years of declines.



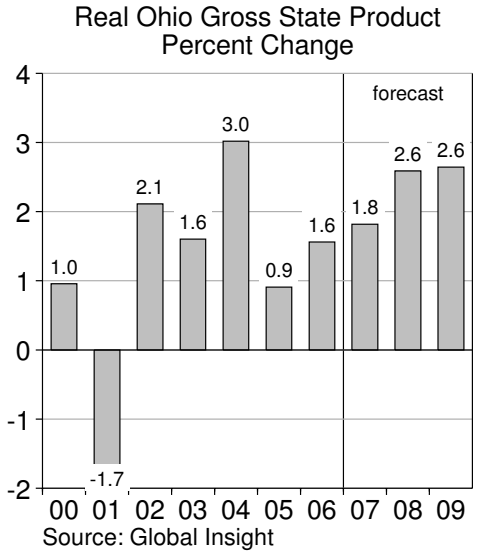
Housing is expected to subtract significantly from growth in 2007, due to the significant decline in the level of activity that occurred during the course of 2006. Construction and sales are expected to change little from recent readings in the near-term, but annual figures will post major declines. After decreasing 4.2% in 2006, investment in residential structures is projected to decrease 14.2% in 2007, before leveling off at -1.6% in 2008 and 2.9% in 2009. Several developments hint at improving conditions in the housing sector, including a stabilization in sales of both new and existing homes, the decline in inventories of unsold homes relative to the pace of sales late in 2006, and the substantial adjustments made by builders to employment and production schedules since mid-2005.

International trade turned the corner in 2006 and is projected by Global Insight to add to real economic growth throughout the forecast period. Real net exports were marginally higher in 2006, due to stronger export growth and weaker import growth. Export growth of 8.1% in 2007, 8.6% in 2008, and 8.8% in 2009 is projected to combine with import growth of only 3.4% in 2007, 4.4% in 2008, and 5.4% in 2009 to trim the trade deficit by 15.6% from 2006 to 2009. Aiding the improvement in the trade balance are expected to be previous and prospective declines in the foreign exchange value of the dollar – supported by widening interest rate differentials between the U.S. and its major trading partners – stronger economic growth overseas than in the U.S., and slower domestic demand growth in the U.S.

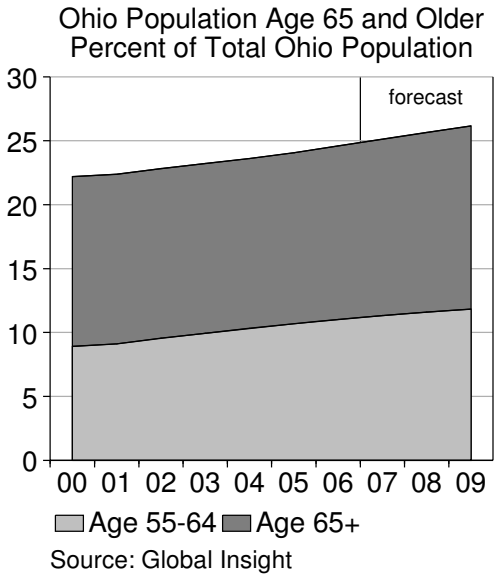
Economic Overview and Forecast

Ohio Economic Outlook

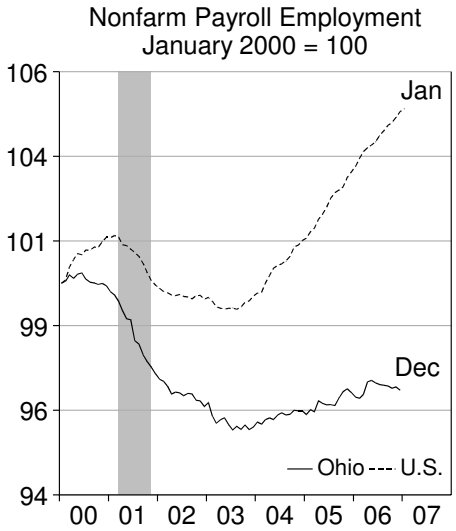
Forecasters expect the Ohio economy to continue underperforming the national economy by most key measures throughout the forecast period. Real Gross State Product is projected to increase 1.8% in 2007 and 2.6% in 2008 and 2009, according to Global Insight. The fastest growing of the 12 major NAICS Industry Sectors as measured by real output are predicted to be professional & business services, manufacturing, and trade, transportation & utilities. The slowest growing of the 12 major NAICS Industry Sectors (excluding government) are predicted to be information, mining, and construction.



Demographics pose a challenge for growth in the Ohio economy. Global Insight predicts that population will grow only 0.3% at a compound annual rate during 2006-2009 – about one third of the national population growth rate. Net migration is projected to remain marginally negative through at least 2009. In addition, the two fastest growing age cohorts are predicted to be age 55-64 and age 65 and above. The only other cohort predicted to grow during the period is age 25-34. The aging of the Ohio population at the upper end of the age spectrum might add more to state spending obligations than to state tax revenue.



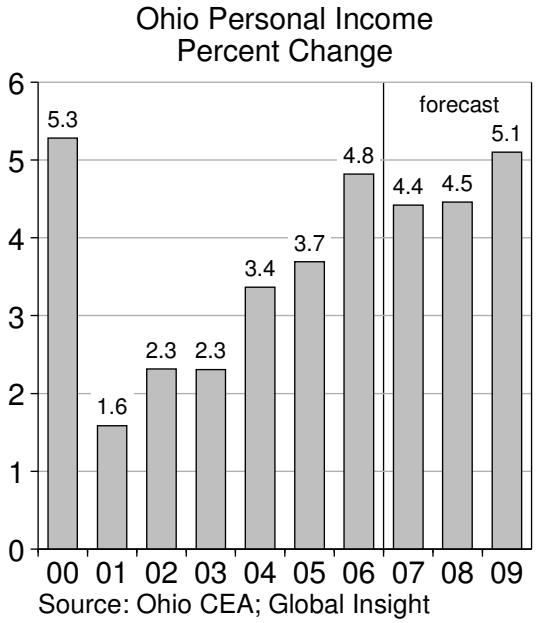
Against this backdrop of a slow-growing and aging population in Ohio, the Council projects cyclical improvement in employment growth. Nonfarm payroll employment is projected to grow 0.5% in 2007, 0.7% in 2008, and 1.0% in 2009. In comparison, U.S. employment is projected by Global Insight to rise at a compound annual rate of 1.4% on the same basis during the forecast period.



The fastest growing major sectors in Ohio in terms of employment are projected by Global Insight to be professional & business services, other services, educational & health services, and trade, transportation & utilities. The sectors expected to make the largest contributions to employment growth from the fourth quarter of 2006 to the fourth quarter of 2009 are professional & business services, trade, transportation & utilities, and education services. The unemployment rate is projected to remain between 5% and 6% through 2009.

Economic Overview and Forecast

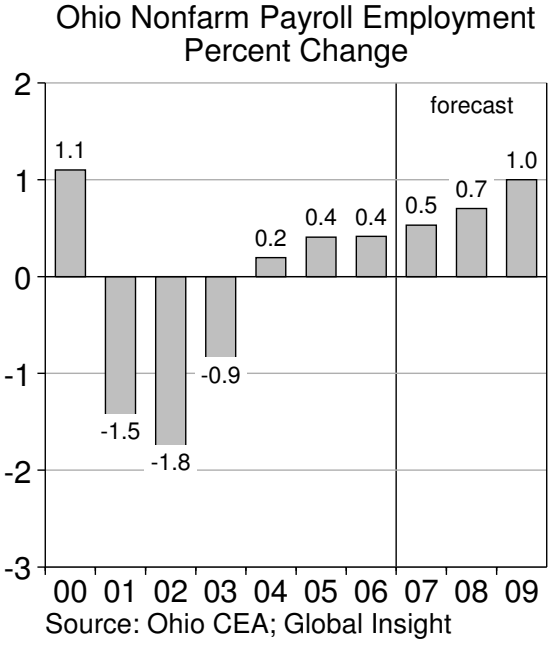
The Council projects Ohio personal income to rise 4.4% in 2007, 4.5% in 2008, and 5.1% in 2009. The fastest growing components of personal income are expected to be proprietors' income, taxable non-wage income, transfer payments, and property income. Wage and salary disbursements are projected to grow more slowly than personal income, rising 4.2% in 2007, 4.4% in 2008, and 4.6% in 2009. In comparison, U.S. personal income is projected to grow 5.3% in 2007, 5.5% in 2008, and 5.9% in 2009.



Growth in Ohio retail sales, as estimated by Global Insight, is projected to be much slower in the forecast period than in recent years. After rising 4.9% in 2006, retail sales are projected to grow only 2.1% in 2007, 2.8% in 2008, and 3.3% in 2009. One factor limiting growth in retail sales is expected to be light vehicle sales. New passenger and light truck registrations in Ohio are projected by Global Insight to decrease 2.4% in 2007 before rising just 1.2% in 2008 and 0.8% in 2009.

Risks to the Outlook

Risks to the outlook include a greater-than-anticipated effect of the housing slump on consumer spending, an energy supply shock that drives energy costs significantly higher, and a major broadening of the war in Iraq or a terrorist attack on American soil that undercuts consumer and business confidence.



So far, the sharp downward adjustment in housing has subtracted from real GDP growth directly, but has not spread in a major way to other sectors. A downdraft in consumer spending growth due to falling home prices, deteriorating balance sheets, and curtailed credit would reduce real GDP further.

As a natural and corrective response to a strengthening in the demand for energy, the run-up in energy costs in recent years has subtracted only moderately from real GDP growth. Should geopolitical events or other factors lead to a supply shock, however, the resulting rise in energy prices could produce a greater-than-expected slowdown in economic growth across sectors.

Highly flexible markets for labor and products enable the U.S. economy to adjust efficiently to macroeconomic shocks. Yet it is possible that a sudden broadening of the war or a terrorist attack, especially if combined with other adverse developments that undermined confidence, could require sizable negative adjustments to employment and production in a short period. ■

Economic Overview and Forecast

Forecasts of Key Economic Measures

		Calendar Year			
		2006a	2007f	2008f	2009f
Real GDP	**% chg**	3.3	2.4	3.1	3.2
Consumer Price Index	**% chg**	3.2	1.8	2.2	2.1
U.S. Personal Income	**% chg**	6.3	5.3	5.5	5.9
Pre-Tax Corp Profits	**% chg**	19.1	4.9	7.0	1.7
U.S. Light Vehicle Sales	**mlns units**	16.5	16.4	16.7	16.9
Ohio Personal Income	**% chg**	4.8	4.4	4.5	5.1
Ohio Wage & Salary Income	**% chg**	4.3	4.2	4.4	4.6
Ohio Employment	**% chg**	0.4	0.5	0.7	1.0

a = actual/estimate
f = forecast

Source: Ohio Governor's Council of Economic Advisors; Global Insight

Revenue Estimates and Methodology

Overview

Forecasting tax revenues begins with the development of estimates of national economic activity. A forecast of state economic activity is developed based on the national economic forecast, making adjustments for Ohio's particular characteristics. In preparing the economic forecast for the fiscal years 2007 through 2011, the Office of Budget and Management (OBM) relied on the advice of the Governor's Council of Economic Advisors and the economic forecasts of Global Insight, a leading national economic forecasting company. Both national and state economic forecasts are then used to derive estimates of the state's revenues for the next two biennia.

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 insurance tax, regression analyses are used. The use of regression forecasting equations for the major taxes assumes 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 kilowatt hour tax and the liquor gallonage tax estimates were prepared using the trend analysis technique.

There is a table associated with each revenue source listing the historical and projected receipts from that source, including any proposed tax law changes. Most sources have a one–part table but several sources - those taxes that, under current law, contribute to the local government funds - have a two-part table. Because the fiscal year 2008-2009 Executive Budget proposes to change the way state tax revenues are allocated to local governments and libraries, different tax sources have different presentations. Currently, 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 at least two of the three local government funds (the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Revenue Assistance Fund). The Executive Budget proposes to link local government and library funding to total state General Revenue Fund tax revenues, and not to selected tax sources. Refer to the Local Government Funds section below for more information about the proposed changes. For the sources affected by the change in the local government fund allocations, Part "a" of the table lists the total projected General Revenue Fund receipts, incorporating the proposed change in the way state tax revenues are allocated to local government funds as well as any proposed tax law changes. Part "b" of the table lists the baseline revenue estimate for each source. The baseline revenue estimates are based on the current state law governing tax and revenue sources, reflecting the statutory level of funding for the local government funds and not incorporating any of the proposed tax law changes.

The Executive Budget proposals reflect a commitment to provide a stable and predictable tax base for all taxpayers, whether businesses or private citizens, by maintaining the tax reforms enacted in Amended Substitute House Bill 66 of the 126th General Assembly (House Bill 66). This commitment is not without cost. House Bill 66 reformed the state of Ohio's tax code in such a way that the state will forego over $2 billion annually in revenues once all the changes are fully phased in. (See Table B-1a below.) This dramatic impact is one of the reasons cited by Moody's Investment Services for revising the state of Ohio's credit outlook from stable to negative. Nonetheless, the administration believes that the commitment to stability is important enough to propose a budget that stays within the very strict constraints that tax reform imposes. Of course, HB 66 is also expected to produce long-run economic benefits that will eventually return the revenue system to more steady growth and ease budgetary pressures.

House Bill 66, the fiscal year 2006-2007 budget bill, contained a series of tax law changes that substantially reduce General Revenue Fund tax receipts. The major tax changes in the bill include:

- The permanent tax rate on the sales and use tax was increased from 5.0 percent to 5.5 percent, effective July 2005. (In fiscal years 2004-2005 the sales and use tax was levied at a temporary tax rate of 6.0 percent.)

- The personal income tax rates for all income brackets were cut by 21 percent and the cut was phased in over five tax years (2005-2009) by 4.2 percent each year.
- The corporation franchise tax is phased out for non-financial corporations over five years (tax years 2006-2010), with a 20 percent phase-out in each year.
- The tangible personal property tax is phased out over four tax years (2006-2009) for general businesses and over five tax years (2007-2011) for telephone and telecommunications companies.
- A business privilege tax, the commercial activity tax, is phased in over 5 fiscal years (2006-2010).
- The tax rate on cigarettes increased from 55 cents per package of 20 cigarettes to $1.25, effective July 2005.

The baseline General Revenue Fund estimates reflect all these tax changes. The impact of these tax changes are also described below for each major tax source.

The tax changes passed in House Bill 66 will continue to constrain General Revenue Fund tax receipts growth in fiscal years 2008-2011. After the proposed allocations from state tax receipts to local government funds are taken into account, General Revenue Fund tax receipts are expected to grow by 2.1 percent in fiscal year 2008 and are expected to decline by 0.2 percent in fiscal year 2009.

Table B-1a lists the estimated revenue impact of these major tax law changes in fiscal years 2006-2011. The numbers for individual tax sources indicate the impact on all state funds. The bottom of the table gives the total fiscal impact of House Bill 66 on all state funds and on the General Revenue Fund. In fiscal years 2006-2007, because of the law that has frozen allocations to the local government funds, the impact on all state funds is the same as that on the General Revenue Fund. In fiscal years 2008-2011, the General Revenue Fund bears the majority of the impact according to the proposed mechanism to allocate state tax receipts to the General Revenue Fund and to the local government funds.

Table B-1a: Estimated Fiscal Impacts of Major Tax Law Changes in House Bill 66 of the 126th General Assembly (a)
($ in millions)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Sales and Use Tax Increase permanent tax rate from 5% to 5.5%	$697.0	$706.0	$726.0	$749.0	$772.0	$798.0
Personal Income Tax Phase in 21% rate cut over five years; credits adjusted so filers with Ohio taxable income below $10,000 pay no tax.	-350.5	-761.0	-1,212.2	-1,712.1	-2,272.6	-2,381.6
Corporate Franchise Tax (b) Phase out over five years for non-financial corporations	-228.6	-587.8	-971.3	-1,326.4	-1,642.2	-1,642.2
Commercial Activity Tax (c) Phase in over five years	273.4	580.0	975.5	1,340.1	1,676.0	1,573.0
Tangible Personal Property Tax Phase out, with commensurate increase in state payments to local entities	-88.3	-571.3	-931.6	-1,275.0	-1,624.1	-1,650.7
Cigarette Tax Increase tax rate	505.0	425.0	416.0	407.0	398.0	390.0
Local Property Tax Eliminate 10% rollback on commercial and industrial property thus decrease state expenditure	166.0	314.0	329.0	348.0	365.0	383.0
Subtotal of Listed Impacts	974.0	104.9	-668.7	-1,469.4	-2,327.9	-2,530.5
Total Impact on All State Funds	1,080.9	185.8	-594.2	-1,402.8	-2,268.0	-2,443.9
Total Impact on General Revenue Fund	1,080.9	185.8	-502.4	-1,296.6	-2,110.9	-2,282.0

(a) These estimates differ, in some cases substantially, from the estimates that were published at the time that HB 66 passed. Analysts have almost two years of actual data following the passage of HB 66 to determine the new estimates. So, for example, the estimated losses from the income tax cuts and corporate franchise tax reductions are larger than originally expected. New revenues from the CAT are also above the original estimates.
(b) This is an unadjusted estimate which does not factor in potential taxpayer behavior – specifically, increased apportionment of taxable income into Ohio by multi-state companies - occurring as the result of the phase-out of the corporate franchise tax. To the extent such behavior is occurring, these figures overstate the revenue being foregone by the repeal of that tax on most taxpayers.
(c) Assumes a commercial activity tax rate reduction will occur in fiscal year 2010, with the full impact being felt in fiscal year 2011.

In the effort to continue the tax reforms enacted in House Bill 66, no tax or fee increases are proposed in the fiscal years 2008-2009 Executive Budget. However, the Executive Budget does propose a few tax law changes including an expansion of property tax relief. Table B-1b lists the proposed tax changes in the Executive Budget and the impact on state revenues. The proposed tax changes included in the FY 2008-2009 Executive Budget will reduce Ohio Residents' tax liability by an additional $261.5 million over the biennium.

Table B-1b: Proposed Tax Changes in FYs 2008-2009 Executive Budget and the Impact on State Revenues (a)
($ in millions)

	FY 2008	FY 2009
Expand homestead exemption to include all senior citizen and permanently disabled homeowners, regardless of income - also increase exemption to $25,000 of market value multiplied by effective residential tax rate.	($128.5)	($257.0)
Restructure nonresident tax exemption for Ohio motor vehicle purchases. Nonresident is charged 6.0%: 5.5% state rate + 0.5% permissive rate (permissive portion is equal to lowest permissive rate in effect in this state). If home state does not have sales tax credit for its residents, no Ohio tax is charged. Change effective August 1, 2007.	$64.0	$66.0
Change vendor discount for sales tax from current 0.75% of all collections to 1.00% discount on first $3,000 of tax collections for the reporting period (monthly or semiannual); no discount on remainder. Change effective August 1, 2007.	$35.0	$39.0
Eliminate the $300 per month cigarette/tobacco product importation exemption.	$25.0	$25.0
Total all impacts	**($4.5)**	**($127.0)**
Total all impacts on Ohio residents - after subtracting motor vehicle change	**($68.5)**	**($193.0)**

(a) New property tax relief increases GRF expenditures;
all other numbers include the impact on all state funds.

Local Government Funds

Recent state budget bills (Amended Substitute House Bill 94, Amended Substitute House Bill 95, and Amended Substitute House Bill 66) temporarily suspended the statutory funding method for the Local Government Fund (LGF), the Local Government Revenue Assistance Fund (LGRAF), and the Library and Local Government Support Fund (LLGSF) over the fiscal year 2002 through 2007 time period. A so-called "freeze" was imposed by these bills in lieu of the statutory funding method and allocation formulas.

The Executive Budget proposes to make several notable changes to the funds. First, the "freeze" would continue through calendar year 2007, thus ensuring that each county (and each municipality receiving a direct distribution from the state) receives the same amount in that year as it received in calendar year 2006. The proposed permanent law changes would become effective in January 2008. Beginning in that month, the Local Government Fund and Local Government Revenue Assistance Fund would be replaced by a single fund called the Local Communities Fund; the Library and Local Government Support Fund would be renamed the Local Libraries Fund. Also beginning in January 2008, a new funding method would be used to provide full, stable ongoing support for the local funds. Each month, the Local Communities Fund would receive 3.65 percent of the total prior month's General Revenue Fund tax receipts, while the Local Libraries Fund would receive 2.20 percent of the total prior month's General Revenue Fund tax receipts. ("General Revenue Fund tax receipts" is defined as the total revenues of the various tax sources that are entirely or partially deposited in the General Revenue Fund, net of deposits made to funds other than the General Revenue Fund and the local government funds, such as the state fire marshal fund.)

Finally, the Executive Budget proposes changes in how local government fund monies are distributed to counties. Due to cumulative valuation and population changes that have occurred since the freeze first went into effect in July 2001, if the entire Local Communities Fund were distributed according to the existing statutory Local Government

Fund and Local Government Revenue Assistance Fund formulas, there would be substantial distributional swings among the counties in calendar year 2008 relative to the freeze-based calendar year 2007 distributions. Under the proposal, the Local Communities Fund allocation formula would guarantee that distributions to counties (and to municipalities that received a direct calendar year 2007 Local Government Fund distribution from the state) would at least equal the calendar year 2007 distributions received from the Local Government Fund and Local Government Revenue Assistance Fund (only a decline in state tax revenue performance would result in distributions not meeting that calendar year 2007 target). All additional Local Communities Fund money exceeding the calendar year 2007 base amounts would be distributed to counties based on each county's share of the total state population.

The Local Libraries Fund would operate in the same manner as the current Library and Local Government Support Fund. The only difference would be that the calendar year 2007 entitlements embedded in the calendar year 2008 Library and Local Government Support Fund formula would be set so that they equal the amounts actually distributed to county library funds in calendar year 2007. This ensures that each county will experience the same rate of change in their calendar year 2008 distributions relative to their calendar year 2007 distributions (in addition, because aggregate calendar year 2008 distributions are not expected to grow at a rate exceeding the inflation rate, the "equalization" formula is not expected to be triggered, thereby allowing each county to grow by the same rate in calendar year 2008).

Since the Local Communities Fund and the Local Libraries Fund would receive a designated percentage of total General Revenue Fund tax receipts, there is a chance local governments and libraries would not receive a larger dollar amount in calendar year 2008 than they will in calendar year 2007. This would occur if total tax receipts fall approximately one percent or more below current projections.

The new method of financing the local government funds will cause a change in the deposit mechanism used by the Office of Budget and Management. Under the proposed system, the Department of Taxation will need to know the final total tax receipts for a month before calculating and reporting to the Office of Budget and Management the amounts to be deposited in the Local Communities Fund and Local Libraries Fund. Therefore, instead of depositing funds in the month prior to distribution, deposits will be made within the first five days of the month in which the distribution is scheduled to occur. The local governments and libraries will still receive funds on the 10th day of that month. This change in the deposit mechanism will cause the Local Communities Fund and Local Libraries Fund to receive no deposit in December 2007. Instead, the deposit currently scheduled in December 2007 will occur within the first three days of January 2008. This timing dynamic will provide a one-time increase in December 2007 to General Revenue Fund receipts. However, the distributions to the local governments and libraries will not be affected. Table B-3 shows the estimated calendar year distributions to the local governments and libraries.

Table B-3: Projected calendar year distributions, CY 2006-2009 ($ in millions)

Includes proposed revenue raisers, first impacting the CY 2008 distributions.

	CY 2006 Actual	CY 2007* Projected	CY 2008** Projected	CY 2009 Projected
Local Government Distributions	$756.8	$756.8	$766.6	$771.2
Library Distributions	$458.0	458.0	462.1	464.9
Total	$1,214.8	$1,214.8	$1,228.6	$1,236.1

*Assumes the freeze will last through December 2007.

**Beginning in January 2008, distributions will reflect the new funding method.

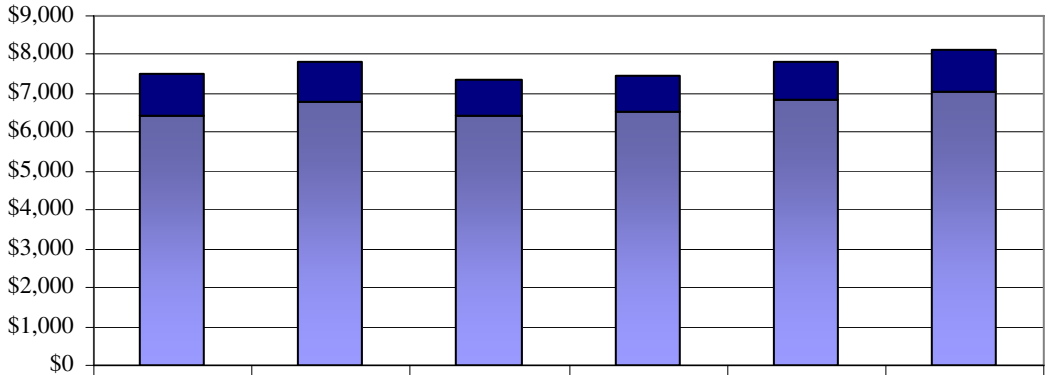
Tax Sources

Sales and Use Tax

The state sales and use tax on retail sales and selected services is levied at a rate of 5.5 percent. From 1981 through 2003 the sales and use tax was levied at 5.0 percent. In fiscal years 2004 and 2005, the sales and use tax rate was temporarily raised from 5.0 percent to 6.0 percent. House Bill 66 set the sales and use tax rate at 5.5 percent permanently.

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 motor vehicle leases.

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



	FY 2004 actual	FY 2005 actual	FY 2006 actual	FY 2007 estimate	FY 2008 forecast	FY 2009 forecast
Auto	$1,122.9	$1,064.1	$936.4	$920.0	$1,022.3	$1,061.9
Non-Auto	$6,407.7	$6,763.0	$6,431.9	$6,550.0	$6,817.0	$7,047.6

Due to the lower tax rate, fiscal year 2006 sales tax revenues dropped below fiscal year 2005 revenues. Fiscal year 2007 revenues are expected to grow at a rate of 1.4 percent. This growth rate is affected by the fact that some revenues in July of fiscal year 2006 were collected at the 6.0 percent rate while all revenues in July of fiscal year 2007 were collected at 5.5 percent. In fiscal year 2008, revenues are expected to slightly exceed fiscal year 2005 levels. Baseline growth in fiscal years 2008 and 2009 is expected to be positive, but modest relative to historical sales and use tax growth.

Current statutory law states that 4.8 percent of all sales tax revenue is to be dedicated to local government funds, but for the past three biennia deposits into the funds have been restricted. However, fiscal year 2008 would mark the start of the proposed change in the local government funds' financing method. After deposits are made based on freeze funding amounts in July-November 2007, beginning in January 2008 deposits into the Local Communities Fund and Local Libraries Fund would be based on a designated percentage of total General Revenue Fund tax receipts. In January 2008, the auto sales tax would no longer credit money to the local funds. In contrast, although funds will no longer come from individual tax sources, for revenue accounting purposes the non-auto sales tax would credit one-half of the money to be deposited in the Local Libraries Fund. None of the money to be deposited in the Local Communities Fund would be credited against the non-auto sales tax. This change inflates the fiscal

year 2008 growth rate because less money would be credited from the sales tax as a whole to the local funds. Projected growth rates in fiscal year 2008 and 2009 are 4.9 percent and 3.5 percent respectively. These estimates include two proposed changes in the sales and use tax – a capped vendor discount, and the removal of the auto sales tax exemption for nonresident purchasers. The details of these changes and their fiscal effects are outlined below.

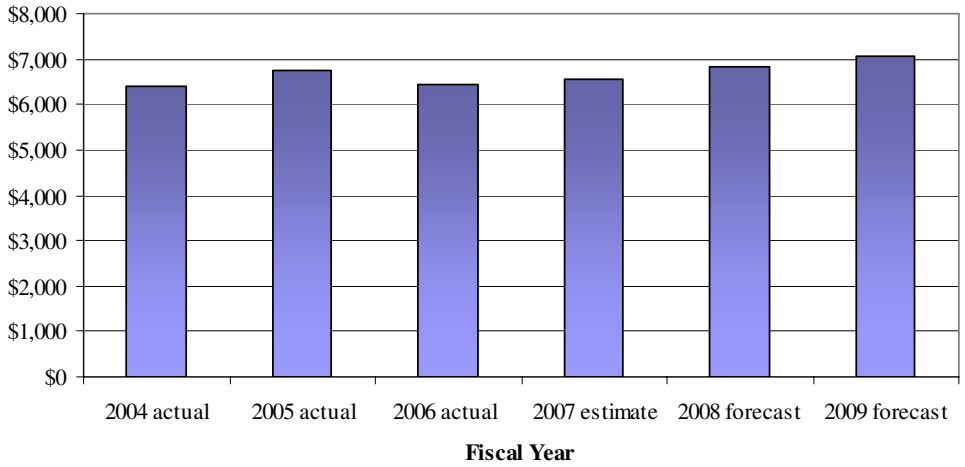
All vendors who remit sales and use tax to the state receive a discount equal to a specific percentage of the remitted tax as consideration for helping to administer the tax (as long as filing and payment are made timely). After being temporarily increased during the past two biennia because of changes in the state tax rate, under current law the vendor discount is slated to return to the statutory rate of 0.75 percent. The Executive Budget proposes restructuring the vendor discount in the following way: vendors would receive a discount of 1.0 percent on the first $3,000 in tax collected for each reporting period (on semi-annual and monthly returns), and receive no discount on any remaining tax remitted to the state for the reporting period. This change would take effect in August 2007. Although the discount change affects auto and non-auto sales tax alike, to simplify the presentation only non-auto sales and use tax revenue estimates include the effect of the proposed change in the vendor discount.

Currently, out-of-state residents who purchase cars in Ohio are exempt from paying tax on these purchases in Ohio. Instead these individuals pay tax in their state of residence. The Executive Budget proposes to eliminate this exemption. Out-of-state residents would pay sales tax to Ohio on vehicles purchased in Ohio. The rate an individual would pay would be the sum of the 5.5 percent state tax rate and the lowest local tax rate in effect at the beginning of the calendar year. This rate is currently 0.5 percent, so the rate charged to out-of-state residents would be 6.0 percent. This is equal to the sales tax rate currently in effect in Ohio's surrounding states. Individuals from states that do not provide a credit for sales tax paid to another state for a vehicle purchased in that state would not be charged sales tax on their purchase in Ohio. This would allow West Virginia residents to not pay Ohio sales tax, since West Virginia does not offer a credit to its residents on out-of-state purchases.

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 income data, national consumption data, stock market data, and housing price data. Forecasts of these data were provided by the Governor's Council of Economic Advisors and Global Insight. Various specifications were tested and the resulting estimate is an average of the regression estimates. The estimates for fiscal years 2007, 2008, and 2009 were then adjusted to reflect the actual performance of fiscal year 2006 and the performance thus far in fiscal year 2007.

Chart B-2: Non-Auto Sales and Use Tax GRF Revenue
(in millions)



Non-auto sales tax revenue is expected to increase over the next two years by 4.0 percent and 3.5 percent respectively. The fiscal year 2008 growth rate is inflated by the proposed changes to the local government funds formulas and the vendor discount, as discussed above. In January 2008 the local government funds are proposed to receive a designated percentage of total General Revenue Fund tax receipts. Table B-4a below reflects expected General Revenue Fund revenues. Figures incorporate the proposed change in the funding of local governments and libraries as well as the proposed change in the vendor discount rate. In contrast, the historical and baseline projections of General Revenue Fund receipts for fiscal years 2008 and 2009 can be found in Table B-4b below. Revenue figures for fiscal years 2004 and 2005 reflect a 6.0 percent sales and use tax rate; otherwise a 5.5 percent tax rate is used to calculate baseline revenues.

Table B-4a: Non-Auto Sales and Use Tax GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	6,407.7	6,763.0	6,431.9	6,550.0	6,782.1	7,008.6
Impact of Capped Vendor Discount				0	34.9	39.0
Total GRF Estimate				6,550.0	6,817.0	7,047.6

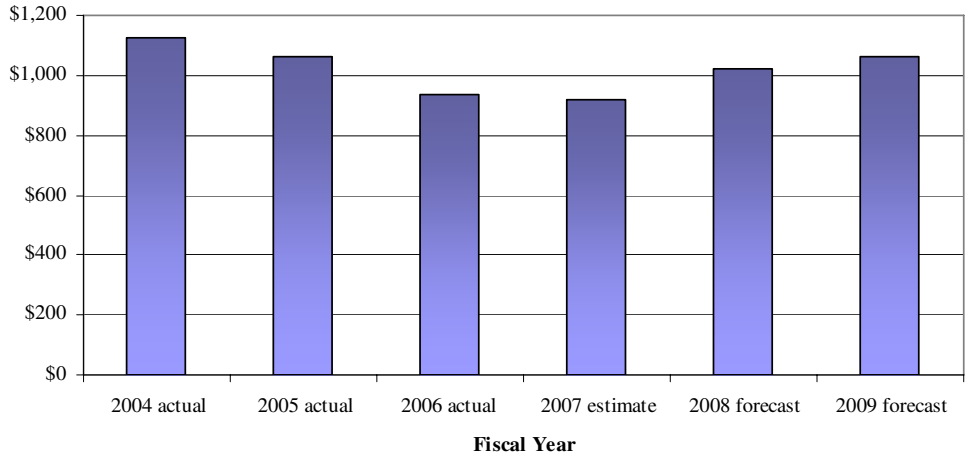
Table B-4b: Non-Auto Sales and Use Tax GRF Revenues - Baseline Forecast ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Baseline GRF Revenue	6,407.7	6,763.0	6,431.9	6,550.0	6,678.3	6,892.5

Auto Sales and Use Tax

The estimate for the auto sales and use tax is based on three regression models of auto sales and use tax receipts. Auto sales and use tax receipts were regressed against some measure of new motor vehicle sales – U.S. or Ohio, unemployment, and national consumption data on vehicles, homes, and gasoline. Estimates resulting from an average of the three regression methods for fiscal years 2007, 2008, and 2009 were adjusted to reflect the actual performance of fiscal year 2006 and fiscal year 2007 thus far.

Chart B-3: Auto Sales and Use Tax GRF Revenues
(in millions)



After decreasing in fiscal years 2006 and 2007, auto sales and use tax revenue is projected to rise over the next two fiscal years. Part of the projected growth can be attributed to the change in the local government funds' financing method and the elimination of the exemption for vehicles purchased by residents of other states. Economic conditions for auto sales were particularly good from fiscal year 2001 through fiscal year 2006. This was largely due to better incentives offered by auto makers and historically low interest rates. Sales have fallen more recently as interest rates have risen and incentives have been reduced. However, according to the Governor's Council of Economic Advisors, national vehicle sales over the next two years will grow approximately 1.2 percent in both fiscal years 2008 and 2009. Global Insight's current forecast predicts Ohio new vehicle registrations to mirror the modest growth path of national purchasing trends.

The fiscal year 2008-2009 Executive Budget proposes that all revenues from this tax source will be deposited in the General Revenue Fund, effective December 2007. In July to November 2007, the amount of deposits to the local government funds is proposed to stay at the freeze amounts established in fiscal year 2005. This change, and the proposed elimination of the sales tax exemption for motor vehicles purchased by out-of-state residents, is reflected in Table B-5a below.

Table B-5b gives the historical and baseline projections of 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 5.5 percent tax rate is used to calculate baseline revenues.

Table B-5a: Auto Sales and Use Tax GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	1,122.9	1,064.1	936.4	920.0	958.3	995.9
Elimination of Out-of-State Purchasers Exemption				0.0	64.0	66.0
Total GRF Estimate				920.0	1,022.3	1,061.9

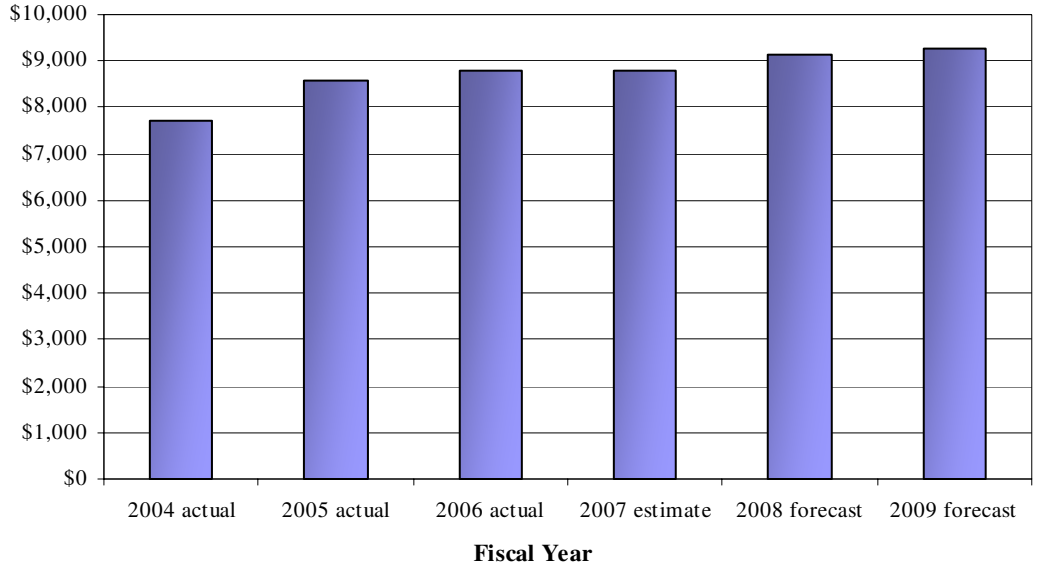
Table B-5b: Auto Sales and Use Tax GRF Revenues - Baseline Forecast ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Baseline GRF Revenue	1,122.9	1,064.1	936.4	920.0	929.1	948.1

Personal Income Tax

The Ohio income tax on individuals and estates took effect in 1972. An income tax on trusts was enacted in 2002. There are nine income brackets with progressive tax rates. 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.

Chart B-4: Personal Income Tax GRF Revenues
(in millions)



The baseline estimates of the personal income tax revenues listed in Table B-6 were derived by breaking down this tax source into its different components: employer withholdings, quarterly estimated payments, annual returns, refunds, tax on trusts, and other collections. The collections from each component in fiscal years 2008 and 2009 were estimated using a combined method of regression analysis and trend analysis. Ohio wage and salary income and Ohio non-farm employment were employed in the regression equation to estimate the growth rates for withholding revenues. The growth rates for the non-wage components were predicted by considering the growth rates of both Ohio wage and salary income and non-wage income items, such as capital gains.

The baseline estimates also reflect recent law changes. House Bill 66 enacted several changes to the personal income tax. Tax rates are reduced by 21 percent from the tax year 2004 rates for all income brackets, phased-in over five years starting from tax year 2005. In tax year 2005, tax rates were reduced by 4.2 percent. In each of the years through tax year 2009, the rates are reduced by an additional 4.2 percent per year. For example, the top tax rate of 7.5 percent in tax year 2004 will be reduced by 0.315 percentage points (4.2 percent of 7.5%) in each of the tax years 2005-2009 and the new top tax rate will become 5.925 percent starting in tax year 2009. House Bill 66 also created a non-refundable low-income tax credit for filers with taxable income under $10,000. These changes to the personal income tax in House Bill 66 will reduce revenues by an estimated $1,212.2 million in fiscal year 2008 and by $1,712.1 million in fiscal year 2009. House Bill 66 also eliminated the income tax deduction for college tuition payments starting from tax year 2006 and made the income tax on trusts permanent.

Aligned with the enacted tax rate cut, the withholding rates were reduced by 4.2 percent starting in January 2006; this cut was estimated to result in a one-time revenue loss of $165 million in fiscal year 2006. The withholding rates were then reduced by an additional 8.4 percent starting in October 2006, resulting in an estimated one-time revenue loss of $390 million in fiscal year 2007. In each of calendar years 2008 and 2009, withholding rates will be further

reduced by an additional 4.2 percent. The additional cuts in the withholding rates are estimated to further reduce revenues by $180 million in fiscal year 2008 and by $190 million in fiscal year 2009.

The 126th General Assembly passed other bills that will depress personal income tax revenues. Among these are Substitute House Bill 73 (HB 73) and Substitute House Bill 149 (HB 149). The former changes the residency test for income tax purposes. Prior to HB 73, the bright line test for residency in Ohio was 120 contact periods plus up to 30 contact periods for medical hardship or other prescribed activities. Persons with an abode in another state who did not exceed the 120/150 contact period standard were considered nonresidents of Ohio and thus not subject to Ohio tax on certain types of income (e.g. capital gains from intangible assets). HB 73 eliminated the medical hardship periods and enacted a new bright line standard of 183 contact periods in Ohio before the state may assert that an individual with an abode in another state may be defined as an Ohio resident for income tax purposes. HB 73 also exempted active-duty military pay and allowances from the state income tax base. Overall, the Department of Taxation estimates that these changes will cause an annual revenue loss of $52.5 million starting in fiscal year 2008.

HB 149 authorized a refundable tax credit against the personal income tax for rehabilitating historic buildings. The credit equals 25 percent of a taxpayer's qualified rehabilitation expenditures. A taxpayer may apply for this credit in fiscal years 2008 and 2009 although the credit cannot actually be earned and claimed until the rehabilitation work is completed. The enacted credit is estimated to reduce personal income tax revenues by $7.5 million in fiscal year 2008 and by $30.0 million in fiscal year 2009. Additionally, Amended Substitute House Bill 530, the fiscal year 2007-08 capital budget bill passed by the 126th General Assembly, allows trusts created before 1972 to elect whether they are to be subject to personal income tax or commercial activity tax beginning in 2006. The elections have already been made, and this change is expected to reduce revenue by about $18.0 million per year.

The proposed change in the mechanisms to allocate state tax revenues to local government funds also affects the General Revenue Fund receipts from personal income tax in fiscal year 2008 and beyond. Under current law, 10.5 percent of personal income tax receipts are deposited into the local government funds. Although funds will no longer come from individual tax sources, for revenue accounting purposes all Local Communities Fund deposits (but no Local Libraries Fund deposits) would be credited against the personal income tax. The change is proposed to take effect in January 2008. For the July to November 2007 period, the allocation of monies to the local government funds would continue at the freeze levels established in fiscal year 2005.

The historical and projected General Revenue Fund receipts from personal income tax for fiscal years 2004-2009 – incorporating the proposed local government fund changes - are listed in Table B-6a. Table B-6b lists the baseline General Revenue Fund forecast for fiscal years 2004-2009 under current statute. Actual and estimated General Revenue Fund receipts from the personal income tax are also graphed in Chart B-4.

Table B-6a: Personal Income Tax GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	7,696.9	8,598.9	8,786.4	8,790.0	9,148.4	9,252.0

Table B-6b: Personal Income Tax GRF Revenues - Baseline Forecast
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Baseline GRF Revenue	7,696.9	8,598.9	8,786.4	8,790.0	8,851.4	8,967.7

Corporation Franchise Tax

The Ohio corporation franchise tax is assessed on all corporations organized for profit that do business in Ohio, except for those that are specifically exempt. This tax was first imposed in 1902. 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 2008 and 2009, as listed in Table B-7b, were constructed using elasticity analysis and simulation analysis. The elasticity analysis linked the growth rate of tax payments with the growth rate of U.S. corporate profits before tax. Corporate profits have been growing steadily since 2002, with consecutive double-digit growth rates in the past four years. Both the Governor's Council of Economic Advisers and Global Insight predict that growth will slow down starting in 2007. Simulation analysis was used to estimate the tax credits. The net revenue estimates equals the estimated payments minus estimated credits.

The baseline estimates also reflect the recent law changes. House Bill 66 enacted a five year phase-out schedule for this tax starting in tax year 2006. The tax is phased out by 20 percent per year in tax years 2006-2010. The phase-out does not apply to financial institutions, financial institution affiliates, insurance company affiliates, and securitization companies. Therefore, for most corporations, there will be no franchise tax liabilities for tax year 2010 and forward.

Table B-7a displays actual and estimated General Revenue Fund receipts from the corporation franchise tax with the proposed funding change for the local government funds and Table B-7b displays the baseline forecasts under current statute. Although strong growth in corporate profits, perhaps accompanied by behavioral change, has allowed corporate tax revenues to maintain their FY 2005 levels in FY 2006-2007 despite the first two steps in the phase-out of the tax, revenues are expected to drop sharply in FY 2008-2009 as the tax is imposed at only 40 percent and 20 percent of its original strength. Under the current state law, 4.8 percent of the corporation franchise tax receipts are allocated to local governments. The fiscal year 2008-2009 Executive Budget proposes that all revenues from this tax source are to be allocated to the General Revenue Fund, effective January 2008. From July to November 2007, the amount deposited in the local government funds is proposed to stay at the freeze amount established in fiscal year 2005. The actual and predicted revenues are also graphed in Chart B-5.

Table B-7a: Corporation Franchise Tax GRF Revenues

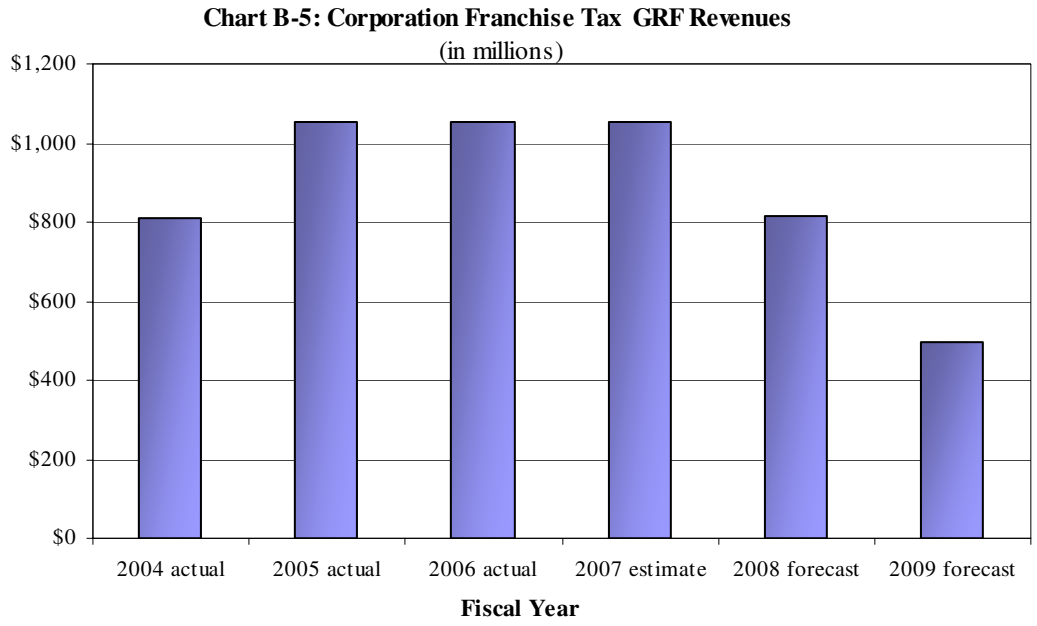
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	809.2	1,051.6	1,054.9	1,055.0	812.8	497.4

Table B-7b: Corporation Franchise Tax GRF Revenues - Baseline Forecast

($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Baseline GRF Revenue	809.2	1,051.6	1,054.9	1,055.0	773.4	473.5



Commercial Activity Tax (CAT)

The commercial activity tax, a tax imposed for the privilege of doing business in Ohio, is levied upon taxable gross receipts sourced to Ohio from most business activities. The tax was enacted by the 126th General Assembly in House Bill 66. It is phased in over five years beginning in July 2005. The CAT applies to businesses with at least $150,000 in annual taxable gross receipts. Those companies subject to the CAT are taxed at $150 on their first $1 million in annual taxable gross receipts, plus the CAT rate multiplied by their remaining taxable gross receipts above $1 million. In fiscal year 2008, the tax rate of 0.156%, which is 60 percent of the fully phased-in tax rate, will apply. The tax rate in fiscal year 2009 will be 0.208%, which is 80 percent of the full tax rate. In fiscal year 2010, when the commercial activity tax is fully phased in, a tax rate of 0.26% will apply to all non-financial businesses, unless the rate is adjusted based on the triggering mechanism in the Ohio Revised Code. In fact. OBM estimates that revenues will be high enough in FY 2009 that the trigger will be reached and the tax rate will be reduced in FY 2010. This has a partial-year impact in FY 2010 and a full-year impact in FY 2011, so that FY 2011 revenues are below FY 2010 revenues (please see Table B-1a, near the beginning of this document).

As the commercial activity tax is phased in, the law enacted in House Bill 66 phases out the tangible personal property tax. The tax on general business and railroad property is phased-out over four tax years (2006-2009), and the tax on telephone and telecommunications property is phased out over five tax years (2007-2011). To provide transitional relief for the local tax losses caused by the phase-out of the tangible personal property tax, revenues from the commercial activity tax are deposited into two separate tangible personal property tax replacement funds that provide guaranteed payments to school districts and local governments.

The commercial activity tax receipts are estimated using trend analysis based on the actual receipts in fiscal year 2006 and fiscal year 2007 thus far. Additionally, under current law, the temporary exemption for gross receipts from motor fuel that was in effect for fiscal years 2006-2007 expires, so that all petroleum industry gross receipts become taxable beginning in fiscal year 2008. This change adds $83 million and $111 million to estimated collections in fiscal years 2008 and 2009, respectively. The tax receipts are estimated to be $975.5 million in fiscal year 2008 and $1,340.1 million in fiscal year 2009. The total payments to local entities for replacement of the tangible personal property tax are estimated to be $931.6 million in fiscal year 2008 and $1,275.0 million in fiscal year 2009. After the "hold harmless" obligations to local entities are met, the OBM director is authorized to transfer the balances in the

tangible personal property tax replacement funds to the General Revenue Fund. These transfers are reflected as transfers-in and are discussed later.

Table B-8a: Commercial Activity Tax GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue*	N/A	N/A	185.1	0	0	0

* The GRF does not directly receive CAT revenues in FY 2007-2009. However, current OBM forecasts are for revenues to exceed required TPP reimbursements. These excess revenues, equal to $17 million in FY 2007, $44 million in FY 2008, and $65 million in FY 2009, may be transferred by the OBM director to the GRF.

Table B-8b: Commercial Activity Tax Revenues for All Funds
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Total Revenues	N/A	N/A	273.4	580.0	975.5	1,340.1
GRF Revenues	N/A	N/A	185.1	0.0	0.0	0.0
Tangible Property Tax Replacement Fund Revenues	N/A	N/A	88.3	580.0	975.5	1,340.1
Required Tangible Property Tax Reimbursements	N/A	N/A	86.8	571.3	931.6	1,275.0
Potential Excess for GRF *	N/A	N/A	N/A	8.7	43.9	65.1

* In FY 2007 the actual excess available for the GRF is greater than $8.7 million because of excess balances carried over from FY 2006.

Public Utility Excise Tax

The public utility excise tax has been levied on most public utility companies since 1894. It is based on the gross receipts of public utility companies. Companies liable for this tax are not subject to the corporation franchise tax and their services are not subject to the sales and use tax.

There have been two major changes to this tax since 2001. Amended Substitute Senate Bill 3 of 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. Amended Substitute House Bill 95 of the 125th General Assembly removed the telephone companies from the public utility excise tax, beginning in tax year 2005. This change accounts for the sharp drop in the public utility excise tax revenues from fiscal year 2004 to fiscal year 2005.

Two factors contributed to the General Revenue Fund tax receipts growth from fiscal year 2005 to fiscal year 2006, as demonstrated in Chart B-6. The first factor is the price increase in natural gas in fiscal year 2006, which is largely attributed to Hurricane Katrina. On the other hand, the decreased deposits to local government funds (as prescribed by the House Bill 66 “freeze”) accounted for about one-third of the dollar increase in GRF revenues. In fiscal year 2002, revenue was first realized from the kilowatt hour tax and electric companies were no longer subject to the public utility excise tax. At the same time, the local government fund freeze started. From then until fiscal year 2006, no kilowatt hour tax revenue was credited to local government funds and the public utility excise tax revenue credited to the local government funds had a designated “freeze” amount, which was about $36.7 million per year. To more closely reflect the relative total revenues of these two tax sources, House Bill 66 divided the $36.7 million deposit between the two sources. In each of fiscal years 2006-2007, $25.7 million was credited to the local government funds from the kilowatt hour tax and $11.0 million was credited to the local government funds from the

public utility excise tax. This led to a GRF revenue increase of $25.7 million in public utility excise tax from fiscal year 2005 to fiscal year 2006.

The majority of the public utility excise tax is collected from the natural gas utilities. Minor contributors to this tax are pipeline, heating, waterworks, and water transportation companies. The baseline estimates of the public utility excise tax revenues were derived for two categories, natural gas and non-natural gas utilities. 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 for fiscal years 2008 and 2009, the price and residential consumption information for the Midwest region provided by the Energy Information Administration was employed. The tax receipts were then estimated by also considering the impact of weather and budget payment plans available to the natural gas residential users. The excise tax receipts from pipeline, heating, waterworks, and water transportation companies are relatively small and they have been historically stable. The revenue estimate is based on the assumption that the receipts from these companies in fiscal years 2008 and 2009 are close to the historical average.

Table B-9a and Chart B-6 display the historical and projected General Revenue Fund receipts from the public utility excise tax, including the proposed financing changes for the local government funds. Under current law, 4.8 percent of the tax receipts are to be credited to the local government funds. The fiscal year 2008-2009 Executive Budget proposes that all receipts from this tax source will be credited to the General Revenue Fund beginning in January 2008. For the July to November 2007 period, the deposits to the local government funds would continue at the freeze amounts established for fiscal years 2006 and 2007. Table B-9b provides historical and projected baseline General Revenue Fund revenues from the public utility excise tax.

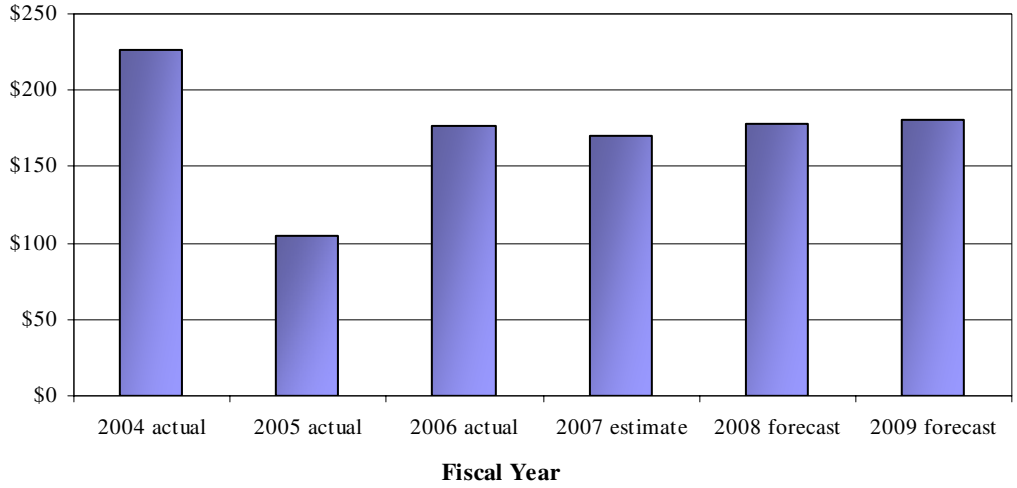
Table B-9a: Public Utility Excise Tax GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	226.4	104.1	176.2	170.0	177.9	181.0

Table B-9b: Public Utility Excise Tax GRF Revenues - Baseline Forecast
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Baseline GRF Revenue	226.4	104.1	176.2	170.0	172.3	172.3

Chart B-6: Public Utility Excise Tax GRF Revenues
(in millions)



Kilowatt-Hour Tax

The kilowatt-hour tax was introduced in Amended Substitute 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. Thirty-seven percent of the revenues from this tax source are deposited to the school district and local government property tax replacement funds to compensate for local tax revenue losses due to the reduced tangible personal property tax assessment rates for electric companies. This part of the tax revenue is not reflected in the tables of this section but in the tables under Department of Education and Revenue Redistribution Funds.

The kilowatt-hour tax collection is based on 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 (volume) and partially on sales (dollar amount).

The national electricity sales to ultimate consumers projected by Global Insight were used to produce the baseline estimate of the kilowatt-hour tax revenues. The tax revenues were expected to grow at a slower rate than national electricity sales due to slower population growth in Ohio.

Table B-10a and Chart B-7 display predicted General Revenue Fund receipts from the kilowatt-hour tax. The sharp drop in the General Revenue Fund estimates in fiscal years 2008-2009 is caused by the proposed changes in the depositing of tax receipts to the local government funds. Under current statute, 3.024 percent of the total receipts from the kilowatt hour tax are scheduled to be deposited into the local government funds. The fiscal year 2008-2009 Executive Budget proposes that local government funds deposits be based on total General Revenue Fund receipts. Beginning in January 2008, for revenue accounting purposes, one-half of the total General Revenue Fund tax revenues to be deposited into the Local Libraries Fund would be credited against the kilowatt-hour tax. (Only the General Revenue Fund share of the tax, and not the school district and local government reimbursement funds, would be affected by this change.) The deposits in July to November 2007 are proposed to continue at the freeze level established for fiscal years 2006-2007. Table B-10b provides historic and projected baseline General Revenue Fund tax revenues for the kilowatt-hour tax.

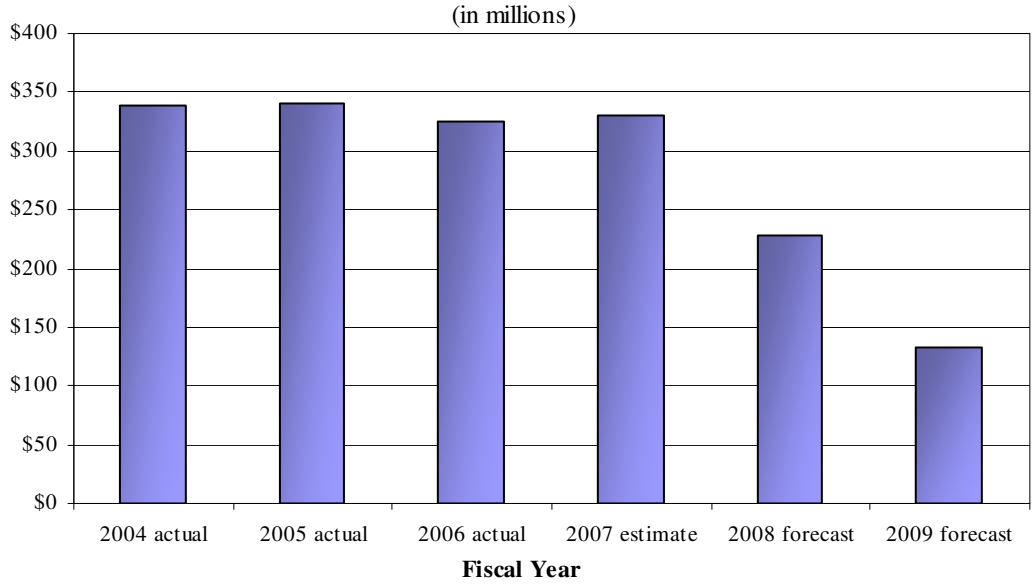
Table B-10a: Kilowatt-Hour Tax GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	339.0	339.8	325.3	330.0	227.3	133.1

Table B-10b: Kilowatt-Hour Tax GRF Revenues - Baseline Forecast
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Baseline GRF Revenue	339.0	339.8	325.3	330.0	343.0	347.0

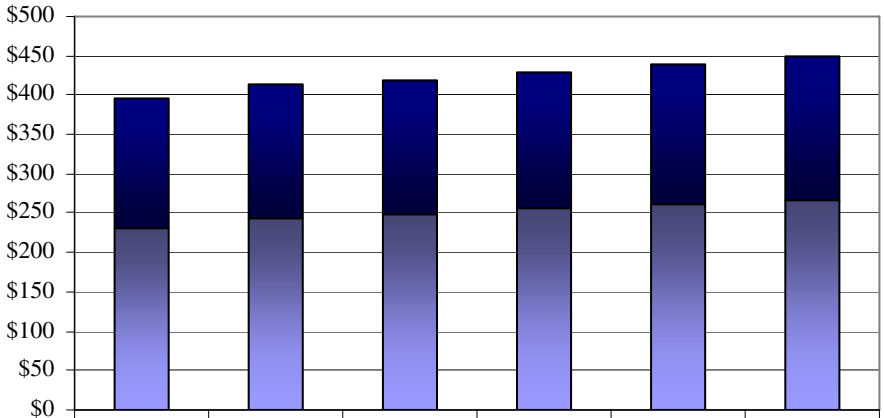
Chart B-7: Kilowatt-Hour Tax GRF Revenues
(in millions)



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 in more detail below.

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



	FY 2004 actual	FY 2005 actual	FY 2006 estimate	FY 2007 forecast	FY 2008 forecast	FY 2009 forecast
Domestic Insurance	$165.9	$171.4	$170.3	$174.7	$178.4	$182.5
Foreign Insurance	$230.5	$242.9	$248.8	$255.3	$260.6	$266.6

Chart B-8 shows estimated revenue from the foreign and domestic insurance taxes. These estimates are derived from an elasticity analysis of Ohio insurance taxes relative to national premium growth rates, as well as model analysis. Independent variables used in the various specifications of the model analysis include treasury yields, the consumer price index, Ohio household formation data, and Gross Domestic Product, as forecast by Global Insight The insurance market has experienced a softening trend since the 2002 spike in growth, which was attributable to the events of September 11, 2001. A soft market is expected to prevail through 2008. (This period corresponds to tax years through 2009.) Growth is expected to be moderate from fiscal year 2007 through fiscal year 2009.

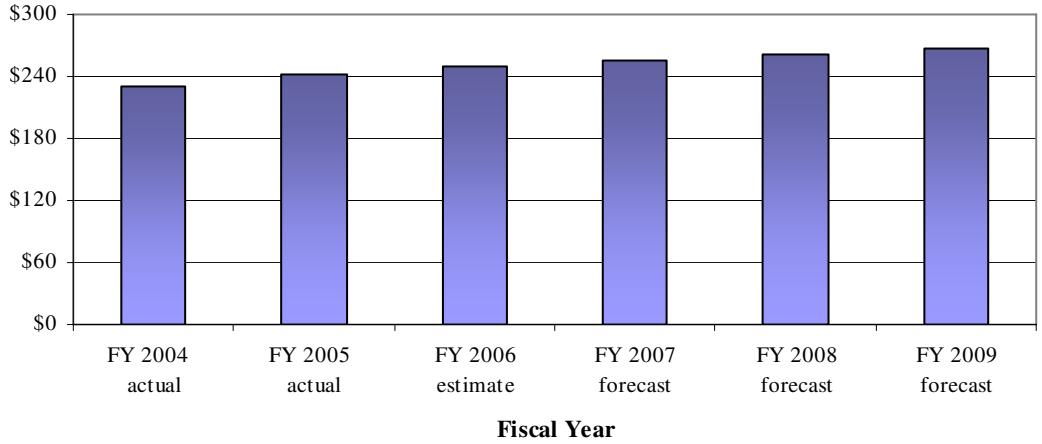
Foreign Insurance Tax

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. After growing rapidly

during the years when Ohio's tax rate was decreasing, the retaliatory portion of the tax grew modestly in fiscal year 2006. When a company is subject to the retaliatory tax the entire tax liability is shown as a retaliatory tax payment, not just the extra tax due from the higher home state tax rate.

Currently, the state fire marshal receives 20 percent of all retaliatory taxes attributable to fire tax premiums. The Executive Budget proposes to modify this split such that the state fire marshal would receive 10 percent of all retaliatory tax attributable to fire tax premiums. This change will generate additional revenue in the General Revenue Fund from foreign insurance tax receipts. Projected increases are $5.7 million and $5.8 million in fiscal years 2008 and 2009, respectively.

Chart B-9: Foreign Insurance Tax GRF Revenues
(in millions)



Foreign insurance premiums in Ohio are dominated primarily by life insurance premiums and secondarily by property and casualty insurance premiums. High premium growth driven by September 11th has dropped off. The softness experienced in tax year 2006 is expected to continue in tax years 2007 through 2009. This translates into projected annual growth for the foreign insurance tax to be 2.6% in fiscal year 2007, 2.1% in fiscal year 2008, and 2.3% in fiscal year 2009.

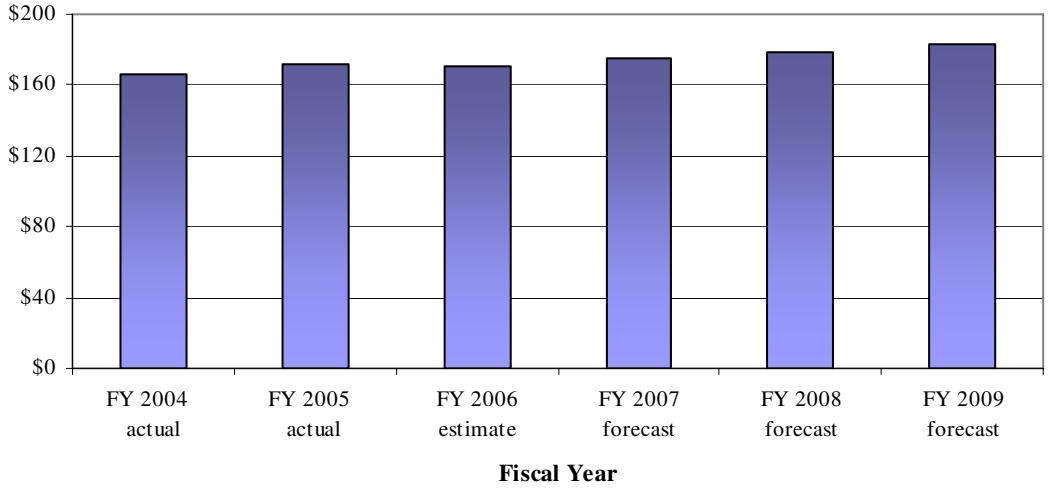
Table B-11 Foreign Insurance Tax GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Forecast	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	230.5	242.9	248.8	255.3	260.6	266.6
Change in Fire Marshal's Distribution				0.0	5.7	5.8
Total GRF Revenue				255.3	266.3	272.4

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.

Chart B-10: Domestic Insurance Tax GRF Revenues
(in millions)



Receipts from the domestic insurance tax are driven primarily by property and casualty insurance premiums which made up over 50 percent of the taxable base in tax year 2006. Tax growth is expected to be near 2.0 percent from fiscal year 2007 through fiscal year 2009. Table B-12 details the specific level of tax expected from this source

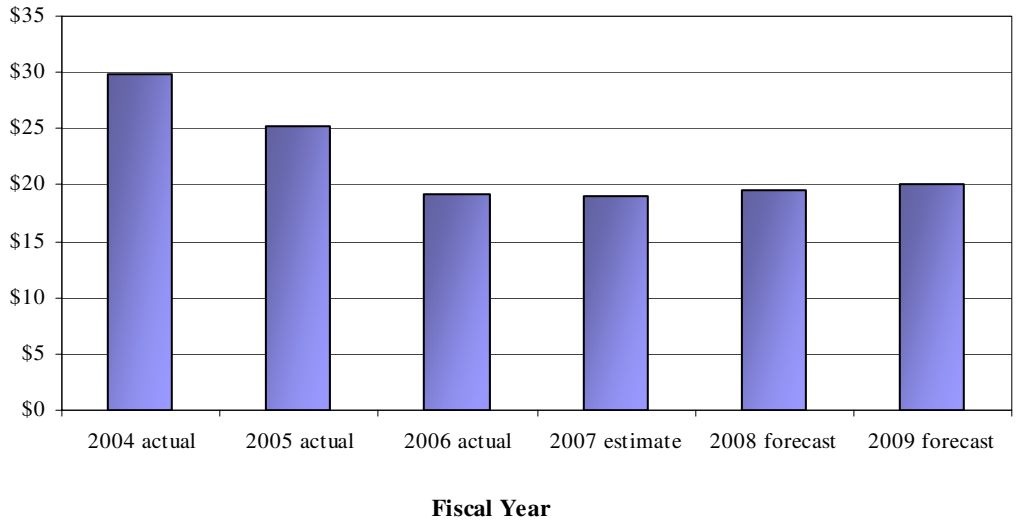
Table B-12: Domestic Insurance Tax GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	165.9	171.4	170.3	174.7	178.4	182.5

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 not subject to the corporation franchise tax, the tangible personal property tax, or the commercial activities tax.

Chart B-11: Business and Property Tax GRF Revenues
(in millions)



As revenues from this tax source have been stable recently, tax receipts in fiscal years 2008-2009 are estimated to change little from the recently history. The baseline estimates for the General Revenue Fund receipts from this tax are displayed in Table B-13 and Chart B-11.

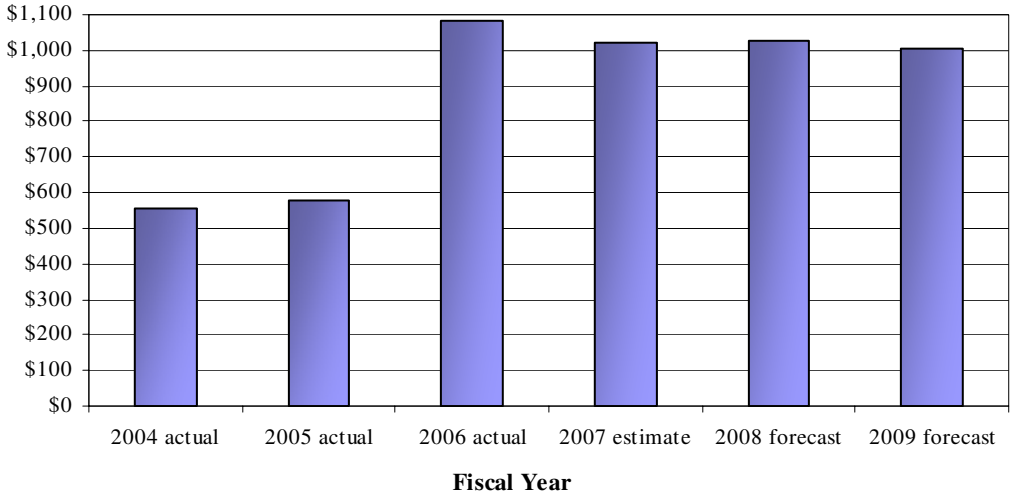
Table B-13: Business and Property Tax GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	29.9	25.2	19.1	19.0	19.5	20.0

Cigarette and Other Tobacco Products Tax

A tax is levied upon the sale, use, consumption, or storage for consumption of cigarettes in Ohio and on the receipt or import of other tobacco products for resale in Ohio. The excise tax on cigarettes has been levied since 1931. There have been two recent tax rate increases. Amended Substitute Senate Bill 261 of the 124th General Assembly increased the tax rate from 24 cents to 55 cents per package of 20 cigarettes, effective July 2002. House Bill 66 raised the tax rate per package of 20 cigarettes to $1.25, effective July 2005. 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.

Chart B-12: Cigarette and Other Tobacco Products Tax GRF Revenues
(in millions)



The baseline revenue estimates for the cigarette and other tobacco products taxes were developed based on a trend analysis. Revenues are estimated to decline in the long term due to anti-smoking campaigns and the indoor smoking ban that was passed in November 2006 by Ohio voters.

The fiscal year 2008-2009 Executive Budget proposes to reverse an exemption passed in House Bill 66. The exemption allows a person to acquire outside of Ohio a total of not more than three hundred dollars worth of cigarettes in any month, as long as they are not for resale, without incurring liability for unpaid Ohio cigarette excise tax and sales tax. The Executive Budget proposes to remove this exemption effective July 2007. Removing the exemption is estimated to raise revenues by $25 million per year. The historical and projected General Revenue Fund receipts from the cigarette and other tobacco products tax are depicted in Table B-14 and Chart B-12.

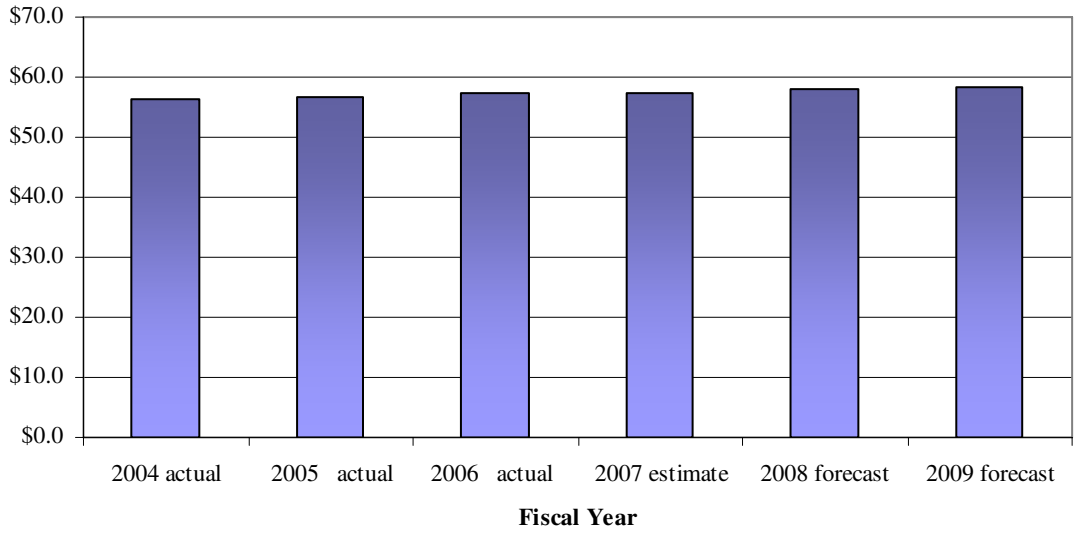
Table B-14: Cigarette and Other Tobacco Products Tax GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	557.5	577.7	1,084.1	1,020.0	1,000.0	980.0
Remove Exemption on $300 Out-of-State Purchase				0	25.0	25.0
Total GRF Estimate				1,020.0	1,025.0	1,005.0

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.

Chart B-13: Alcoholic Beverage Tax GRF Revneues
(in millions)



As Chart B-13 illustrates, the alcoholic beverage tax has experienced a flattening trend over time with annual growth rates of less than 2.0 percent over the past three years. The baseline estimate projects this flat to low growth trend will continue. Table B-15 gives a detailed look at estimated receipts by the General Revenue Fund from the alcoholic beverage tax.

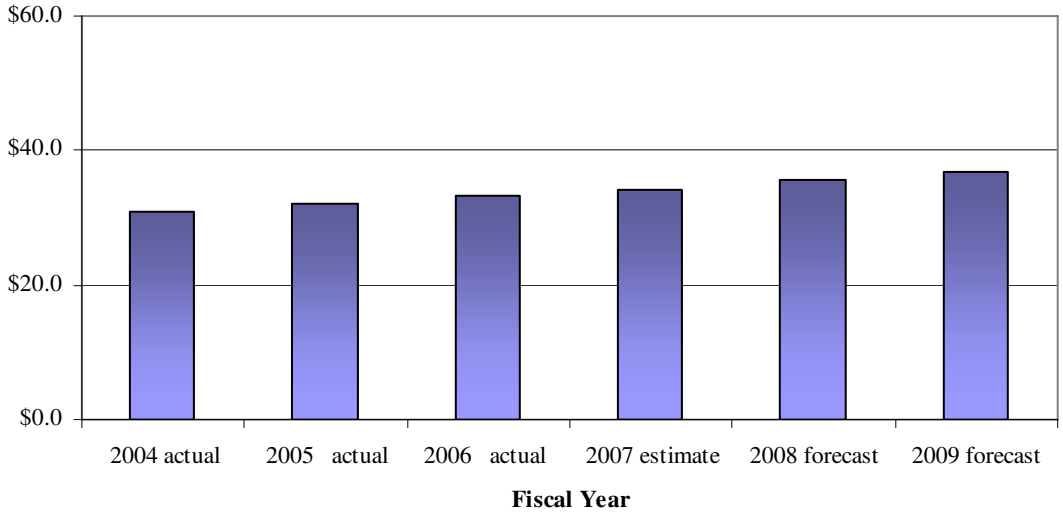
Table B-15: Alcoholic Beverage Tax GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated Revenue	56.5	56.8	57.5	57.5	58.0	58.5

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.

Chart B-14: Liquor Gallonage Tax GRF Revenues
(in millions)



The dollar value of liquor sales has 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 3.5 percent and 3.4 percent for fiscal years 2008 and 2009, respectively.

Table B-16: Liquor Gallonage Tax GRF Revenues ($ in millions)

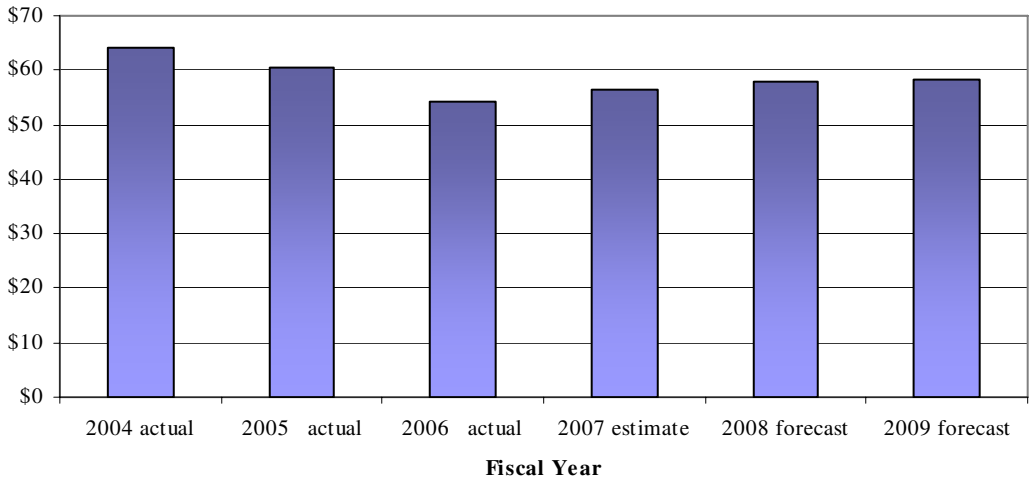
	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated Revenue	30.9	32.2	33.4	34.3	35.5	36.7

Estate Tax

The estate tax is a progressive tax levied on the gross value of the decedent's estate, less deductions and other exemptions, with a maximum $13,900 credit available to each estate since 2002. 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.

House Bill 66 changed how the estate tax was levied in order to make Ohio law consistent with federal law. Federal legislation passed in 2001 eliminated the tax credit federal estate tax payers would receive for paying state estate taxes. Until FY 2006, if an Ohio estate tax payer's federal credit was greater than estate taxes due to the state, the payer paid the amount of the federal credit instead. In House Bill 66 the state eliminated the payment calculation based on this federal credit. This is expected to decrease revenues by $8.0 million in both fiscal years 2008 and 2009.

Chart B-15: Estate Tax GRF Revenues
(in millions)



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 percent of total receipts. As Chart B-15 shows, in recent years receipts from this tax have declined modestly. This is a function of several factors, including a general drop in wealth because of the 2001 stock market decline, the lowering of the state share of the tax for estates with dates of death after January 1, 2002, and the relative wealth of individuals who died in those years. The baseline forecast employs an adjusted trend analysis that takes into consideration fiscal year 2006 results as well as fiscal year 2007 results thus far, and assumes modest growth over the biennium.

Table B-17: Estate Tax GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated Revenue	64.2	60.4	54.1	56.5	57.8	58.3

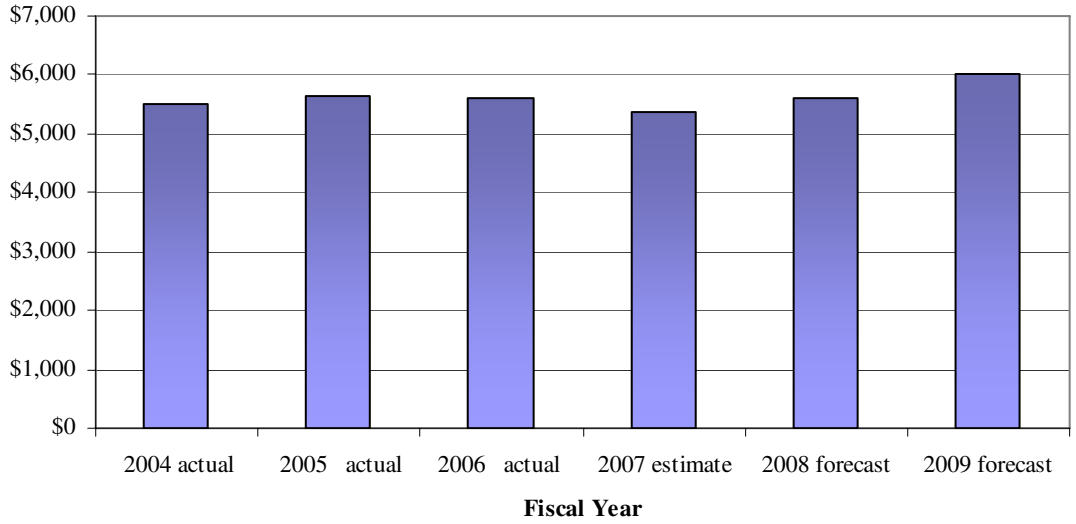
Non-Tax Sources

Federal Grants and Aid

Receipts from this source are provided as federal reimbursements for programs administered by the Department of Job and Family Services. Reimbursements 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 grant 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 59.7 percent in fiscal year 2008 and 60.8 percent in fiscal year 2009.

Chart B-16: Federal Grants GRF Revenues
(in millions)



Spending is determined by caseload projections, utilization levels, and rates for services. Any changes in state spending on Medicaid or reimbursable operating expenditures will change receipts from federal grants. Table B-18 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.

Table B-18: Federal Grant GRF Revenues ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated Revenue	5,516.4	5,646.6	5,595.2	5,357.0	5,604.6	6,030.7

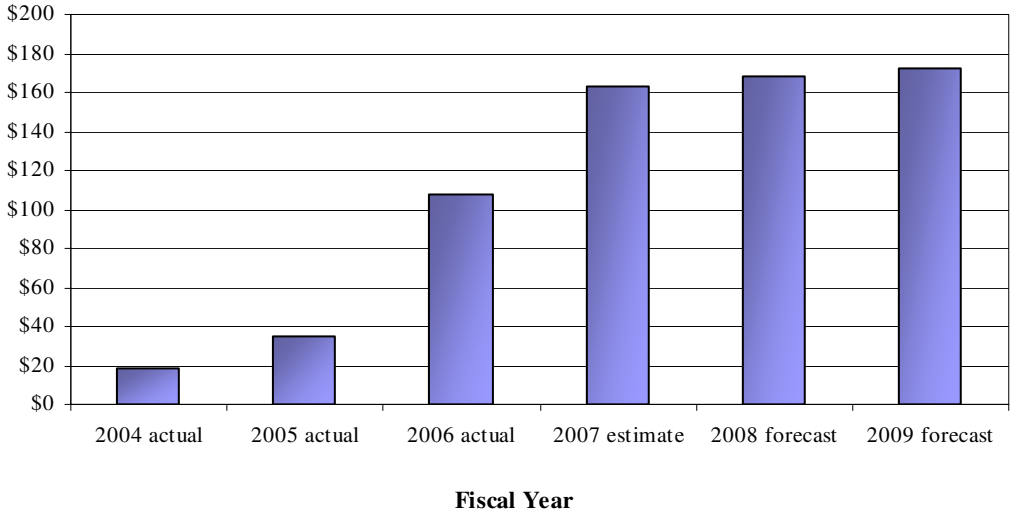
Earnings on Investments

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 in short-term to medium term securities issued by the Federal government and its agencies.

Table B-19: GRF Revenues from Earnings on Investment
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	18.0	35.0	107.3	163.0	142.8	146.2
Interest Proceeds from non-GRF funds				0.0	25.2	25.8
Total GRF Estimate				163.0	168.0	172.0

Chart B-17: GRF Revenues from Earnings on Investment
(in millions)



Trend analysis was employed to estimate the average daily cash balance in the state funds. As the economy is expected to expand steadily in the next few years, OBM estimates that the average daily cash balance will grow gradually in fiscal years 2008-2009 at the historical trend. The interest rates on investment were estimated by regression analysis against current or lagged discount rates on short-term treasury bills and yields on treasury notes with maturity of no more than five years. It was estimated to decline slightly in fiscal years 2008-2009. The baseline estimate of investment earnings is the product of the estimated cash balance and interest rate.

House Bill 66 distributed interest earnings from certain non-GRF funds into the General Revenue Fund. The non-GRF funds that are excluded from this provision are mostly debt related funds or funds that are constitutionally restricted. The Executive Budget proposes to extend this diversion in fiscal years 2008-2009. The General Revenue Fund estimates of receipts from earnings on investments are displayed in Chart B-17 and Table B-19. The historical data are shown as well.

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 Executive Budget proposes a change in the allocation of Insurance Sales Person appointment, reappointment, and sponsorship fees. Current law allocates 25 percent of the revenue from these fees to the General Revenue Fund. The Executive Budget proposes 40 percent of revenues from appointment, reappointment, and sponsorship fees be allocated to the General Revenue Fund. This will generate an addition $5.0 million in both fiscal years 2008 and 2009.

Table B-20: License and Fee GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	50.2	70.6	73.9	71.0	71.0	71.0
Adjust Insurance Fee Split to GRF					5.0	5.0

Total GRF Estimate	76.0	76.0

Other Income

Other income consists of various miscellaneous revenues from refunds, 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 $10.7 million in fiscal year 2008 and $14.7 million in fiscal year 2009. Table B-21 reflects this transfer below.

Table B-21: Other Income GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	119.1	85.8	138.3	102.0	52.0	52.0
Unclaimed Funds Transfer					10.7	14.7
Total GRF Estimate					62.7	66.7

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 2008 and 2009 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. Currently no ISTV transfers are expected into or out of the Budget Stabilization Fund in fiscal years 2007, 2008, and 2009.

Table B-22: Intrastate Transfer Vouchers GRF Revenues
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	38.9	72.8	52.7	51.6	51.6	51.6

Liquor Profit Transfer

Liquor profits are generated by the sale of spirituous liquor by the Division of Liquor Control within the Department of Commerce. As required by the Ohio Revised Code, transfers are net of all operating costs and the payment of debt service on industrial development bonds.

In House Bill 66 the discount on liquor sales to wholesale merchants was decreased from 12.5 percent to 6.0 percent. This generated at least an additional $15.0 million each year in funds available for transfers and drove the growth rate in the transfer amount, which was 20 percent in fiscal year 2006.

After growing 8.3 percent in fiscal year 2006, sales of spirituous liquor are expected to move back towards a trend of 3.0 to 5.0 percent growth in fiscal years 2007, 2008, and 2009. Growth in the total liquor profit transfers is expected to be less stable. Total liquor profit transfers are affected by both the debt service costs for the sale of development bonds, and cash management decisions made by the Director of the Office of Budget and Management. Debt service payments from liquor profit funds are expected to increase by at least 25 percent from fiscal year 2007 to fiscal year 2009. The Director of the Office of Budget and Management has decided to wait to transfer some funds projected to be available in fiscal year 2007 until fiscal year 2008. This increases the fiscal year 2008 growth rate and depresses the fiscal year 2009 growth rate. Table B-23 shows the historical and expected liquor profit transfers to the General Revenue Fund.

Table B-23: Liquor Profit Transfer to the GRF ($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated Revenue	118.0	115.0	138.0	135.0	147.0	141.0

Transfers–In

Transfers-In include various transfers to the General Revenue Fund from other state funds. The baseline estimates for fiscal years 2008 and 2009 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 $75.0 million in each fiscal year is expected from the school district public utility property tax replacement fund. This payment is to reimburse the General Revenue Fund for increases in payments to school districts because of lower charge-offs in the school foundation program due to the reductions in taxable valuation caused by the changes in the taxation of electric and natural gas utilities that occurred in 2001.

As stated earlier, the receipts from the commercial activity tax will be distributed to tangible personal property tax replacement funds to reimburse schools and local governments for their revenue losses due to the phase-out of the tangible personal property tax. The reimbursement laws provide for two ways for part of the replacement fund money to come back to the General Revenue Fund. First, similar to what is described above for the public utility replacement fund, a transfer is made to reimburse the General Revenue Fund for increases in foundation payments caused by the reduction in taxable property values due to the changes in House Bill 66. Second, after all obligations to schools and local governments are met, the OBM director is authorized to transfer any balances in the replacement funds to the General Revenue Fund. The combination of these two items is listed in Table B-24 as "Commercial Activities Tax Transfers In."

Finally, the Executive Budget proposes a series of non-General Revenue Fund transfers that will amount to an additional $113.6 million in General Revenue Funds in Fiscal Year 2008.

Table B-24: Transfers-In to GRF
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	380.6	417.2	164.3	119.0	88.0	88.0
Rotary Transfers					113.6	0.0
Commercial Activities Tax Transfers In					118.7	210.0
Total GRF Estimate					320.3	298.0

Temporary Transfers–In

Temporary transfers-in to General Revenue Fund are to replenish the temporary transfers-out to other funds. Current law requires payments to be made to school districts and local governments from the tangible personal property tax replacement funds. When the balance in the replacement funds is not sufficient to cover the amount due to local entities, money is transferred temporarily from General Revenue Fund. The estimated temporary transfers-in for fiscal years 2007-2009 reflect the amount of money transferred out of and later transferred back to General Revenue Fund for such purpose. The temporary transfers are made necessary because of the timing difference between the due dates for commercial activity tax payments and the dates when reimbursement payments must be made to local entities.

Table B-25: Temporary Transfers-In to GRF
($ in millions)

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Forecast	FY 2009 Forecast
Actual/Estimated GRF Revenue	13.3	19.6	12.9	287.4	466.8	585.1

Actual and Estimated Revenues

The table beginning on the next page, Table B-2, shows; by budget fund group, revenue history for fiscal years 2004, 2005, and 2006 and revenue estimates for fiscal years 2007, 2008 and 2009. 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 year 2009.

Table B-2
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
All Funds						
Taxes						
Auto Sales and Use	1,163.8	1,105.0	977.3	960.9	1,040.0	1,061.9
Non-Auto Sales and Use	8,191.1	8,585.5	8,345.0	8,571.8	8,883.9	9,182.9
Personal Income	9,596.8	10,486.9	10,898.9	10,469.4	10,994.0	11,282.5
Corporate Franchise	1,060.6	1,282.0	1,309.5	1,304.6	1,015.0	699.6
Public Utility	275.8	155.8	187.2	196.2	196.2	196.2
Kilowatt-Hour	614.8	613.3	626.4	634.2	643.7	653.0
Foreign Insurance	256.9	269.1	272.5	279.5	289.5	294.7
Domestic Insurance	166.1	171.4	170.4	174.9	178.6	182.7
Misc Business and Property	1,921.4	2,104.0	2,250.2	2,538.0	2,373.2	2,418.8
Cigarette	557.5	579.1	1,086.7	1,025.0	1,030.0	1,010.0
Alcoholic Beverage	57.5	57.7	58.5	58.6	59.1	59.6
Liquor Gallonage	30.9	32.2	33.4	34.3	35.5	36.7
Estate	64.2	60.4	54.1	56.5	57.8	58.3
Racing	16.0	14.6	12.9	14.1	14.0	13.8
Commercial Activity Tax	.0	.0	273.9	592.7	996.1	1,360.7
Total Tax Receipts	23,973.4	25,517.0	26,556.9	26,910.7	27,806.6	28,511.4
Non-Taxes						
Federal Grants	13,080.1	13,503.6	14,077.7	16,051.7	15,680.9	16,004.9
Earnings/Investment	104.4	163.1	294.6	341.3	297.8	287.1
Licenses and Fees	1,982.0	2,081.2	2,258.6	2,461.2	2,507.7	2,538.3
Other Income	7,685.6	7,766.3	8,748.7	7,591.0	8,204.0	7,166.2
Interagency (ISTV'S & IDC'S)	2,238.6	2,445.7	2,540.6	2,729.6	2,895.3	3,044.8
Total Non-Tax Receipts	25,090.7	25,959.9	27,920.2	29,174.8	29,585.7	29,041.3
Total Revenues	49,064.1	51,476.9	54,477.1	56,085.5	57,392.3	57,552.7
Transfers						
Liquor Transfers	118.0	115.0	138.0	135.0	147.0	141.0
Lottery Transfers	648.1	645.1	646.3	646.3	657.9	667.9
Transfers In-Other	3,312.7	3,351.2	3,778.7	2,388.4	2,633.4	2,648.9
Total Transfers	4,078.8	4,111.3	4,563.0	3,169.7	3,438.3	3,457.8
Total Sources	$ 53,142.9	$ 55,588.2	$ 59,040.1	$ 59,255.2	$ 60,830.6	$ 61,010.5

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
General Revenue Fund						
Taxes						
Auto Sales and Use	1,122.9	1,064.1	936.4	920.0	1,022.3	1,061.9
Non-Auto Sales and Use	6,407.7	6,763.0	6,431.9	6,550.0	6,817.0	7,047.6
Personal Income	7,696.9	8,598.9	8,786.4	8,790.0	9,148.4	9,251.9
Corporate Franchise	809.2	1,051.6	1,054.9	1,055.0	812.8	497.4
Public Utility	226.4	104.1	176.2	170.0	177.9	181.0
Kilowatt-Hour	339.0	339.8	325.3	330.0	227.3	133.1
Foreign Insurance	230.5	242.9	248.8	255.3	266.3	272.4
Domestic Insurance	165.9	171.4	170.3	174.7	178.4	182.5
Misc Business and Property	29.9	25.2	19.1	19.0	19.5	20.0
Cigarette	557.5	577.7	1,084.1	1,020.0	1,025.0	1,005.0
Alcoholic Beverage	56.5	56.8	57.5	57.5	58.0	58.5
Liquor Gallonage	30.9	32.2	33.4	34.3	35.5	36.7
Estate	64.2	60.4	54.1	56.5	57.8	58.3
Commercial Activity Tax	.0	.0	185.1	.0	.0	.0
Total Tax Receipts	17,737.5	19,088.1	19,563.5	19,432.3	19,846.2	19,806.3
Non-Taxes						
Federal Grants	5,516.4	5,646.6	5,595.2	5,357.0	5,604.6	6,030.7
Earnings/Investment	18.0	35.0	107.3	163.0	168.0	172.0
Licenses and Fees	50.2	70.6	73.9	71.0	76.0	76.0
Other Income	119.4	86.1	138.6	102.0	62.7	66.7
Interagency (ISTV'S & IDC'S)	68.5	72.4	52.3	51.6	51.6	51.6
Total Non-Tax Receipts	5,772.5	5,910.7	5,967.3	5,744.6	5,962.9	6,397.0
Total Revenues	23,510.0	24,998.8	25,530.8	25,176.9	25,809.1	26,203.3
Transfers						
Liquor Transfers	118.0	115.0	138.0	135.0	147.0	141.0
Transfers In-Other	402.9	436.8	177.2	406.4	787.1	883.1
Total Transfers	520.9	551.8	315.2	541.4	934.1	1,024.1
Total Sources	$ 24,030.9	$ 25,550.6	$ 25,846.0	$ 25,718.3	$ 26,743.2	$ 27,227.4
General Services Fund Group						
Taxes						
Misc Business and Property	1.8	1.5	1.7	.5	.5	.5
Total Tax Receipts	1.8	1.5	1.7	.5	.5	.5
Non-Taxes						
Federal Grants	413.3	66.7	70.6	75.1	67.3	67.6
Earnings/Investment	2.1	1.9	3.6	3.0	3.0	2.9
Licenses and Fees	82.2	94.5	109.6	100.1	94.2	110.5
Other Income	663.2	886.8	1,066.4	543.0	616.6	648.2
Interagency (ISTV'S & IDC'S)	485.6	476.8	526.5	555.9	664.1	678.8
Total Non-Tax Receipts	1,646.4	1,526.7	1,776.7	1,277.1	1,445.2	1,508.0
Total Revenues	1,648.2	1,528.2	1,778.4	1,277.6	1,445.7	1,508.5
Transfers						
Transfers In-Other	82.0	185.9	55.1	17.4	24.6	16.0
Total Transfers	82.0	185.9	55.1	17.4	24.6	16.0
Total Sources	$ 1,730.2	$ 1,714.1	$ 1,833.5	$ 1,295.0	$ 1,470.3	$ 1,524.5

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Budget Stablization Fund						
Transfers						
Transfers In-Other	.0	.0	435.9	.0	.0	.0
Total Transfers	.0	.0	435.9	.0	.0	.0
Total Sources	$ .0	$ .0	$ 435.9	$ .0	$ .0	$ .0
Workers' Compensation Fund Group						
Non-Taxes						
Other Income	327.3	336.6	352.6	381.0	387.4	391.8
Interagency (ISTV'S & IDC'S)	1.4	2.9	4.6	4.5	4.5	4.6
Total Non-Tax Receipts	328.7	339.5	357.2	385.5	391.9	396.4
Total Revenues	328.7	339.5	357.2	385.5	391.9	396.4
Transfers						
Transfers In-Other	3.2	.0	.0	.0	.0	.0
Total Transfers	3.2	.0	.0	.0	.0	.0
Total Sources	$ 331.9	$ 339.5	$ 357.2	$ 385.5	$ 391.9	$ 396.4
Liquor Control Fund Group						
Non-Taxes						
Licenses and Fees	1.0	1.2	1.2	1.1	1.1	1.1
Other Income	521.9	550.7	600.1	622.0	652.6	688.9
Total Non-Tax Receipts	522.9	551.9	601.3	623.1	653.7	690.0
Total Revenues	522.9	551.9	601.3	623.1	653.7	690.0
Total Sources	$ 522.9	$ 551.9	$ 601.3	$ 623.1	$ 653.7	$ 690.0
State Lottery Fund Group						
Non-Taxes						
Earnings/Investment	28.5	51.4	50.3	42.3	37.1	37.1
Licenses and Fees	.1	.0	.0	.0	.1	.1
Other Income	1,022.8	997.4	1,309.2	908.4	918.5	918.4
Interagency (ISTV'S & IDC'S)	.1	.5	.2	.2	.2	.2
Total Non-Tax Receipts	1,051.5	1,049.3	1,359.7	950.9	955.9	955.8
Total Revenues	1,051.5	1,049.3	1,359.7	950.9	955.9	955.8
Transfers						
Transfers In-Other	6.3	6.0	12.6	26.0	26.0	20.0
Total Transfers	6.3	6.0	12.6	26.0	26.0	20.0
Total Sources	$ 1,057.8	$ 1,055.3	$ 1,372.3	$ 976.9	$ 981.9	$ 975.8

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Underground Parking Garage Fund						
Non-Taxes						
Licenses and Fees	2.0	2.0	2.0	2.0	2.0	2.0
Interagency (ISTV'S & IDC'S)	.6	.6	.6	.7	.7	.7
Total Non-Tax Receipts	2.6	2.6	2.6	2.7	2.7	2.7
Total Revenues	2.6	2.6	2.6	2.7	2.7	2.7
Total Sources	$ 2.6	$ 2.6	$ 2.6	$ 2.7	$ 2.7	$ 2.7
Fed Special Revenue Fund Group						
Non-Taxes						
Federal Grants	6,187.7	6,545.2	7,060.4	8,644.6	8,746.7	8,647.1
Earnings/Investment	1.2	1.3	2.2	2.5	2.2	2.2
Licenses and Fees	1.2	1.3	2.3	125.3	127.8	128.9
Other Income	144.6	150.8	168.3	168.5	172.3	193.9
Interagency (ISTV'S & IDC'S)	1,057.4	1,235.1	1,300.3	1,373.3	1,387.4	1,438.1
Total Non-Tax Receipts	7,392.1	7,933.7	8,533.5	10,314.2	10,436.4	10,410.2
Total Revenues	7,392.1	7,933.7	8,533.5	10,314.2	10,436.4	10,410.2
Transfers						
Transfers In-Other	35.9	74.3	7.1	1.0	.2	.0
Total Transfers	35.9	74.3	7.1	1.0	.2	.0
Total Sources	$ 7,428.0	$ 8,008.0	$ 8,540.6	$ 10,315.2	$ 10,436.6	$ 10,410.2
Highway Operating Fund Group						
Taxes						
Misc Business and Property	488.7	589.1	667.6	952.5	697.4	692.4
Total Tax Receipts	488.7	589.1	667.6	952.5	697.4	692.4
Non-Taxes						
Federal Grants	921.2	1,073.1	1,306.9	1,913.2	1,210.3	1,210.0
Earnings/Investment	8.9	11.1	20.0	15.0	15.0	15.0
Licenses and Fees	70.5	69.2	70.7	71.0	71.1	71.7
Other Income	88.9	73.2	77.7	168.3	138.8	145.3
Interagency (ISTV'S & IDC'S)	7.5	6.2	6.1	9.5	6.5	6.5
Total Non-Tax Receipts	1,097.0	1,232.8	1,481.4	2,177.0	1,441.7	1,448.5
Total Revenues	1,585.7	1,821.9	2,149.0	3,129.5	2,139.1	2,140.9
Transfers						
Transfers In-Other	528.1	518.6	596.9	515.0	500.0	500.0
Total Transfers	528.1	518.6	596.9	515.0	500.0	500.0
Total Sources	$ 2,113.8	$ 2,340.5	$ 2,745.9	$ 3,644.5	$ 2,639.1	$ 2,640.9

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
State Highway Safety Fund Group						
Taxes						
Misc Business and Property	.8	.9	1.5	1.1	1.1	1.1
Total Tax Receipts	.8	.9	1.5	1.1	1.1	1.1
Non-Taxes						
Federal Grants	12.4	12.2	12.4	17.6	17.6	17.7
Earnings/Investment	2.5	4.6	9.6	5.2	5.3	5.3
Licenses and Fees	244.9	293.8	308.2	314.5	322.2	328.5
Other Income	46.5	46.6	48.5	49.0	62.6	63.7
Interagency (ISTV'S & IDC'S)	13.1	24.9	17.0	16.2	15.1	15.2
Total Non-Tax Receipts	319.4	382.1	395.7	402.5	422.8	430.4
Total Revenues	320.2	383.0	397.2	403.6	423.9	431.5
Transfers						
Transfers In-Other	175.3	119.3	91.3	64.9	43.3	41.5
Total Transfers	175.3	119.3	91.3	64.9	43.3	41.5
Total Sources	$ 495.5	$ 502.3	$ 488.5	$ 468.5	$ 467.2	$ 473.0
Revenue Distribution Fund Group						
Taxes						
Auto Sales and Use	40.9	40.9	40.9	40.9	17.7	.0
Non-Auto Sales and Use	260.4	260.4	260.4	260.4	233.0	231.4
Personal Income	829.7	829.3	829.3	371.3	563.2	767.8
Corporate Franchise	47.4	47.4	47.4	47.4	.0	.0
Public Utility	36.7	36.7	11.0	11.0	3.1	.0
Kilowatt-Hour	275.4	273.2	300.9	303.7	415.9	519.4
Misc Business and Property	1,106.8	1,142.2	1,170.3	1,175.0	1,190.0	1,200.0
Racing	2.5	2.3	2.1	2.2	2.2	2.2
Commercial Activity Tax	.0	.0	88.3	572.0	975.4	1,340.0
Total Tax Receipts	2,599.8	2,632.4	2,750.6	2,783.9	3,400.5	4,060.8
Non-Taxes						
Earnings/Investment	.7	1.0	1.9	2.7	2.7	2.7
Licenses and Fees	520.9	489.9	532.3	543.3	567.8	592.8
Other Income	.1	.1	.1	.0	.0	.0
Total Non-Tax Receipts	521.7	491.0	534.3	546.0	570.5	595.5
Total Revenues	3,121.5	3,123.4	3,284.9	3,329.9	3,971.0	4,656.3
Transfers						
Transfers In-Other	51.1	100.3	144.5	155.0	150.0	150.0
Total Transfers	51.1	100.3	144.5	155.0	150.0	150.0
Total Sources	$ 3,172.6	$ 3,223.7	$ 3,429.4	$ 3,484.9	$ 4,121.0	$ 4,806.3

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
State Special Revenue Fund Group						
Taxes						
Non-Auto Sales and Use	17.7	18.0	19.5	19.8	20.3	20.3
Personal Income	4.6	6.3	7.5	8.1	8.1	8.1
Corporate Franchise	14.0	12.5	3.5	2.2	2.2	2.2
Public Utility	.2	.0	.0	.2	.2	.2
Foreign Insurance	22.3	21.1	20.2	19.2	18.2	17.3
Domestic Insurance	.2	.0	.1	.2	.2	.2
Misc Business and Property	17.9	19.2	20.3	19.5	20.2	20.2
Alcoholic Beverage	.8	.8	.9	.9	.9	.9
Racing	13.5	12.3	10.8	11.9	11.8	11.6
Commercial Activity Tax	.0	.0	.0	10.7	10.7	10.7
Total Tax Receipts	91.2	90.2	82.8	92.7	92.8	91.7
Non-Taxes						
Federal Grants	11.2	144.9	14.7	18.5	12.3	12.3
Earnings/Investment	11.8	15.4	18.8	22.4	22.9	22.6
Licenses and Fees	962.9	1,009.4	1,106.9	1,181.6	1,197.7	1,181.0
Other Income	225.4	249.4	252.3	381.0	374.9	392.8
Interagency (ISTV'S & IDC'S)	129.8	138.1	129.9	149.1	141.5	142.5
Total Non-Tax Receipts	1,341.1	1,557.2	1,522.6	1,752.6	1,749.3	1,751.2
Total Revenues	1,432.3	1,647.4	1,605.4	1,845.3	1,842.1	1,842.9
Transfers						
Transfers In-Other	34.7	147.5	183.9	76.3	89.8	73.0
Total Transfers	34.7	147.5	183.9	76.3	89.8	73.0
Total Sources	$ 1,467.0	$ 1,794.9	$ 1,789.3	$ 1,921.6	$ 1,931.9	$ 1,915.9
Waterways Safety Fund Group						
Taxes						
Misc Business and Property	13.5	14.6	15.7	1.6	15.8	15.9
Total Tax Receipts	13.5	14.6	15.7	1.6	15.8	15.9
Non-Taxes						
Federal Grants	2.1	2.8	3.3	8.8	5.4	5.4
Earnings/Investment	.4	.5	.8	.9	.7	.5
Licenses and Fees	5.4	5.4	5.5	5.5	5.5	5.5
Other Income	.2	.2	.1	.1	.1	.1
Interagency (ISTV'S & IDC'S)	.0	.1	.2	.0	.0	.0
Total Non-Tax Receipts	8.1	9.0	9.9	15.3	11.7	11.5
Total Revenues	21.6	23.6	25.6	16.9	27.5	27.4
Transfers						
Transfers In-Other	.0	.0	3.0	1.0	1.0	1.0
Total Transfers	.0	.0	3.0	1.0	1.0	1.0
Total Sources	$ 21.6	$ 23.6	$ 28.6	$ 17.9	$ 28.5	$ 28.4

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Wildlife Fund Group						
Non-Taxes						
Federal Grants	15.8	12.1	14.2	16.9	16.7	14.1
Earnings/Investment	.5	.7	1.2	1.1	1.1	1.1
Licenses and Fees	31.0	34.9	35.6	35.7	35.7	35.7
Other Income	3.2	3.3	3.3	3.2	3.2	3.2
Interagency (ISTV'S & IDC'S)	.9	1.1	.9	.9	.9	.9
Total Non-Tax Receipts	51.4	52.1	55.2	57.8	57.6	55.0
Total Revenues	51.4	52.1	55.2	57.8	57.6	55.0
Total Sources	$ 51.4	$ 52.1	$ 55.2	$ 57.8	$ 57.6	$ 55.0
Coal Research/Development Fund						
Non-Taxes						
Earnings/Investment	.1	.3	.3	.3	.3	.3
Other Income	13.0	.0	.0	.0	7.5	7.5
Total Non-Tax Receipts	13.1	.3	.3	.3	7.8	7.8
Total Revenues	13.1	.3	.3	.3	7.8	7.8
Transfers						
Transfers In-Other	.0	34.6	.0	24.6	25.2	26.1
Total Transfers	.0	34.6	.0	24.6	25.2	26.1
Total Sources	$ 13.1	$ 34.9	$ .3	$ 24.9	$ 33.0	$ 33.9
Facilities Establishment Fund						
Non-Taxes						
Earnings/Investment	2.6	4.8	9.2	3.1	3.7	4.0
Licenses and Fees	.3	.1	.1	.1	.1	.1
Other Income	139.6	98.7	97.8	48.4	71.1	71.3
Total Non-Tax Receipts	142.5	103.6	107.1	51.6	74.9	75.4
Total Revenues	142.5	103.6	107.1	51.6	74.9	75.4
Transfers						
Transfers In-Other	4.1	106.0	24.8	69.6	66.3	116.0
Total Transfers	4.1	106.0	24.8	69.6	66.3	116.0
Total Sources	$ 146.6	$ 209.6	$ 131.9	$ 121.2	$ 141.2	$ 191.4

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Local Transp Improv Program Fund						
Non-Taxes						
Earnings/Investment	1.5	1.8	3.4	3.6	3.7	3.7
Interagency (ISTV'S & IDC'S)	.1	.0	.0	.0	.0	.0
Total Non-Tax Receipts	1.6	1.8	3.4	3.6	3.7	3.7
Total Revenues	1.6	1.8	3.4	3.6	3.7	3.7
Transfers						
Transfers In-Other	63.8	64.0	63.8	63.9	63.9	63.9
Total Transfers	63.8	64.0	63.8	63.9	63.9	63.9
Total Sources	$ 65.4	$ 65.8	$ 67.2	$ 67.5	$ 67.6	$ 67.6
Lottery Profits/Educ Fund Group						
Non-Taxes						
Earnings/Investment	1.0	1.6	2.8	.1	.1	.1
Other Income	2.2	1.6	1.3	1.4	1.4	1.4
Total Non-Tax Receipts	3.2	3.2	4.1	1.5	1.5	1.5
Total Revenues	3.2	3.2	4.1	1.5	1.5	1.5
Transfers						
Lottery Transfers	648.1	645.1	646.3	646.3	657.9	667.9
Transfers In-Other	7.5	15.8	8.2	.0	.0	.0
Total Transfers	655.6	660.9	654.5	646.3	657.9	667.9
Total Sources	$ 658.8	$ 664.1	$ 658.6	$ 647.8	$ 659.4	$ 669.4
School Building Assistance Fund						
Non-Taxes						
Earnings/Investment	5.6	5.8	9.1	7.0	8.0	.0
Other Income	601.6	400.7	602.5	510.2	750.0	.0
Total Non-Tax Receipts	607.2	406.5	611.6	517.2	758.0	.0
Total Revenues	607.2	406.5	611.6	517.2	758.0	.0
Transfers						
Transfers In-Other	603.5	403.8	683.9	.0	.0	.0
Total Transfers	603.5	403.8	683.9	.0	.0	.0
Total Sources	$ 1,210.7	$ 810.3	$ 1,295.5	$ 517.2	$ 758.0	$ .0
Accrued Leave Liability Fund Grp						
Non-Taxes						
Earnings/Investment	.8	1.3	2.6	2.3	2.0	1.7
Interagency (ISTV'S & IDC'S)	31.6	34.5	23.2	95.7	101.9	103.9
Total Non-Tax Receipts	32.4	35.8	25.8	98.0	103.9	105.6
Total Revenues	32.4	35.8	25.8	98.0	103.9	105.6
Total Sources	$ 32.4	$ 35.8	$ 25.8	$ 98.0	$ 103.9	$ 105.6

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Agency Fund Group						
Taxes						
Non-Auto Sales and Use	1,505.3	1,544.1	1,633.2	1,741.6	1,813.6	1,883.6
Personal Income	1,065.6	1,052.4	1,275.7	1,300.0	1,274.3	1,254.7
Corporate Franchise	190.0	170.5	203.7	200.0	200.0	200.0
Public Utility	12.5	15.0	.0	15.0	15.0	15.0
Kilowatt-Hour	.4	.3	.2	.5	.5	.5
Foreign Insurance	4.1	5.1	3.5	5.0	5.0	5.0
Misc Business and Property	219.1	274.5	309.8	318.8	378.7	418.7
Cigarette	.0	1.4	2.6	5.0	5.0	5.0
Alcoholic Beverage	.2	.1	.1	.2	.2	.2
Commercial Activity Tax	.0	.0	.5	10.0	10.0	10.0
Total Tax Receipts	2,997.2	3,063.4	3,429.3	3,596.1	3,702.3	3,792.7
Non-Taxes						
Earnings/Investment	1.1	3.6	8.1	4.3	3.6	3.8
Licenses and Fees	5.9	6.4	6.6	6.9	3.3	1.3
Other Income	2,121.1	2,206.0	2,375.6	2,398.1	2,480.0	2,530.7
Interagency (ISTV'S & IDC'S)	431.0	442.6	467.4	461.5	509.9	590.8
Total Non-Tax Receipts	2,559.1	2,658.6	2,857.7	2,870.8	2,996.8	3,126.6
Total Revenues	5,556.3	5,722.0	6,287.0	6,466.9	6,699.1	6,919.3
Transfers						
Transfers In-Other	.8	.9	1.5	2.5	3.1	3.0
Total Transfers	.8	.9	1.5	2.5	3.1	3.0
Total Sources	$ 5,557.1	$ 5,722.9	$ 6,288.5	$ 6,469.4	$ 6,702.2	$ 6,922.3
Holdng Acct Redist Fund Group						
Taxes						
Misc Business and Property	35.0	36.8	44.2	50.0	50.0	50.0
Total Tax Receipts	35.0	36.8	44.2	50.0	50.0	50.0
Non-Taxes						
Earnings/Investment	.1	.2	.2	.1	.1	.1
Licenses and Fees	.1	.0	.0	.0	.0	.0
Other Income	5.5	3.3	9.5	4.5	5.8	5.9
Interagency (ISTV'S & IDC'S)	2.8	2.2	1.9	.0	.0	.0
Total Non-Tax Receipts	8.5	5.7	11.6	4.6	5.9	6.0
Total Revenues	43.5	42.5	55.8	54.6	55.9	56.0
Total Sources	$ 43.5	$ 42.5	$ 55.8	$ 54.6	$ 55.9	$ 56.0
Volunteer Firemen's Depndnts Fnd						
Non-Taxes						
Other Income	.3	.1	.2	.2	.2	.3
Total Non-Tax Receipts	.3	.1	.2	.2	.2	.3
Total Revenues	.3	.1	.2	.2	.2	.3
Total Sources	$ .3	$ .1	$ .2	$ .2	$ .2	$ .3

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Debt Service Fund Group						
Taxes						
Misc Business and Property	7.9	.0	.0	.0	.0	.0
Total Tax Receipts	7.9	.0	.0	.0	.0	.0
Non-Taxes						
Earnings/Investment	2.1	2.3	3.2	2.3	.0	.0
Licenses and Fees	1.3	.0	.0	.0	.0	.0
Other Income	395.4	476.2	519.2	633.5	713.0	823.5
Total Non-Tax Receipts	398.8	478.5	522.4	635.8	713.0	823.5
Total Revenues	406.7	478.5	522.4	635.8	713.0	823.5
Transfers						
Transfers In-Other	161.5	162.0	170.5	198.7	202.7	205.1
Total Transfers	161.5	162.0	170.5	198.7	202.7	205.1
Total Sources	$ 568.2	$ 640.5	$ 692.9	$ 834.5	$ 915.7	$ 1,028.6
Highway Safety Building Fund						
Non-Taxes						
Earnings/Investment	.1	.0	.1	.0	.0	.0
Other Income	10.0	5.0	.0	.0	.0	.0
Total Non-Tax Receipts	10.1	5.0	.1	.0	.0	.0
Total Revenues	10.1	5.0	.1	.0	.0	.0
Transfers						
Transfers In-Other	16.6	.0	5.1	1.3	.0	.0
Total Transfers	16.6	.0	5.1	1.3	.0	.0
Total Sources	$ 26.7	$ 5.0	$ 5.2	$ 1.3	$ .0	$ .0
Administrative Building Fund						
Non-Taxes						
Earnings/Investment	.9	1.3	1.9	.0	.0	.0
Other Income	174.4	88.5	.0	.0	.0	.0
Total Non-Tax Receipts	175.3	89.8	1.9	.0	.0	.0
Total Revenues	175.3	89.8	1.9	.0	.0	.0
Transfers						
Transfers In-Other	109.9	75.5	87.2	.0	.0	.0
Total Transfers	109.9	75.5	87.2	.0	.0	.0
Total Sources	$ 285.2	$ 165.3	$ 89.1	$ .0	$ .0	$ .0

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Adult Correctional Building Fund						
Non-Taxes						
Earnings/Investment	.4	.7	2.3	.0	.0	.0
Other Income	60.0	77.3	.1	70.0	.0	.0
Total Non-Tax Receipts	60.4	78.0	2.4	70.0	.0	.0
Total Revenues	60.4	78.0	2.4	70.0	.0	.0
Transfers						
Transfers In-Other	60.5	.7	79.6	.0	.0	.0
Total Transfers	60.5	.7	79.6	.0	.0	.0
Total Sources	$ 120.9	$ 78.7	$ 82.0	$ 70.0	$ .0	$ .0
Juvenile Correctional Bldng Fund						
Non-Taxes						
Earnings/Investment	.3	.1	.3	.0	.0	.0
Other Income	.0	.0	14.7	12.0	.0	.0
Total Non-Tax Receipts	.3	.1	15.0	12.0	.0	.0
Total Revenues	.3	.1	15.0	12.0	.0	.0
Transfers						
Transfers In-Other	.3	.1	15.0	.0	.0	.0
Total Transfers	.3	.1	15.0	.0	.0	.0
Total Sources	$ .6	$ .2	$ 30.0	$ 12.0	$ .0	$ .0
Arts Facilities Building Fund						
Non-Taxes						
Earnings/Investment	.2	.2	.8	.0	.0	.0
Other Income	.0	20.1	30.9	20.0	.0	.0
Total Non-Tax Receipts	.2	20.3	31.7	20.0	.0	.0
Total Revenues	.2	20.3	31.7	20.0	.0	.0
Transfers						
Transfers In-Other	53.2	26.5	31.7	.0	.0	.0
Total Transfers	53.2	26.5	31.7	.0	.0	.0
Total Sources	$ 53.4	$ 46.8	$ 63.4	$ 20.0	$ .0	$ .0

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Parks & Natural Resources Fund						
Non-Taxes						
Earnings/Investment	.2	.3	.8	1.0	1.0	.0
Other Income	.0	25.1	.2	30.0	.0	.0
Total Non-Tax Receipts	.2	25.4	1.0	31.0	1.0	.0
Total Revenues	.2	25.4	1.0	31.0	1.0	.0
Transfers						
Transfers In-Other	30.2	25.3	.8	28.0	.0	.0
Total Transfers	30.2	25.3	.8	28.0	.0	.0
Total Sources	$ 30.4	$ 50.7	$ 1.8	$ 59.0	$ 1.0	$ .0
Mental Health Facilities Imp Fnd						
Non-Taxes						
Earnings/Investment	.4	.2	.6	1.0	1.0	1.0
Other Income	.1	25.3	30.2	29.8	30.0	.0
Total Non-Tax Receipts	.5	25.5	30.8	30.8	31.0	1.0
Total Revenues	.5	25.5	30.8	30.8	31.0	1.0
Transfers						
Transfers In-Other	30.4	25.2	30.6	.0	.0	.0
Total Transfers	30.4	25.2	30.6	.0	.0	.0
Total Sources	$ 30.9	$ 50.7	$ 61.4	$ 30.8	$ 31.0	$ 1.0
Higher Education Improvemnt Fund						
Non-Taxes						
Earnings/Investment	1.3	2.3	5.2	3.0	3.0	3.0
Other Income	150.3	300.0	300.2	150.0	325.0	.0
Total Non-Tax Receipts	151.6	302.3	305.4	153.0	328.0	3.0
Total Revenues	151.6	302.3	305.4	153.0	328.0	3.0
Transfers						
Transfers In-Other	276.8	302.4	155.2	.0	.0	.0
Total Transfers	276.8	302.4	155.2	.0	.0	.0
Total Sources	$ 428.4	$ 604.7	$ 460.6	$ 153.0	$ 328.0	$ 3.0

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Parks & Recreation Improv Fund						
Non-Taxes						
Earnings/Investment	.2	.3	.7	.8	.8	.8
Other Income	25.0	23.1	.0	.0	25.0	.0
Total Non-Tax Receipts	25.2	23.4	.7	.8	25.8	.8
Total Revenues	25.2	23.4	.7	.8	25.8	.8
Transfers						
Transfers In-Other	25.2	23.4	.7	.0	.0	.0
Total Transfers	25.2	23.4	.7	.0	.0	.0
Total Sources	$ 50.4	$ 46.8	$ 1.4	$ .8	$ 25.8	$ .8
Highway Capital Improv Fund Group						
Non-Taxes						
Earnings/Investment	1.4	1.7	3.1	.0	.0	.0
Other Income	160.0	140.1	180.0	.0	.0	.0
Total Non-Tax Receipts	161.4	141.8	183.1	.0	.0	.0
Total Revenues	161.4	141.8	183.1	.0	.0	.0
Transfers						
Transfers In-Other	161.6	141.7	183.1	401.1	200.0	100.0
Total Transfers	161.6	141.7	183.1	401.1	200.0	100.0
Total Sources	$ 323.0	$ 283.5	$ 366.2	$ 401.1	$ 200.0	$ 100.0
Infrastructure Bank Obligations						
Non-Taxes						
Earnings/Investment	1.2	1.3	1.3	.0	.0	.0
Other Income	120.0	.0	.0	.0	.0	.0
Total Non-Tax Receipts	121.2	1.3	1.3	.0	.0	.0
Total Revenues	121.2	1.3	1.3	.0	.0	.0
Transfers						
Transfers In-Other	121.1	1.3	1.3	305.8	450.0	400.0
Total Transfers	121.1	1.3	1.3	305.8	450.0	400.0
Total Sources	$ 242.3	$ 2.6	$ 2.6	$ 305.8	$ 450.0	$ 400.0

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Local Infrastruct Cap Imp Fund						
Non-Taxes						
Earnings/Investment	2.5	3.1	5.0	5.4	5.6	5.6
Other Income	139.2	140.6	141.6	142.8	143.0	144.5
Total Non-Tax Receipts	141.7	143.7	146.6	148.2	148.6	150.1
Total Revenues	141.7	143.7	146.6	148.2	148.6	150.1
Transfers						
Transfers In-Other	133.4	144.0	138.0	.0	.0	.0
Total Transfers	133.4	144.0	138.0	.0	.0	.0
Total Sources	$ 275.1	$ 287.7	$ 284.6	$ 148.2	$ 148.6	$ 150.1
Auditor of State Fund Group						
Non-Taxes						
Licenses and Fees	2.1	2.5	3.7	3.1	3.1	3.1
Other Income	32.1	30.4	30.6	31.5	32.3	33.1
Interagency (ISTV'S & IDC'S)	8.2	7.7	9.5	10.5	11.0	11.0
Total Non-Tax Receipts	42.4	40.6	43.8	45.1	46.4	47.2
Total Revenues	42.4	40.6	43.8	45.1	46.4	47.2
Total Sources	$ 42.4	$ 40.6	$ 43.8	$ 45.1	$ 46.4	$ 47.2
Tobacco Settlement Fund						
Non-Taxes						
Earnings/Investment	4.7	5.5	15.5	43.2	.0	.0
Other Income	322.3	323.0	296.8	2.1	.0	.0
Total Non-Tax Receipts	327.0	328.5	312.3	45.3	.0	.0
Total Revenues	327.0	328.5	312.3	45.3	.0	.0
Transfers						
Transfers In-Other	88.5	208.5	288.1	18.4	.0	.0
Total Transfers	88.5	208.5	288.1	18.4	.0	.0
Total Sources	$ 415.5	$ 537.0	$ 600.4	$ 63.7	$ .0	$ .0
Clean Ohio Fund Group						
Non-Taxes						
Earnings/Investment	.5	.8	1.6	1.7	1.3	1.0
Other Income	50.0	.0	50.1	50.0	.0	35.0
Total Non-Tax Receipts	50.5	.8	51.7	51.7	1.3	36.0
Total Revenues	50.5	.8	51.7	51.7	1.3	36.0
Transfers						
Transfers In-Other	44.3	.8	51.8	11.5	.2	.2
Total Transfers	44.3	.8	51.8	11.5	.2	.2
Total Sources	$ 94.8	$ 1.6	$ 103.5	$ 63.2	$ 1.5	$ 36.2

Table B-2 (Continued)
Income Sources, Fiscal Years 2004 - 2009
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 ESTIMATE	FY 2009 ESTIMATE
Clean Ohio Revitalization						
Non-Taxes						
Earnings/Investment	.6	.7	.8	.6	.6	.6
Other Income	.0	.0	50.0	.0	.0	.0
Total Non-Tax Receipts	.6	.7	50.8	.6	.6	.6
Total Revenues	.6	.7	50.8	.6	.6	.6
Transfers						
Transfers In-Other	.0	.0	50.3	.0	.0	50.0
Total Transfers	.0	.0	50.3	.0	.0	50.0
Total Sources	$ .6	$ .7	$ 101.1	$ .6	$ .6	$ 50.6
THIRD FRONTIER R&D FD GRP						
Non-Taxes						
Earnings/Investment	.0	.0	.0	1.9	3.0	.0
Other Income	.0	.0	.0	100.0	200.0	.0
Total Non-Tax Receipts	.0	.0	.0	101.9	203.0	.0
Total Revenues	.0	.0	.0	101.9	203.0	.0
Total Sources	$ .0	$ .0	$ .0	$ 101.9	$ 203.0	$ .0
JOB READY SITE DEV FD GRP						
Non-Taxes						
Earnings/Investment	.0	.0	.0	1.5	2.0	.0
Other Income	.0	.0	.0	30.0	30.0	.0
Total Non-Tax Receipts	.0	.0	.0	31.5	32.0	.0
Total Revenues	.0	.0	.0	31.5	32.0	.0
Total Sources	$ .0	$ .0	$ .0	$ 31.5	$ 32.0	$ .0

Revenue Summaries

This section summarizes the revenue that is estimated to be received by the state in fiscal years 2008 and 2009. It is important to note that because all revenue that the state anticipates receiving in fiscal years 2008 and 2009 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 Section B - Economic Forecast.

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

Figure C-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 C-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 2008-2009 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. Approximately 93.7 percent of the state's non-federal General Revenue Fund revenue is from tax receipts.

Figure C-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 year 2009, because the capital bill appropriates through fiscal year 2008 only. The General Revenue Fund provides about 44.3% of revenue used for all purposes. In order to create this pie chart the state's 48 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

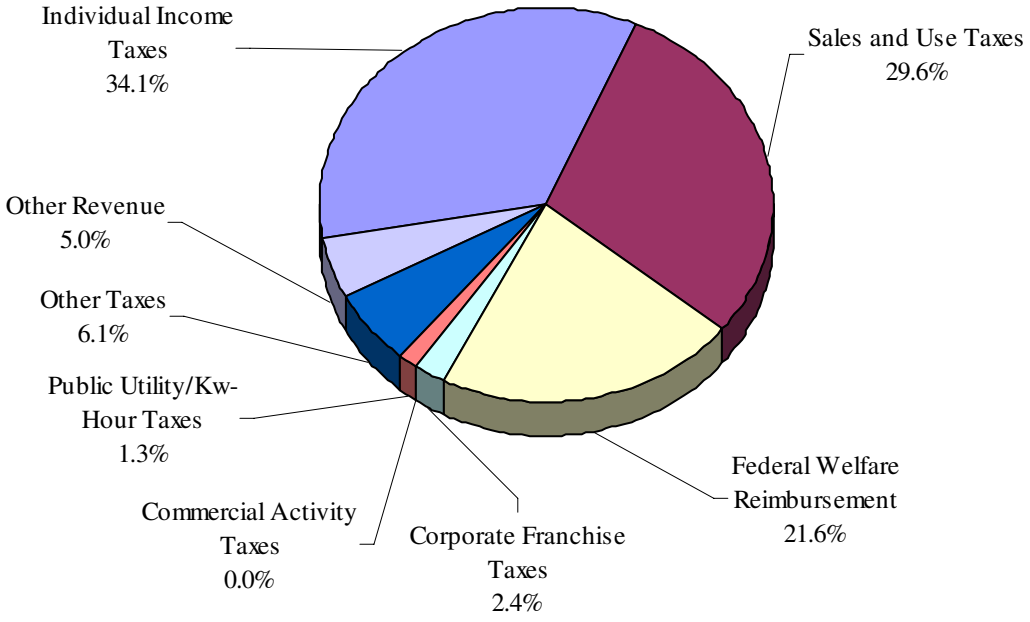
Agency Funds
Accrued Leave Liability Fund Group
Agency Fund Group
Holding Account Redistribution Fund Group
Volunteer Fire Fighters' Dependents Fund

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 (Section C) 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 C-6. 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 C-1
Total GRF – Estimated Revenues for FYs 2008 and 2009



Estimated GRF Revenues (dollars in millions)

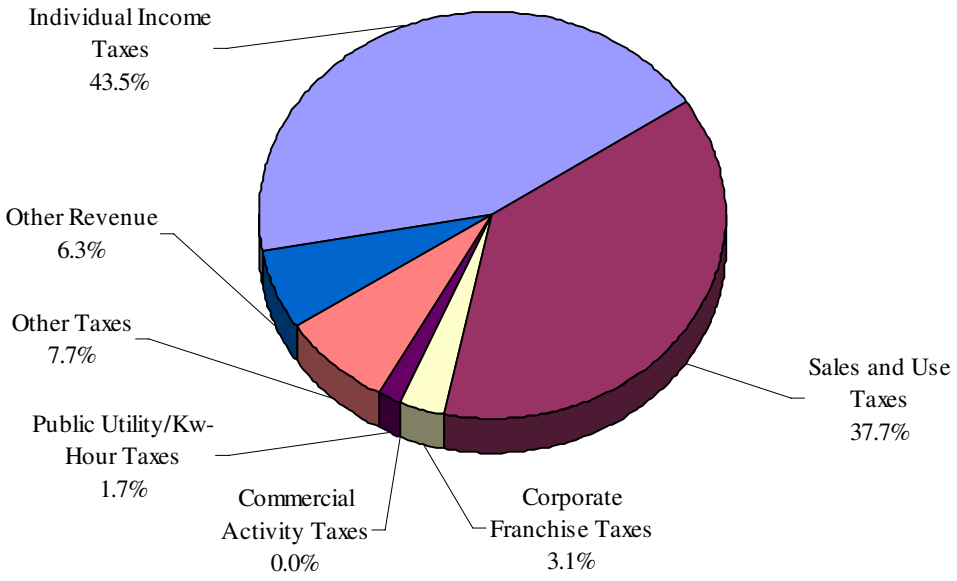
Revenue Source	FY 2008	FY 2009	Total
Individual Income Taxes	$ 9,148.4	$ 9,251.9	$ 18,400.3
Sales and Use Taxes	$ 7,839.3	$ 8,109.5	$ 15,948.8
Federal Grants & Reimbursement	$ 5,604.6	$ 6,030.7	$ 11,635.3
Corporate Franchise Taxes	$ 812.8	$ 497.4	$ 1,310.2
Commercial Activity Taxes	$ -	$ -	$ -
Public Utility/Kw-Hour Taxes	$ 405.2	$ 314.1	$ 719.3
Other Taxes	$ 1,640.5	$ 1,633.4	$ 3,273.9
Other Revenue	$ 1,292.4	$ 1,390.4	$ 2,682.8
Total	**$ 26,743.2**	**$ 27,227.4**	**$ 53,970.6**

Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

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 C-2
State-Only GRF – Estimated Revenues for FYs 2008 and 2009



Estimated State-Only GRF Revenues (dollars in millions)

Revenue Source	FY 2008	FY 2009	Total
Individual Income Taxes	$ 9,148.4	$ 9,251.9	$ 18,400.3
Sales and Use Taxes	$ 7,839.3	$ 8,109.5	$ 15,948.8
Corporate Franchise Taxes	$ 812.8	$ 497.4	$ 1,310.2
Commercial Activity Taxes	$ -	$ -	$ -
Public Utility/Kw-Hour Taxes	$ 405.2	$ 314.1	$ 719.3
Other Taxes	$ 1,640.5	$ 1,633.4	$ 3,273.9
Other Revenue	$ 1,292.4	$ 1,390.4	$ 2,682.8
Total	**$ 21,138.6**	**$ 21,196.7**	**$ 42,335.3**

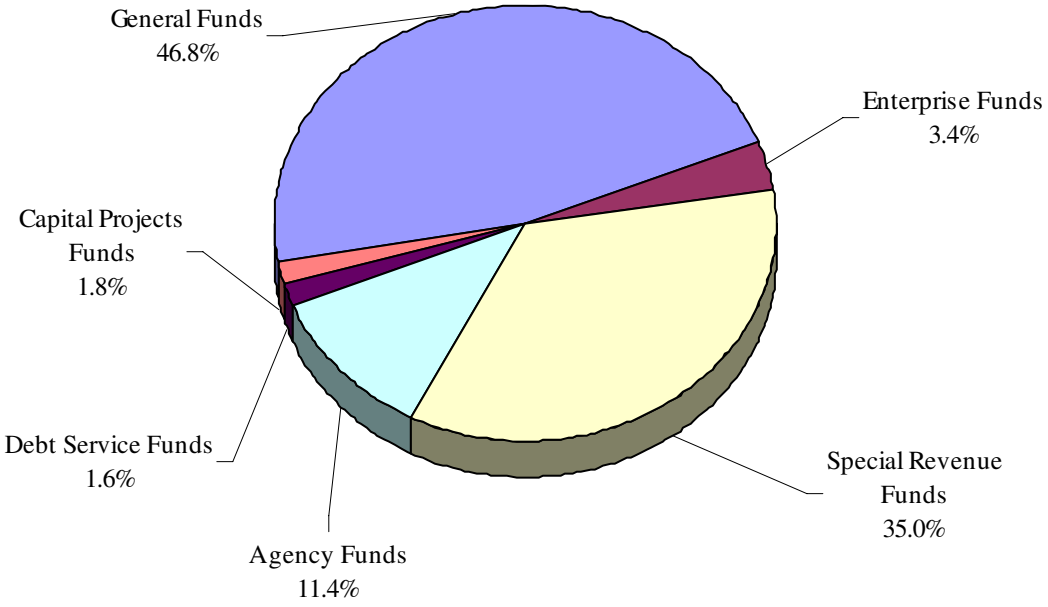
Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

Please Note: These figures do not include $11,638.6 million of estimated federal revenue ($5,604.6 million in FY 2008 and $6030.7 million in FY 2009) 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. Approximately 93.7 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 C-3
All Funds – Estimated Revenues for FYs 2008 and 2009



All Funds Estimated Revenues (dollars in millions)

Revenue Source	FY 2008	FY 2009	Total
General Funds	$ 28,213.5	$ 28,751.9	$ 56,965.4
Enterprise Funds	$ 2,076.6	$ 2,112.1	$ 4,188.7
Special Revenue Funds	$ 21,341.1	$ 21,292.0	$ 42,633.1
Agency Funds	$ 6,862.2	$ 7,084.2	$ 13,946.4
Debt Service Funds	$ 915.7	$ 1,028.6	$ 1,944.3
Capital Projects Funds	$ 1,421.5	$ 741.7	$ 2,163.2
Total	**$ 60,830.6**	**$ 61,010.5**	**$ 121,841.1**

Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

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 year 2009 because the capital bill appropriated for fiscal years 2007 and 2008.

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 Strickland for the fiscal year 2008 and 2009 biennium. Two pie charts appear first, followed by a bar chart and two tables. The charts and tables are listed below with a brief description of what each one shows.

Figure C-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.

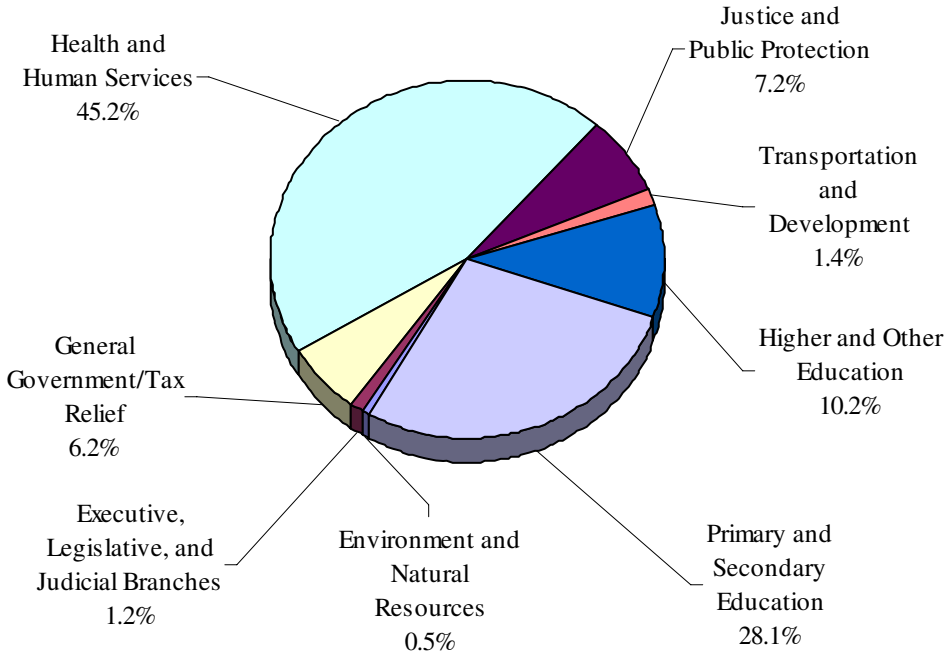
Figure C-5, State-Only GRF Appropriations Pie Chart: While tax revenue makes up the great majority of the GRF, the GRF also includes revenue that the state receives from the federal government as reimbursement for certain GRF expenditures. This "federal share" of GRF spending for these programs is substantial. It is estimated to be $11.6 billion during the FY 2008-09 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 C-5 shows recommended GRF appropriations by major spending category without the federal share of the GRF.

Figure C-6, All Funds Appropriations Pie Chart: The third chart that summarizes recommended appropriations is Figure C-6. The "all funds" chart shows how all recommended operating budget appropriations for the FY 2008-09 biennium are split among the major spending categories by revenue source. 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 year 2009.

Table C-1, Expense by Object Summary: This table shows actual (FYs 2004 to 2006) and estimated (FY 2007) spending and recommended appropriations (FYs 2008 and 2009) 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 year 2009.

Table C-2, GRF Expense by Category: This table shows actual (FY 2006) and estimated (FY 2007) spending and recommended appropriations (FYs 2008 and 2009) by major spending category.

Figure C-4
Total GRF – Recommended Appropriations for FYs 2008 and 2009



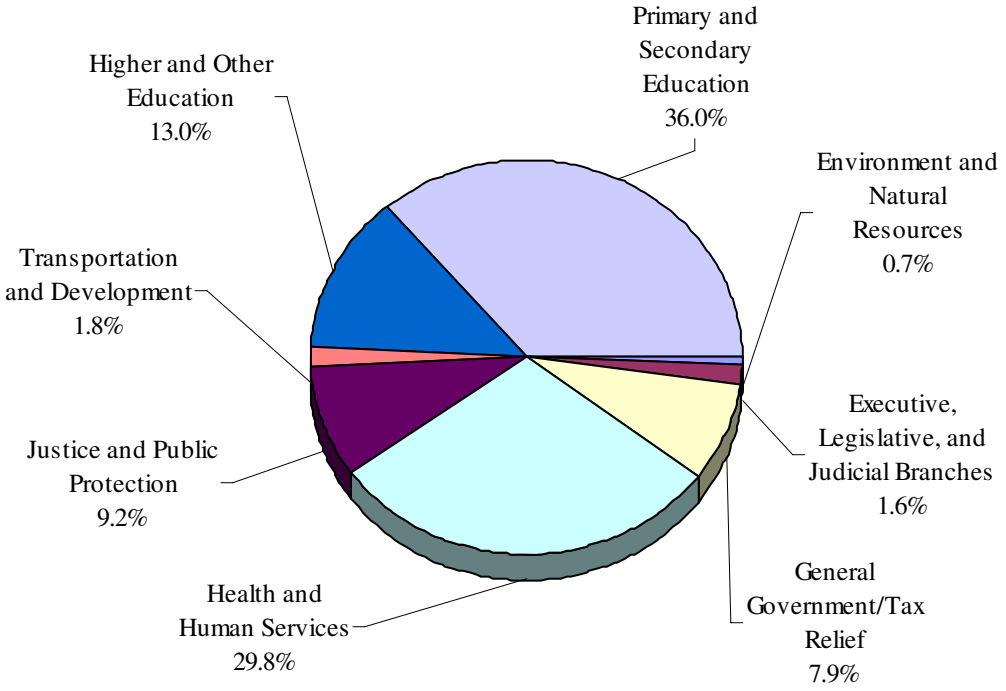
Recommended GRF Appropriations (dollars in millions)

Function	FY 2008	FY 2009	Total
Environment and Natural Resources	$ 138.1	$ 138.9	$ 276.9
Executive, Legislative, and Judicial Branches	$ 318.4	$ 328.5	$ 646.9
General Government/Tax Relief	$ 1,600.2	$ 1,671.5	$ 3,271.7
Health and Human Services	$ 11,435.5	$ 12,477.2	$ 23,912.7
Justice and Public Protection	$ 1,873.7	$ 1,925.7	$ 3,799.4
Transportation and Development	$ 358.0	$ 392.1	$ 750.1
Higher and Other Education	$ 2,689.6	$ 2,688.9	$ 5,378.5
Primary and Secondary Education	$ 7,255.5	$ 7,599.1	$ 14,854.6
Total	**$ 25,668.9**	**$ 27,221.9**	**$ 52,890.9**

Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

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 C-5
State-Only GRF – Recommended Appropriations for FYs 2008 and 2009



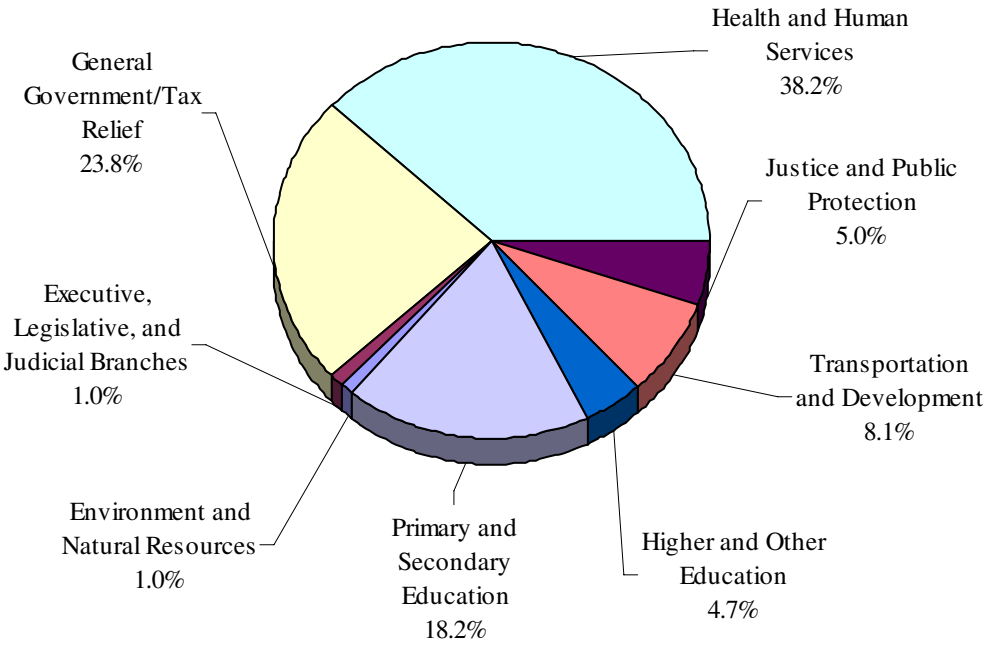
Recommended State-Only GRF Appropriations (dollars in millions)

Function	FY 2008	FY 2009	Total
Environment and Natural Resources	$ 138.1	$ 138.9	$ 276.9
Executive, Legislative, and Judicial Branches	$ 318.4	$ 328.5	$ 646.9
General Government/Tax Relief	$ 1,600.2	$ 1,671.5	$ 3,271.7
Health and Human Services	$ 5,965.7	$ 6,310.9	$ 12,276.6
Justice and Public Protection	$ 1,873.7	$ 1,925.7	$ 3,799.4
Transportation and Development	$ 358.0	$ 392.1	$ 750.1
Higher and Other Education	$ 2,689.6	$ 2,688.9	$ 5,378.5
Primary and Secondary Education	$ 7,255.5	$ 7,599.1	$ 14,854.6
Total	**$ 20,199.2**	**$ 21,055.6**	**$ 41,254.7**

Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

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 C-6
All Funds – Recommended Appropriations for FYs 2008 and 2009



All Funds Recommended Appropriations (dollars in millions)

Function	FY 2008	FY 2009	Total
Environment and Natural Resources	$ 558.8	$ 565.3	$ 1,124.1
Executive, Legislative, and Judicial Branches	$ 577.6	$ 589.7	$ 1,167.4
General Government/Tax Relief	$ 13,594.9	$ 14,168.2	$ 27,763.1
Health and Human Services	$ 21,641.6	$ 22,859.6	$ 44,501.2
Justice and Public Protection	$ 2,889.8	$ 2,961.2	$ 5,851.0
Transportation and Development	$ 4,767.2	$ 4,615.5	$ 9,382.7
Higher and Other Education	$ 2,733.8	$ 2,733.1	$ 5,466.9
Primary and Secondary Education	$ 10,396.3	$ 10,792.8	$ 21,189.2
Total	**$ 57,160.2**	**$ 59,285.5**	**$ 116,445.7**

Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

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 $10.6 billion over the biennium that is appropriated from revenue distribution funds is included in this category. For more information about these funds, see the Revenue Distribution Fund narrative in section E.

Table C-1 (continued on next page)

Expense by Object Summary, Fiscal Years 2004 to 2009

Dollars in Millions

		FY 2004 Actual	% of Total		FY 2005 Actual	% of Total		FY 2006 Actual	% of Total
General Revenue Fund									
Personal Service	$	1,856.8	7.8%	$	1,879.6	7.6%	$	1,878.1	7.6%
Purchased Personal Services	$	250.8	1.1%	$	263.8	1.1%	$	298.3	1.2%
Maintenance	$	504.8	2.1%	$	516.7	2.1%	$	569.9	2.3%
Equipment	$	44.3	0.2%	$	39.8	0.2%	$	59.5	0.2%
Total Operating	$	2,656.7	11.1%	$	2,699.9	10.9%	$	2,805.8	11.3%
Subsidy	$	20,176.9	84.6%	$	21,008.3	84.6%	$	20,880.7	84.0%
Goods for Resale	$	-	0.0%	$	-	0.0%	$	-	0.0%
Capital	$	1.5	0.0%	$	1.3	0.0%	$	0.8	0.0%
Transfers	$	1,003.8	4.2%	$	1,121.3	4.5%	$	1,179.2	4.7%
Total Expense	$	23,838.9	100.0%	$	24,830.9	100.0%	$	24,866.5	100.0%
All Funds									
Personal Service	$	4,323.1	9.0%	$	4,291.9	8.5%	$	4,794.7	9.0%
Purchased Personal Services	$	537.7	1.1%	$	650.0	1.3%	$	739.8	1.4%
Maintenance	$	1,303.5	2.7%	$	1,345.6	2.7%	$	1,435.1	2.7%
Equipment	$	181.5	0.4%	$	218.7	0.4%	$	314.7	0.6%
Total Operating	$	6,345.7	13.2%	$	6,506.2	12.8%	$	7,284.2	13.6%
									0.0%
Subsidy	$	29,845.6	62.0%	$	31,347.7	61.9%	$	32,274.4	60.4%
Goods for Resale	$	413.2	0.9%	$	428.9	0.8%	$	471.9	0.9%
Capital	$	2,774.3	5.8%	$	2,904.1	5.7%	$	3,222.7	6.0%
Transfers	$	8,774.6	18.2%	$	9,477.8	18.7%	$	10,191.0	19.1%
Total Expense		48,153.3	1.0		50,664.8	1.0		53,444.2	1.0

Note: Figures may not add to total due to rounding

Source: Ohio Office of Budget and Management, March 2007

Table C-1 (continued from previous page)
Expense by Object Summary, Fiscal Years 2004 to 2009
Dollars in Millions

			Recommended			
	FY 2007 Estimate	% of Total	FY 2008	% of Total	FY 2009	% of Total
General Revenue Fund						
Personal Service	$ 1,980.6	7.6%	$ 2,064.1	8.0%	$ 2,144.8	7.9%
Purchased Personal Services	$ 321.1	1.2%	$ 341.6	1.3%	$ 338.1	1.2%
Maintenance	$ 628.4	2.4%	$ 571.9	2.2%	$ 568.2	2.1%
Equipment	$ 39.4	0.2%	$ 39.1	0.2%	$ 38.4	0.1%
Total Operating	$ 2,969.5	11.4%	$ 3,016.7	11.8%	$ 3,089.5	11.3%
Subsidy	$ 21,753.5	83.4%	$ 21,285.4	82.9%	$ 22,740.8	83.5%
Goods for Resale	$ -	0.0%	$ -	0.0%	$ -	0.0%
Capital	$ 1.7	0.0%	$ 2.7	0.0%	$ 2.7	0.0%
Transfers	$ 1,357.5	5.2%	$ 1,364.2	5.3%	$ 1,388.9	5.1%
Total Expense	$ 26,082.2	100.0%	$ 25,669.0	100.0%	$ 27,221.9	100.0%
All Funds						
Personal Service	$ 4,841.9	8.4%	$ 5,003.6	8.6%	$ 5,197.3	8.8%
Purchased Personal Services	$ 971.3	1.7%	$ 1,034.4	1.8%	$ 993.7	1.7%
Maintenance	$ 1,685.8	2.9%	$ 1,620.2	2.8%	$ 1,640.9	2.8%
Equipment	$ 247.6	0.4%	$ 224.1	0.4%	$ 204.2	0.3%
Total Operating	$ 7,746.6	13.4%	$ 7,882.2	13.5%	$ 8,036.1	13.6%
Subsidy	$ 34,565.8	59.7%	$ 37,419.7	64.2%	$ 39,317.5	66.3%
Goods for Resale	$ 478.6	0.8%	$ 526.4	0.9%	$ 564.8	1.0%
Capital	$ 3,536.6	6.1%	$ 3,624.1	6.2%	$ 2,260.1	3.8%
Transfers	$ 11,555.9	20.0%	$ 8,871.9	15.2%	$ 9,107.0	15.4%
Total Expense	$ 57,883.5	100.0%	$ 58,324.4	100.0%	$ 59,285.5	100.0%

Note: Figures may not add to total due to rounding
Source: Ohio Office of Budget and Management, March 2007

Table C-2
State-Only GRF Spending and Revenue Forecast
Fiscal Years 2007 to 2011
Dollars in Millions

Function	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Environment and Natural Resources	$ 141.5	$ 138.1	$ 138.9	$ 141.6	$ 144.5
Executive, Legislative, and Judicial Branches	$ 309.8	$ 318.4	$ 328.5	$ 336.7	$ 345.1
General Government/Tax Relief	$ 1,559.2	$ 1,600.2	$ 1,671.5	$ 1,721.7	$ 1,773.3
Health and Human Services	$ 6,312.4	$ 5,965.7	$ 6,310.9	$ 6,563.3	$ 6,825.9
Justice and Public Protection	$ 1,836.3	$ 1,873.7	$ 1,925.7	$ 1,945.0	$ 1,964.5
Transportation and Development	$ 338.5	$ 358.0	$ 392.1	$ 396.0	$ 399.9
Higher and Other Education	$ 2,589.5	$ 2,689.6	$ 2,688.9	$ 2,756.2	$ 2,825.1
Primary and Secondary Education	$ 7,159.2	$ 7,255.5	$ 7,599.1	$ 7,751.0	$ 7,906.1
Total	**$ 20,246.4**	**$ 20,199.2**	**$ 21,055.6**	**$ 21,611.5**	**$ 22,184.3**

Revenue Source	FY07	FY08	FY09	FY10	FY11
Individual Income Taxes	$ 8,790.0	$ 9,148.4	$ 9,251.9	$ 9,572.0	$ 10,029.6
Sales and Use Taxes	$ 7,470.0	$ 7,839.3	$ 8,109.5	$ 8,395.9	$ 8,691.0
Corporate Franchise Taxes	$ 1,055.0	$ 812.8	$ 497.4	$ 165.0	$ 165.0
Commercial Activity Taxes	$ -	$ -	$ -	$ -	$ -
Public Utility/Kw-Hour Taxes	$ 500.0	$ 405.2	$ 314.1	$ 316.1	$ 310.0
Other Taxes	$ 1,617.3	$ 1,640.5	$ 1,633.4	$ 1,634.8	$ 1,626.9
Other Revenue	$ 929.0	$ 1,292.4	$ 1,390.4	$ 1,577.7	$ 1,514.3
Total	**$ 20,361.3**	**$ 21,138.6**	**$ 21,196.7**	**$ 21,661.5**	**$ 22,336.8**

Note: Numbers may not add to total due to rounding.
Source: Ohio Office of Budget and Management, March 2007

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 2008 and 2009. For the state's General Revenue Fund and Budget Stabilization Fund, the planned fund balances for these two funds are shown, in Table C-3 and Figure C-7, in the context of a 10-year history of ending balances. Fund balance calculations for fiscal years 2008 and 2009 are shown in Table C-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 March 2007. 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 48 budget fund groups is shown on pages C-1 and C-2 of the Executive Budget. The fund types and budget fund groups for which fund balance calculations are shown on Table C-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 year 2009, because the capital bill appropriates only through fiscal year 2008.

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 2008 and 2009 will provide an ending fund balance of 0.5% of the previous year annual GRF revenue, each year, as Table C-3 and Figure C-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 C-3 and Figure C-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 was forced to use the BSF in the fiscal year 2002-2003 biennia to offset declines in revenue growth and the large increases in Medicaid expenditures that resulted from that recession. Since the end of fiscal year 2005, the State has been able to replenish the balance of the BSF to the point at which it now sits. This Executive Recommendation includes a transfer of $26.1 million to the BSF at the end of fiscal year 2009.

Table C-3
History of Ending Fund Balances for the General Revenue Fund and the Budget Stabilization Fund, FYs 2000 to 2009
Dollars in millions

Date	Ending Balance	% of GRF Revenues	Ending Balance	% of GRF Revenues
Est. 6/30/09	$ 136.1	0.5%	$ 1,038.4	3.8%
Est. 6/30/08	$ 733.8	2.7%	$ 1,012.3	3.8%
Est. 6/30/07	$ 130.0	0.5%	$ 1,012.3	3.9%
6/30/2006	$ 632.0	2.4%	$ 1,012.3	3.9%
6/30/2005	$ 138.4	0.5%	$ 574.9	2.3%
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%	$ 427.6	2.0%
6/30/2001	$ 206.5	1.0%	$ 1,010.6	4.7%
6/30/2000	$ 196.1	1.0%	$ 1,002.5	5.0%

Source: Ohio Office of Budget and Management, March 2007

Figure C-7
GRF and BSF Ending Balances as a Share of Annual GRF Revenues FYs 2000 to 2009

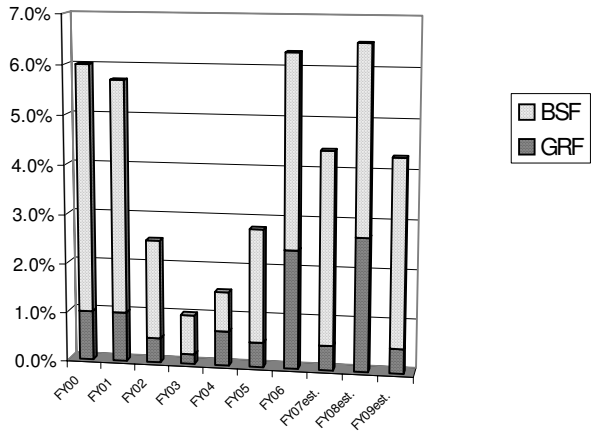


Table C-4
Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2008 and 2009
(Dollars in Millions)

	General Funds			Enterprise Funds			
	GENERAL REVENUE	GENERAL SERVICES	OTHER GENERAL FUNDS	WORKERS' COMPENSATION	LIQUOR CONTROL	STATE LOTTERY	UNDERGROUND PARKING GARAGE
FY 2008 est. Beginning Balance	130.0	450.7	616.7	6.9	21.5	370.2	.5
Estimated Revenues							
Taxes	19,846.2	.5	.0	.0	.0	.0	.0
Federal Grants	5,604.6	67.3	.0	.0	.0	.0	.0
Licenses and Fees	76.0	94.2	.0	.0	1.1	.1	2.0
Other Income and Transfers	1,216.4	1,308.3	.0	392.0	652.6	981.8	.7
Total Resources Available	26,873.2	1,921.0	616.7	398.9	675.2	1,352.0	3.2
Proposed Expenditures							
Education	9,918.3	41.4	.0	.0	.0	.0	.0
Health and Human Services	11,435.5	693.8	.0	389.2	.0	.0	.0
Public Safety and Protection	1,873.7	202.4	.0	.0	11.4	.0	.0
General Govt and Tax Relief	1,614.8	409.2	.0	.0	503.5	418.7	2.7
Transportation and Development	356.7	26.5	.0	.0	.0	.0	.0
Environment and Natural Resources	138.1	46.5	.0	.0	.0	.0	.0
Executive, Legislative and Judicial	321.7	60.7	.0	.0	.0	.0	.0
Other Spending and Transfers	472.8	18.0	.0	.0	135.5	663.9	.0
Total Proposed Expenditures	26,131.6	1,498.6	.0	389.2	650.4	1,082.6	2.7
FY 2008 est. Ending Balance	741.7	422.4	616.7	9.7	24.8	269.4	.5
FY 2009 est. Beginning Balance	741.7	419.1	616.7	9.7	24.8	269.4	.5
Estimated Revenues							
Taxes	19,806.3	.5	.0	.0	.0	.0	.0
Federal Grants	6,030.7	67.6	.0	.0	.0	.0	.0
Licenses and Fees	76.0	110.5	.0	.0	1.1	.1	2.0
Other Income and Transfers	1,314.4	1,346.0	.0	396.4	688.9	975.7	.8
Total Resources Available	27,969.1	1,943.6	616.7	406.1	714.8	1,245.1	3.2
Proposed Expenditures							
Education	10,261.2	41.8	.0	.0	.0	.0	.0
Health and Human Services	12,477.2	694.3	.0	389.4	.0	.0	.0
Public Safety and Protection	1,925.7	208.4	.0	.0	11.5	.0	.0
General Govt and Tax Relief	1,686.1	422.3	.0	.0	535.4	420.5	2.7
Transportation and Development	383.4	42.5	.0	.0	.0	.0	.0
Environment and Natural Resources	138.9	47.5	.0	.0	.0	.0	.0
Executive, Legislative and Judicial	331.8	61.0	.0	.0	.0	.0	.0
Other Spending and Transfers	628.6	9.9	.0	.0	138.5	657.9	.0
Total Proposed Expenditures	27,832.9	1,527.7	.0	389.4	685.4	1,078.4	2.7
FY 2009 est. Ending Balance	136.1	415.9	616.7	16.7	29.3	166.7	.5

Table C-4 (Continued)
Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2008 and 2009
(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 2008 est. Beginning Balance	6.6	227.7	1,611.3	245.1	-121.5	806.5	6.4
Estimated Revenues							
Taxes	.0	.0	697.4	1.1	3,400.5	92.7	15.8
Federal Grants	.0	8,746.7	1,210.3	17.6	.0	12.3	5.4
Licenses and Fees	3.1	127.8	71.1	322.2	567.8	1,197.7	5.5
Other Income and Transfers	43.3	1,562.1	660.3	126.3	152.7	629.1	1.9
Total Resources Available	53.0	10,664.3	4,250.4	712.3	3,999.4	2,738.3	35.0
Proposed Expenditures							
Education	.0	1,697.8	.0	.0	702.7	66.6	.0
Health and Human Services	.0	8,044.5	.0	.0	.0	947.0	.0
Public Safety and Protection	.0	235.4	.0	510.4	.0	52.8	.0
General Govt and Tax Relief	.0	11.7	.0	.0	2,773.8	206.3	.0
Transportation and Development	.0	372.6	2,547.0	.0	.0	384.0	.0
Environment and Natural Resources	.0	64.3	.0	.0	.0	209.6	25.7
Executive, Legislative and Judicial	47.5	33.6	.0	.0	.0	84.6	.0
Other Spending and Transfers	.0	2.1	219.2	34.0	860.2	10.1	.0
Total Proposed Expenditures	47.5	10,461.8	2,766.2	544.4	4,336.7	1,961.0	25.7
FY 2008 est. Ending Balance	5.5	202.5	1,484.2	167.9	-337.3	777.3	9.3
FY 2009 est. Beginning Balance	5.5	201.9	1,484.2	167.9	-337.3	777.0	9.3
Estimated Revenues							
Taxes	.0	.0	692.4	1.1	4,060.8	91.6	15.9
Federal Grants	.0	8,647.1	1,210.0	17.7	.0	12.3	5.4
Licenses and Fees	3.1	128.9	71.7	328.5	592.8	1,181.0	5.5
Other Income and Transfers	44.1	1,634.2	666.9	125.7	152.7	630.9	1.7
Total Resources Available	52.8	10,612.1	4,125.1	641.0	4,468.9	2,692.9	37.7
Proposed Expenditures							
Education	.0	1,603.3	.0	.0	854.4	66.8	.0
Health and Human Services	.0	8,222.9	.0	.0	.0	944.0	.0
Public Safety and Protection	.0	241.9	.0	516.9	.0	53.0	.0
General Govt and Tax Relief	.0	13.4	.0	.0	2,937.4	195.5	.0
Transportation and Development	.0	342.7	2,551.3	.0	.0	379.3	.0
Environment and Natural Resources	.0	63.7	.0	.0	.0	213.0	26.4
Executive, Legislative and Judicial	48.5	34.1	.0	.0	.0	84.7	.0
Other Spending and Transfers	.0	.0	239.2	35.1	870.2	9.9	.0
Total Proposed Expenditures	48.5	10,522.0	2,790.5	552.0	4,662.0	1,946.2	26.4
FY 2009 est. Ending Balance	4.3	90.2	1,334.7	89.0	-193.1	746.7	11.4

Table C-4 (Continued)
Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2008 and 2009
(Dollars in Millions)

	Special Revenue Funds (Continued)					
	WILDLIFE	OTHER SPECIAL REVENUE	INTERNAL SERVICE FUNDS	AGENCY FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS
FY 2008 est. Beginning Balance	18.0	735.7	.0	418.2	21.6	957.2
Estimated Revenues						
Taxes	.0	.0	.0	3,752.4	.0	.0
Federal Grants	16.7	.0	.0	.0	.0	.0
Licenses and Fees	35.7	.1	.0	3.3	.0	.0
Other Income and Transfers	5.2	1,659.1	.0	3,109.1	915.6	1,184.4
Total Resources Available	75.5	2,395.0	.0	7,283.0	937.2	2,141.5
Proposed Expenditures						
Education	.0	672.9	.0	.0	.0	.0
Health and Human Services	.0	.0	.0	131.7	.0	.0
Public Safety and Protection	.0	.0	.0	3.7	.0	.0
General Govt and Tax Relief	.0	.0	.0	6,753.4	915.2	.0
Transportation and Development	.0	292.3	.0	.0	.0	650.9
Environment and Natural Resources	61.4	10.0	.0	2.9	.0	.0
Executive, Legislative and Judicial	.0	.0	.0	32.9	.0	.0
Other Spending and Transfers	.0	641.4	.0	.1	.0	495.0
Total Proposed Expenditures	61.4	1,616.6	.0	6,924.6	915.2	1,145.9
FY 2008 est. Ending Balance	14.0	778.4	.0	358.4	22.1	995.6
FY 2009 est. Beginning Balance	14.0	778.4	.0	348.6	22.1	995.6
Estimated Revenues						
Taxes	.0	.0	.0	3,842.8	.0	.0
Federal Grants	14.1	.0	.0	.0	.0	.0
Licenses and Fees	35.7	.1	.0	1.4	.0	.0
Other Income and Transfers	5.2	962.2	.0	3,242.5	1,028.7	654.9
Total Resources Available	68.9	1,740.7	.0	7,435.2	1,050.7	1,650.5
Proposed Expenditures						
Education	.0	667.9	.0	.0	.0	.0
Health and Human Services	.0	.0	.0	131.7	.0	.0
Public Safety and Protection	.0	.0	.0	3.7	.0	.0
General Govt and Tax Relief	.0	.0	.0	6,935.4	1,033.9	.0
Transportation and Development	.0	292.3	.0	.0	.0	500.9
Environment and Natural Resources	62.6	10.0	.0	2.9	.0	.0
Executive, Legislative and Judicial	.0	.0	.0	32.9	.0	.0
Other Spending and Transfers	.0	11.8	.0	.0	.0	.0
Total Proposed Expenditures	62.6	982.0	.0	7,106.7	1,033.9	500.9
FY 2009 est. Ending Balance	6.3	758.7	.0	328.5	16.8	1,149.6

Capital Budgeting Process

In even-numbered years the state performs a separate budgeting process for capital expenditures – the construction or rehabilitation of buildings and other structures and the acquisition of real estate (or interest therein), 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 (with certain exceptions) 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 2006, the state appropriated $1.77 billion in capital projects in H.B. 699 of the 126th General Assembly for the fiscal year 2007-2008 biennium. The 126th General Assembly also made additional capital appropriations of $1.69 billion during the 2007-2008 biennium, bringing the new capital appropriations (GRF and non-GRF) total for the biennium to $3.46 billion. Of that amount, $2.44 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 2007-2008 capital biennium total $1.02 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 majority of capital appropriations for the 2008-2009 capital biennium ($2.01 billion) were made to the School Facilities Commission and funded by a combination of GRF-backed debt ($1.13 billion), tobacco settlement receipts ($648.5 million), and cash transfers ($238.6 million). This appropriation continues the state's commitment to partner with local school districts to provide the necessary educational facilities that Ohio's public school students must have to succeed. The Board of Regents received appropriations totaling $532.1 million to address the facility needs of Ohio's higher education institutions. Other new capital appropriations made during 2007-2008 capital biennium included $240 million provided to the Public Works Commission for the financing of capital improvement projects of local subdivisions of the state and $100 million was provided to the Department of Development for the Third Frontier Program.

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 $3.49 billion for debt service in the 2008-2009 biennium. This includes $2.60 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. For example, the Department of Rehabilitation and Correction received a capital appropriation in the 2007-2008 capital biennium to construct a new community based correctional facility in Cuyahoga County. When complete, the operation of the facility will be funded with a subsidy from the department requiring an increase in its operating budget. Some projects may lead to a decrease in appropriation. The Ohio Administrative Knowledge System, an enterprise resource planning system, is expected to increase efficiency among State agencies which when fully implemented will result in lower appropriations.

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 (lease-rental and revenue 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, conservation projects, infrastructure improvement, Third Frontier research and development, and job-ready site development. 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.

Infrastructure Improvements. A 1995 constitutional amendment authorizes the issuance of up to $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. A 2005 constitutional amendment authorizes an additional $1.35 billion of general obligation debt as a ten-year extension of this program, with an increase in the annual issuance amount in the last five-years from $120 million to $150 million. 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.

Third Frontier Research and Development. A 2005 constitutional amendment authorizes the issuance of $500,000,000 of general obligation debt in support of Ohio industry, commerce and business. Not more than $100,000,000 may be issued in each of the first three fiscal years and not more than $50,000,000 in any other 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.

Site Development. A 2005 constitutional amendment authorizes the issuance of $150,000,000 of general obligation debt for the development of sites for industry, commerce, distribution, and research and development. Not more than $30,000,000 may be issued in each of the first three fiscal years and not more than $15,000,000 in any other 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.

Treasurer of State. The Treasurer of State issues general obligation bonds for highway construction, summarized below:

> *Highway (Capital Improvements).* A 1995 constitutional amendment authorizes the issuance of 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).

The following table provides summary information for the state's general obligation bonds as of June 30, 2006 ($ in thousands).

Purpose	Fiscal Years Issued	Amount Issued(a)	Maturing through Fiscal Year	Outstanding Balance
Infrastructure Improvements	1990-06	$2,159,986	2026	$1,313,733(b)
Coal Research and Development	1992-04	150,000	2013	35,930
Natural Resources	1995-05	265,000	2020	161,975
Highway Capital Improvements	1997-06	1,615,000	2015	831,000
Higher Education Facilities	2000-06	1,850,000	2026	1,594,090
Common School Facilities	2000-06	2,790,000	2026	2,507,245(c)
Conservation Projects	2002-06	150,000	2020	133,460
Third Frontier R&D	--	-0-	--	-0-
Site Development	--	-0-	--	-0-
Total				$6,577,433

(a) The amount of bonds issued for refunding purposes is excluded in determining the amount issued.
(b) Includes $283,615,000 in adjustable rate bonds.
(c) Includes $458,650,000 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, and workers' compensation. Debt service on these bonds is paid from GRF lease-rental appropriations, except 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 higher education, elementary and secondary education, mental health and mental retardation, parks and recreation facilities, and for cultural and sports facilities. The higher education and elementary and secondary education lease-rental bond programs are no longer active, except to refund bonds previously issued.

Capital Improvements and Long-Term Financing

The following table presents summary information for the state's lease-rental bonds as of June 30, 2006 ($ in thousands).

Issuer / Purpose	Fiscal Years Issued	Amount Issued(a)	Maturing through Fiscal Year	Outstanding Balance
Ohio Building Authority				
Prison Facilities	1986-05	$1,734,500	2025	$ 801,820
Juvenile Facilities	1993-06	247,000	2019	165,130
Administrative Service Facilities	1992-06	1,448,300	2025	790,245
Natural Resource Facilities	1988	12,160	2009	3,030
Transportation Facilities(b)	1993-06	155,800	2011	28,285
Public Safety Facilities(b)	1995-05	138,600	2021	77,390
Workers' Compensation(b)	1993-03	214,255	2014	124,010
Treasurer				
Higher Education Facilities	1992-99	4,817,590	2014	798,940
Mental Health Facilities	1992-06	1,292,085	2020	246,835
Parks & Recreation Facilities	1993-05	313,000	2020	119,765
Cultural and Sports Facilities	1993-06	373,690	2020	185,625
Elementary & Secondary Education	1995-99	333,640	2008	51,560
Total				$3,392,635

(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 building and equipment, information systems and non-highway related projects. The lease payments are made from charges to the user and/or 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, 2006 ($ 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	$ 4,220
Rickenbacker Port Authority	1996	10,155	2007	310
Department of Administrative Services				
Youngstown Central Area Community Improvement District	1998	6,615	2029	6,195
Rickenbacker Port Authority	1998	16,455	2023	13,555
Ohio Administrative Knowledge System	2006	79,185	2017	79,185
Total				$103,465

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 and 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 the State's net 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 net 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, 2006 ($ in thousands).

Purpose	Fiscal Years Issued	Amount Issued	Maturing Through Fiscal Year	Outstanding Balance
Economic Development	1997-06	$368,740	2026	$318,535
Revitalization	2003-06	100,000	2021	92,535
Total				$411,070

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.

The following table presents summary information for State Infrastructure Bank bonds, as of June 30, 2006, were as follows ($ in thousands).

Purpose	Fiscal Years Issued	Amount Issued	Maturing through Fiscal Year	Outstanding Balance
Major New State Infrastructure	1998-06	$597,250	2016	$291,970

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 C-5) shows certain historical debt information and comparisons. These tables include only outstanding obligations of the state for which debt service is 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 C-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	$3,707,054,994	$341	1.82%
2000	$6,308,680,025	$556	1.97%
2001	$6,570,863,174	$578	2.02%
2002	$7,086,317,648	$621	2.13%
2003	$7,559,386,132	$661	2.20%
2004	$8,110,709,343	$708	2.30%
2005	$8,476,432,135	$739	2.32%
2006	$8,909,382,567	$776(a)	2.44%(b)

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%
2004	$1,013,222,412	$24,678,909,000	4.11%	0.29%
2005	$1,097,842,137	$26,195,614,000	4.19%	0.30%
2006	$1,128,591,711	$26,492,277,500	4.26%	0.31%(b)

(a) Based on July 2006 population estimate.
(b) Based on 2005 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, 2006 (Table C-6), and estimated issuance amounts and debt service costs for the fiscal year 2008-2009 biennium (Table C-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 and Sports Facilities Commission, School Facilities Commission, Department of Transportation, Department of Public Safety, Department of Education, and the Bureau of Workers' Compensation.

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

	General Obligation Bonds	Special Obligation Bonds	Certificates of Participation	Economic Development	State Infrastructure Bonds	Total
Principal Outstanding as of July 1, 2004	$5,169,013	$4,018,670	$27,270	$281,150	$422,715	$9,918,818
Additions: Debt Issued	2,462,230	943,945	79,185	150,000	99,270	3,734,630
Deductions: Debt Retirement/ Refundings/ Defeasances	1,053,810	1,569,980	2,990	20,080	230,015	2,876,875
Principal Outstanding as of June 30, 2006	$6,577,433	$3,392,635	$103,465	$411,070	$291,970	$10,776,573

Table C-7
Summary of State Debt as of 6-30-06 and FY 2008 and 2009 Estimated Issuance Amounts
($ in thousands)

Security and Purpose	Constitutional Citation	Amount Authorized by the Legislature[a]	Amount Issued As of 6/30/06	Amount Outstanding on 6/30/06	Estimated Amount to be Issued in FYs 2008-2009	Estimated Debt Service for FYs 2008-2009[b]
General Obligations						
Higher Education	Sec 2n, Art. VIII	$2,381,000	$1,850,000	$1,594,090	$650,000	$381,470
Common Schools	Sec 2n, Art. VIII	3,615,000	2,790,000	2,507,245	1,250,000	624,417
Coal Development	Sec 15, Art. VIII	165,000	150,000	35,930	15,000	15,425
Natural Resources	Sec 2l, Art. VIII	306,000	265,000	161,975	60,000	50,437
Highway	Sec 2m, Art. VIII	2,130,000	1,615,000	831,000	340,000	407,834[c]
Infrastructure	Sec 2k&2m, Art. VIII	2,400,000	2,159,986	1,313,733	240,000	366,210
Conservation	Sec 2o, Art. VIII	200,000	150,000	133,460	85,000	34,626
Third Frontier	Sec. 2p, Art. VIII	200,000	0	0	170,000	38,873
Site Development	Sec. 2p. Art. VIII	60,000	0	0	60,000	12,592
Total		$11,457,000	$8,979,986	$6,577,433	$2,870,000	$1,931,884
Special Obligations						
Adult Corrections	Sec 2i, Art. VIII	$1,860,000	$1,734,500	$801,820	$150,000	$216,832
Juvenile Correct.	Sec 2i, Art. VIII	267,000	247,000	165,130	40,000	48,416
Admin. Services	Sec 2i, Art. VIII	1,530,000	1,448,300	790,245	100,000	218,771
Cultural and Sports	Sec 2i, Art. VIII	420,000	373,690	185,625	70,000	74,060
DNR – Fount. Sq.	Sec 2i, Art. VIII	12,160	12,160	3,030	0	2,176
Higher Education	Sec 2i, Art. VIII	4,817,590	4,817,590	798,940	0	339,195
Mental Health	Sec 2i, Art. VIII	1,340,000	1,292,085	246,835	60,000	88,544
Parks & Recreation	Sec 2i, Art. VIII	337,000	313,000	119,765	45,000	37,906
Prim./Sec. Educ.	Sec 2i, Art. VIII	333,640	333,640	51,560	0	22,702
Transportation	Sec 2i, Art. VIII	155,800	155,800	28,285	0	14,170[c]
Public Safety	Sec 2i, Art. VIII	143,000	138,600	77,390	3,000	27,947[c]
Workers' Comp.	Sec 2i, Art. VIII	214,255	214,255	124,010	0	41,123[d]
Total		$11,430,445	$11,080,620	$3,392,635	$468,000	$1,131,842
Other						
Highway Infrastructure	Sec 13, Art. VIII	n.a.	$597,250	$291,970	$560,000	$282,526[e]
Economic Development	Sec 13, Art. VIII	n.a.	368,740	318,535	125,000	72,296[f]
Revitalization	Sec 2o, Art. VIII	$200,000	10,000	92,535	100,000	28,304[f]
Total		$200,000	$975,990	$703,040	$785,000	$383,126

Notes:
[a] Includes appropriations passed by the General Assembly as of 6/30/2006.
[b] Debt service or lease payments paid from General Revenue Fund unless otherwise noted. Totals may not add due to rounding.
[c] Debt service is paid from highway user receipts (including the motor vehicle fuel tax receipts).
[d] Debt service is paid from appropriations from the BWC Administrative Cost Fund.
[e] Debt service on these "GARVEE " bonds is paid from federal transportation grants (Title 23 of the U.S. Code).
[f] Debt service is paid from profits derived from the sale of spirituous liquor.

Capital/Debt Affordability Analysis

Section 17 of Article VIII of the Ohio Constitution establishes an annual debt service limitation on State debt obligations payable from the general revenue fund (GRF) or net State lottery proceeds. Section 17 prohibits the issuance of debt payable from those sources if debt service in any future Fiscal Year on those new and the then outstanding bonds would exceed 5% of the total of estimated GRF revenues plus net State lottery proceeds for the fiscal year of issuance.

Debt obligations payable from the GRF include both general obligation and special obligation bonds, but exclude (i) general obligation debt for both third frontier research and development and for site development, and (ii) general obligation debt payable from non-GRF funds (e.g., highway capital improvement bonds that are paid from highway user receipts). Application of the "5% limit" may be waived in a particular instance by a three-fifths vote of each house of the Ohio General Assembly.

Debt obligations are typically issued on a dollar-for-dollar basis as needed to ensure uninterrupted funding of the various capital appropriations made by the General Assembly that are intended to be funded by bond proceeds. To determine the amount of new capital appropriations that are affordable under the 5% limit, OBM uses a model that factors in: i) existing GRF debt service; ii) estimated debt service from existing GRF-backed bond authorizations that have passed the General Assembly for which bonds will be issued in the near-term; and iii) projected debt service from alternative amounts of new capital appropriations intended to be funded by GRF debt obligations. The model uses conservative assumptions with respect to the timing, amount, and prevailing interest rates for projected future bond sales. Table C-8 below shows the results of the capital/debt affordability model based on the amount of GRF revenue plus net State lottery proceeds presented in the Executive Budget for both the current 2008-09 biennium and the upcoming 2010-2011 biennium.

Table C-8
Capital/Debt Affordability Analysis
Amount of GRF-Debt Supported Capital Appropriations under the 5% Limit

Capital Biennium	Capital Appropriations backed by GRF Debt Subject to the 5% Limit*	Debt Service Percent of GRF Revenue and Net State Lottery Proceeds (the 5% Limit)
FY 2005-06 act.	2,125,050,200	4.26%
FY 2007-08 est.	2,381,167,100	4.57%
FY 2009-10 proj.	2,400,000,000	4.83%
FY 2011-12 proj.	2,500,000,000	4.97%

* Note, these amounts only reflect those capital appropriations funded by debt obligations payable from the GRF and net State lottery proceeds that are subject to the 5% limit.

State of Ohio Personnel

Summary of State of Ohio Personnel
Fiscal Years 2006-2009

FY 2006 (February 2006)	FY 2007 (February 2007)	% Change	FY 2008 (Estimate)	% Change	FY 2009 (Estimate)	% Change
65,249	63,599	-2.5%	63,582	-0.03%	63,271	-0.5%

This table summarizes state agency employment figures for full-time and part-time employees in the following employment types:

- **Established Term:** These employees are established by agency-specific and collective bargaining agreements and have a limited duration of work dependent upon the needs of the department.
- **Fixed Term:** These employees have been appointed or elected to serve for a period fixed by law. *Fixed term salaried* employees receive a fixed salary set by law. *Fixed term per diem* employees receive compensation on a daily basis for attending meetings and/or conducting official business on behalf of the agency.
- **Interim:** These employees work for an indefinite period of time that is fixed by the length of absence of an employee due to sickness, disability, or approved leave of absence.
- **Intermittent:** These employees work an irregular and unpredictable schedule which is determined by the fluctuating demands of the work.
- **Permanent:** These employees hold a position that requires a regular schedule of twenty-six consecutive bi-weekly pay periods, or any other regular schedule of comparable consecutive pay periods that is not limited to a specific season or duration.
- **Project Employees:** These employees are hired in connection with a special project having a limited term funding source, such as a federal grant.
- **Seasonal:** These employees work a certain regular season or period of each year performing some work or activity limited to that season or period of the year.
- **Temporary:** These employees hold their positions for a limited period of time, which is fixed by the appointing authority for a period not to exceed six months.

Data for fiscal year 2007 represents the most current available data for total statewide employment (February 2007). For purposes of accurate comparison, fiscal year 2006 data is presented for the same period (February 2006). Note that these figures represent a point in time during each fiscal year and do not represent either the minimum or maximum staffing levels for the period. Certain position types, particularly certain non-permanent position types, may not be captured in these data.

Estimated state employment data for fiscal years 2008 and 2009 are based upon the Executive budget recommendations and represent the state's expectation for the maximum number of state employees for the period based upon those recommendations.

Summary of State of Ohio Personnel-Related Expenditures
Fiscal Years 2006-2009

FY 2006 (Actual)	FY 2007 (Estimate)	FY 2008 (Recommended)	FY 2009 (Recommended)
$4,794,696,390	$4,841,893,370	$5,003,571,689	$5,197,339,268

This table summarizes all personnel-related expenses captured within the personal services object of expense for the periods reported. Amounts include basic wages, overtime compensation, paid leave, employer paid benefit expenses, employee training and tuition reimbursement, payroll surcharges for central services (e.g., payroll processing) and other personnel-related expenses.

The Turnaround Ohio Plan in the Executive Budget

The guiding philosophy of the Strickland-Fisher Administration is to live within our means, and to invest in what matters. Our administration was elected with a specific, detailed agenda for action - the Turnaround Ohio Plan. The Executive Budget reflects substantial progress towards translating that plan into action. The Turnaround Ohio Plan is predicated on the assumption that we will create and keep jobs in Ohio by investing in Ohio's strengths, such as energy production and entrepreneurship, while bringing us the jobs of the future by assuring that we have the most educated workforce possible. This budget provides guideposts along the way to begin our state's journey back to prosperity.

Our state's general revenues over the next three years will be constrained significantly as the House Bill 66 tax reforms continue to be phased in. Faced with reduced revenues and resources, the Strickland-Fisher Administration has not raised any taxes or fees to balance the budget. Instead, we have asked state agencies to operate largely at flat levels of funding. The result is that, in total, state spending in this biennial budget has been limited to less than 4.4% over fiscal year 2007. Despite these constraints, we have worked to assure that our proposals do not put the burden of budget cuts on those with the least ability to endure them.

At the heart of the Turnaround Ohio plan is a common sense approach informed by the values of Ohioans. We know that healthy, happy children are able to learn; that good learners in effective schools become educated workers ready to contribute to the economy; and, that able workers stay where there are worthy opportunities. We know that when good jobs are performed well, for fair pay, we start a cycle of success that builds its own momentum, creating opportunities for new investment, a growing tax base, stable families - everything that Ohio has been losing for almost two decades. This budget lays the groundwork to start that cycle of success through these key components:

Provide every child a fair start through access to high quality early care and education.

The Executive Recommendations for early childhood education (ECE) will:

- Improve the quality of early care and education programming by:
  - Effectively using the quality set aside on Child Care Development Block Grant to increase the scope and effectiveness of the Step Up to Quality Program;
  - Assuring adequate resources are available to build and sustain capacity for early care and education by increasing the provider rate for early care and education using federal TANF funding; and
  - Working to develop a statewide early care and education fiscal model that will provide a sustainable funding model for quality care for all Ohio's children.
- Increase access to the Early Care and Education program by:
  - Harmonizing eligibility policies across ECE programs;
  - Removing the work requirement for parents whose children participate in the state's Early Learning Initiative (ELI); and
  - Eliminating the six-month re-determination requirement for the ELI program so that any child who is eligible at the start of a school year may attend for the entire year regardless of changes in family income.
- Extend Access to Better Care (ABC) Initiatives by:
  - Using the Transformation State Incentive Grant (TSIG) grant to extend early childhood mental health consultation services statewide.
- Enhance commitment to public preschool by:
  - Increasing funding for the Early Childhood Education program (i.e., public preschool) by 52.6% in fiscal year 2008 and 8.6% in fiscal year 2009. The additional funding will allow enrollment to increase from 3,734 in fiscal year 2007 to 5,690 in fiscal year 2008 and 6,181 in fiscal year 2009. This represents a 65.5% increase in slots from fiscal year 2008 to fiscal year 2009 and will allow up to 49 new school districts to offer the program in fiscal year 2008 and 12 new districts in fiscal year 2009.
  - Expanding the use of Poverty Based Assistance (PBA) funds so that public preschool will, for the first time, be an allowable expense in fiscal year 2008 and fiscal year 2009.

- Expand early intervention services by:
  - Implementing school readiness enrichment by providing $6.5 million per year for short term intervention to prepare children for kindergarten;
  - Extending early childhood mental health consultation services;
  - Expanding home and community based treatment services by $1.9 million over the biennium; and
  - Increase total funding for the Help Me Grow program by $7.3 million in fiscal year 2008 and by $17.0 million in fiscal year 2009 to serve an additional 3,000 children and to enhance quality of care by increasing the amount available to be spent by child by $450.
- Support All-Day Kindergarten by:
  - Increasing the minimum available funding for all-day kindergarten from $133.6 million in fiscal year 2007 (actual spending will only be $121.6 million) to $139.6 million in fiscal year 2008 and $143.2 million in fiscal year 2009. This is made possible through the Executive Budget's 3% increase in per-pupil funding for FYs 2008 and 2009.

Create Schools that Work for Every Child

The Executive Budget Recommendations are focused on four primary policy goals:

1. Supporting high quality teaching;
2. Promoting and supporting early childhood education and school readiness;
3. Enhancing equity and eliminating disparities throughout the system; and
4. Increasing transparency and accountability, while creating incentives for efficiencies.

The Turnaround Ohio approach will provide our state's education system with more equitable outcomes, targeting limited resources to students who need it most within the existing foundation formula. The Executive Recommendations will:

- Increase the state's resources dedicated to primary and secondary education by 5.5% over fiscal year 2007. The state's foundation formula share in fiscal year 2008 will be 47.5%, increasing to 48.0% in fiscal year 2009. This increase in the state share percentage reduces the local share of special education and vocational education.
- Increase per pupil funding by 3.0% each year to $5,565 in fiscal year 2008 and $5,732 in fiscal year 2009, the largest increases since 2002.
- Increase the hourly rate for building block investments by 3.0% in each fiscal year.
- Simplify the school funding formula to dedicate more resources to Poverty Based Assistance and Parity Aid. Parity Aid millage will increase from 7.5 mills to 8.0 mills in fiscal year 2008 and 8.5 mills in fiscal year 2009. Qualifying districts will be reduced from the 80th percentile to the 60th percentile of lower wealth districts, better directing this aid to districts with the greatest need.
- Create a new incentive within the poverty based assistance program to raise the academic success of districts.
- Poverty-based assistance restrictions are loosened, most components fully funded and a new payment for districts in academic distress is created.
- Hold districts harmless through restructured and simplified guarantee that reduces a district's reliance on guarantees in future years.
- Restore the prior method of current year average daily membership by eliminating the February count.

The table below summarizes the overall impact of the Executive Budget recommendations on K-12 Education:

Impact of Recommendations on K-12 Education			
Indicator	**FY 2007 (*estimate)**	**FY 2008**	**FY 2009**
Per Pupil Amount	$5,403	$5,565 (+3.0%)	$5,732 (+3.0%)
Building Block Rate	$20.40/hour	$21.01 (+3.0%)	$21.64 (+3.0%)
State Share %	44.8%	47.5%	48.0%
Special Education	$438 million*	$472 million (+7.7%)	$513 million (+8.7%)
Parity Aid (@ equity threshold)	$482 million* @ 7.5 mills	$485million @ 8 mills (0.6%)	$521 million @ 8.5mills (7.4%)
Poverty-based Assistance (PBA)	$411 million*	$468 million (+13.8%)	$500 million (+6.8%)
Bottom Line Guarantee:	$87 million*	$360 million	$308 million
# districts with increased funding	--	311 (over FY07)	371 (over FY08)
# districts with decreased funding	--	0	0
Total Appropriation:	**$6,312,222,127**	**$6,357,710,420**	**$6,651,739,647**
Increase over the prior year:	--	$45,488,293 (0.7%)	$294,029,227 (4.9%)

In terms of the Ohio Core, the executive budget recommendations will invest further in those priorities by dedicating resources to high quality teaching, attracting individuals into the profession, and creating a pipeline that directs teachers to hard-to-staff schools. The Executive Recommendations will:

- Increase the investment in the National Board Certified Teachers program by $1 million in each fiscal year. The additional funding will restore stipends to teachers from $1,000 to $2,500. Funding will also increase state assistance for the application fee.
- Provide $6.5 million in new state investment for the Post Secondary Enrollment Option (PSEO) program in fiscal year 2009. Funding will allow over 3,800 students to earn college credit while still in high school. It will also eliminate the current barrier to PSEO enrollment and existing disincentive in school districts.
- Invest an additional $750,000 in the Early College High School program in each fiscal year. These programs provide high school students the opportunity to earn college credit toward an associate or bachelor degree while still in high school.
- Invest and provide incentives to improve teacher instruction in laboratory-based sciences, mathematics, and foreign languages for hard-to-staff schools.
- Increase support for high quality teachers and their professional development.

The Strickland Administration recognizes the difficulty for parents and their children in identifying schools that best meet their academic needs, especially when data are incomplete and there is no penalty for failing to report academic performance. The Executive Budget outlines a comprehensive package of reforms that directly address the concerns raised in the Achieve report as well as other reports, and takes steps to build accountability and efficiency into the education system The Executive Recommendations will:

- Advance the school employees health care board recommendations by establishing a board to develop an implementation plan to create voluntary health care pools and establish best practice standards to improve health care services. The purpose of this action is to restrain health care costs statewide for school districts and save taxpayer dollars. The board estimates that implementing its findings can save $60-120 million per year in healthcare costs for school districts.
- Permitting school districts with an income tax to reduce the assessment as they deem necessary.

- Creating more accountability for community schools by requiring their compliance with the same accountability standards as traditional public schools.
- Establishing a moratorium on the creation of new charter schools.
- Eliminating the EdChoice program. In fiscal year 2007, the first year of the program, fewer than 30% of the funded slots were utilized.
- Providing the Department of Education with the additional authority to impose penalties for school districts that do not submit the required data through the Education Management Information System (EMIS).
- Requiring stronger charter school accountability to ensure that the consumer rights of students and their families are protected and that they benefit from full disclosure.
- Reducing the per-pupil basic aid amount for e-schools to remain consistent with the lower costs of their business model.
- Prohibiting community schools from using for-profit companies as their management company and requiring that existing contracts up for renewal are competitively bid to ensure that taxpayer dollars are protected.
- Enhancing the department of education's authority to oversee charter school sponsors.
- Requiring charter school sponsors to assure the operational capacity of charter schools before the start of each school year.
- Limiting the report card rank of charter schools that do not test high proportions of their students.

Property Tax Relief: A Major Step towards Reforming Ohio's Schools

This Executive Budget proposes to securitize Ohio's tobacco revenues under the Master Settlement Agreement and use the GRF freed up through the proceeds to finance a 20 year expansion of Ohio's homestead exemption for senior citizens and the disabled, as well as to complete the construction commitments to the Ohio School Facilities Commission. The property tax relief proposed will help 775,000 Ohioans, comprising approximately one out of four homeowners. This measure will allow the state to step in and provide over $257 million in additional support, raising the state share of education expenses to the highest rate since 1997. Please see the part II of the Funding Our Future, Supporting Our Seniors special analysis for further detail.

Make college accessible and affordable to all Ohioans; and assure that all Ohioans have the opportunity to attain skills for high-quality jobs.

Funding for the Board of Regents (all funds) totals $2.30 billion in fiscal year 2008 (1.7% above fiscal year 2007) and $2.33 billion in fiscal year 2009 (1.3% above fiscal year 2008). GRF funding for the Board of Regents totals $2.26 billion in fiscal year 2008 (3.6% above fiscal year 2007) and $2.31 billion in fiscal year 2009 (1.3% above fiscal year 2008).

The Executive Budget recommendations will make college more accessible and more affordable to all Ohioans, and thus assure that all Ohioans have the opportunity to attain skills for high-quality jobs. The administration also supports and expands the dedication of resources to high-quality teaching in the science, technology, engineering, and mathematics (STEM) disciplines. In higher education and workforce development, the Executive Budget focuses on four primary policy goals of critical importance to Ohio's future:

1. Close the gap in higher education costs for students, making college affordable for all Ohioans.
2. A Compact with Higher Education institutions to control costs, stem tuition growth, increase collaboration and increase cooperation between the state and institutions of higher education.
3. Create "truth in tuition" to eliminate unexpected costs for those attending institutions of higher education.
4. Seamlessly link education, workforce development and the needs of business, so that high school graduates obtain the appropriate level of post-secondary education and high demand skills they need to support the needs of Ohio's growing businesses.

<u>Making Higher Education Affordable:</u> The Turnaround Ohio approach fully funds need-based financial aid, increased institutional funding to help colleges and universities keep tuition down, and aligned higher education with Ohio's economy. The Executive Recommendations will:

- Request that state-supported institutions participate in the Higher Education Compact in order to obtain a 5% increase for fiscal year 2008 and a 2% increase for fiscal year 2009 for the State Share of Instruction. The compact will require campuses to:
  - Restrain tuition growth to 0% in fiscal year 2008 and no more than 3% in fiscal year 2009, and
  - Realize efficiency savings of 1% in fiscal year 2008 and 3% in fiscal year 2009.
- Continue the phased-in implementation of the Ohio College Opportunity Grant (OCOG), which will replace the Ohio Instructional Grant (OIG) completely in fiscal year 2011.
- Target the Student Choice Grants for private colleges and universities to those students eligible for the Ohio College Opportunity Grant, thus making them need-based.
- Supplement the Research Incentive Program (formerly called Research Challenge) with $18 million in Third Frontier funding. GRF support for this program is reduced by $6 million in each fiscal year, however overall dedicated support actually increases by 66% ($12 million in each year).
- Increase funding to expand Ohio College Access Network (OCAN) project sites ($4.25 million in each fiscal year). Expansion of this program will result in higher numbers of at-risk and low-income students and their families preparing for college. It will also be used as a challenge to the private sector to help build a fund to close the gap between tuition and a family's ability to pay.
- Invest $8.2 million in seed funding to Central State University's Speed to Scale Plan over the biennium and restore the university's supplemental funding (earmarked in Access Challenge) to fiscal year 2005 levels (an increase of $2 million in each fiscal year).
- Eliminate the Student Workforce Development Grants ($2.1 million in fiscal year 2007), which consist of grants to proprietary schools not approved by the Board of Regents.
- Increase funding for early college high schools by $750,000 in each fiscal year over fiscal year 2007 levels, which will expand learning opportunities to additional high school students.
- Increase support of the Ohio Agricultural Research and Development Center by 2% or $719,104.
- Provide full funding of the Ohio National Guard Scholarship and increase the Ohio War Orphans Scholarship.
- Increase subsidies to support high quality teachers and their professional development.

The administration will also continue to support the recently enacted Ohio Core initiative and dedicates resources to high quality teaching by offering professional development in math, science and foreign language. The Executive Recommendations will:

- Continue $2,000,000 in funding per year to support ten STEM and foreign language academies, which will benefit 1,000 high schools students over the biennium.
- Fund the following Teacher Incentive programs: Teacher Signing Bonus program ($4 million in fiscal year 2009) and Teacher Loan Forgiveness program ($2.5 million in fiscal year 2009), are projected to increase the number of STEM and foreign language teachers working in hard to staff schools by 1,300.

A Demand-driven Workforce Development System that Works for Ohioans and Ohio's Businesses

More than 60% of the jobs that our businesses will create by the year 2012 will require some college education. The Turnaround Ohio approach features the initial steps towards creating a seamless, demand-driven workforce development system. A transition plan must be developed to move Ohio's workforce training programs to one centralized department to assure responsiveness to Ohio's business needs, and a system that is easy to use for Ohio's workers. The Executive Budget Recommendations will:

- Create AccelerateOhio at the Board of Regents to provide low-cost, flexible entry points to higher education for workers ($2.5 million in FY 2008 and $5 million in fiscal year 2009).
- Create a $6 million program in the Department of Job and Family Services using Workforce Investment Act funds to encourage job training and job creation for young people in low income communities. Participating employers will receive funds to support the training and wages of a young employee. Thousands of young men and women will benefit from this opportunity.
- Strengthen Ohio's workforce training system. Language is included in the Executive Budget to implement the coordination of workforce development activities between the Ohio Department of Job and Family Services and the Ohio Department of Development in support of a unified economic development strategy. Additionally, the

Ohio Department of Education and Board of Regents will work collaboratively to identify programs that are adult and career technical education that can be transferred to the Board of Regents effective July 1, 2008

- Support expansion of the Ohio Workforce Guarantee in fiscal year 2008 under the Department of Development. Additionally, the Ohio Workforce Guarantee will coordinate the resources of other federally funded worker training, Enterprise Ohio, Ohio Investment in Training Program (OITP) and the capabilities of Ohio's diverse training system to provide guaranteed workforce training to any company that provides 20 new jobs in a year.
- Target Resources to industries that provide high growth and good jobs: The Ohio Investment in Training (OITP) program will receive $12.6 million of GRF in each fiscal year and $2 million of non-GRF in fiscal year 2008. This program provides financial assistance and technical resources for customized training involving employees of new and expanding Ohio businesses, with a special emphasis on manufacturing. To extend the programs effectiveness and outreach to Ohio's small and medium sized businesses, an Ohio Investment Training Program coordinator is funded at each ODOD regional office.

Focus on Ohio's Economic Strengths

The Turnaround Ohio plan focuses on boosting new and growing industry sectors in Ohio and takes advantage of the work of countless economic development, business and labor leadership groups already working hard to create and retain jobs in the state, while supporting vibrant downtowns, and putting resources in the hands of Ohio's businesses to compete in a global marketplace. The Executive Recommendations will:

- Provide a $20 million down payment to move Ohio's state network traffic to the NextGen network, laying the groundwork for extending it to all 88 counties.
- Provide additional support for Ohio's Research Challenge, a program to promote world-class research with the ability to commercialize, originating from Ohio's universities.
- Create the Energy Strategy Development Fund that will support the office of the Governor's Energy Advisor. This budget provides an appropriation of $307,000 in each fiscal year for use by the Energy Advisor and his staff to develop energy-related initiatives, projects, and policy.
- Support development of an energy industry by providing an increase to the Advanced Energy program of $5 million in each fiscal year.
- Take advantage of Ohio's central location and the increasing role of air transport in transportation logistics by setting aside $4.0 million to support additional statewide promotion of airport expansions and economic development.
- Allocate an additional $2.0 million in GRF funding in fiscal year 2008 and fiscal year 2009 to support rail improvements to service Ohio's growing logistics and distribution base, an increase of 74.1% over fiscal year 2007 appropriations.
- Provide $20 million in GRF to mass transit in communities, an increase of 24.5% over fiscal year 2007, and represents the highest appropriation for mass transit since 2004.
- Continue support of Ohio Business Development Coalition in its marketing and promotion work for the state with $6 million over the biennium.
- Provide an appropriation of $250,000 in each fiscal year to support the Ohio Main Street Program, allowing the state to bring down federal and private sector investment resources to revitalize Ohio's towns and cities.
- Accelerate the pace of reclaiming brownfields and vacant industrial sites by increasing the Clean Ohio line item by $275,000 in fiscal year 2008 and $200,000 in fiscal year 2009.
- Invest in Ohio's film production industry by re-establishing the Ohio State Film Commission with funding of $400,000 each fiscal year, and provide ongoing support of the Cincinnati and Cleveland Film Commissions at $50,000 per year to each group.
- Provide $800,000 in GRF resources to add new trade offices in Australia and India, as well as an increase in the Shanghai office allocation. Ohio's trade offices coordinate about 500 export projects that support an estimated 25,000 new jobs.

Stabilize healthcare costs for government and businesses alike and advance the health of our citizens.

The Turnaround Ohio plan called for increasing the number of Ohioans who have access to affordable, high-quality healthcare, preventing illnesses and injury and focusing on community-based services for children, families, older adults and persons with disabilities. The Executive Recommendations will:

- Provide access to affordable healthcare for all children in Ohio, serving an additional 20,000 children between 200% - 300% of the Federal Poverty Level (FPL) and 4,000 children above 300% of the FPL.
- Support Healthy Ohio by providing $1.5 million in FY 2008 and $2.9 million in FY 2009 to decrease minority health disparities and use care coordination models to improve health outcomes for individuals with catastrophic and expensive health conditions.
- Implement a Medicaid buy-in program for working people with disabilities, serving 7,300 consumers.
- Expand Medicaid eligibility for pregnant women from 150% to 200% of the FPL, serving an additional 3,800 women.
- Restore Medicaid eligibility for low income working parents from 90% to 100% of the FPL, serving an additional 25,000 Ohioans.
- Provide a 3% per year rate increase for community providers; a 2% per year rate increase for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) providers; and market basket rate increase for inpatient hospitalization services equaling 3.3% in FY 2008 and 2.9% in fiscal year 2009.
- Restore Medicaid funding for dental services, independent psychologists services and chiropractic services.
- Implement the Money Follows the Person program.
- Improve efficiency through numerous initiatives to save over $30 million in fiscal year 2008 and $79 million in fiscal year 2009.
- Overall the state share of Medicaid funding decreases by $265.6 million, or 7.0%, in fiscal year 2008 and increases by $245.8 million, or 7.0%, in fiscal year 2009.

Additionally, the Executive Budget provides concrete assistance to those vulnerable and fragile Ohio citizens in the care or custody of the state—including children, the elderly and disabled. The Executive Recommendations will:

- Increase state support for child protective services by $10.4 million to implement the systemic reforms called for in the administrative review following the death of Marcus Feisel.
- Increase the state subsidy for qualifying adoptions by $50 from $250 to $300 per month, benefiting an estimated 23,700 children.
- Provide sufficient resources to build the capacity of providers of home and community-based care, serving an estimated 5600 older Ohioans.
- Provide state funding of $6.2 million in fiscal year 2008 and $29.0 million in fiscal year 2009 to support 600 new Independent Option waiver slots in fiscal year 2008 and 900 in fiscal year 2009 in compliance with the Martin v. Taft consent order. Additionally, $150,000 will be provided to the Legal Rights Service to comply with this order.

To begin the hard work of rebalancing Ohio's investment in healthcare and extending access to health insurance for the uninsured, the Executive Recommendations will:

- Provide funds to research the opportunity for an Ohio Healthcare Exchange to link the uninsured with affordable insurance products; and
- Initiate a plan for a unified long term care budget that will help the state balance spending in such a way as to expand the choices available for long term care, eliminate barriers for people moving from institutions to home and community based settings, and assure a wide variety of options in appropriate care for different levels of care.

Provide Strong Support for Community Services by Reforming the Local Government Funds

For over 70 years, the Local Government Fund has represented an extraordinary partnership between state and local government to share in revenues and assure an adequate level of community services. Recent state budgets have not

provided the local government fund with the stable, predictable and sustainable funding source they need to be able to provide critical services to their communities. Building on the work of the Local Government Fund Task Force, established by the Legislature in HB 66, the Executive Recommendations will:

- Provide a dependable source of support for local governments and libraries by committing a set percentage of all tax revenues deposited into the General Revenue Fund.
- Combine the Local Government and Local Government Revenue Assistance Funds and develop a new system to allocate these funds based upon population growth.
- Revenue growth for local government funds above fiscal year 2007 levels will be distributed on a per capita basis. Under the new system, beginning in January 2008 the following will occur:
    - Local Governments will receive 3.65 percent of total GRF tax revenues annually;
    - Local Libraries will receive 2.20 percent of total GRF tax revenues annually;
    - As GRF revenues increase, local governments will share in the growth;
    - No entity receives less under the new framework than they did under the freeze in place since fiscal year 2002; and
    - Entities will receive an increase of $16.8 million during the biennium.

Accountability and Results

The Turnaround Ohio plan called for a comprehensive governmental accountability plan to assure that Ohio's citizens and taxpayers are getting value for their investments. In this Executive Budget, we have already begun work on the Ohio Government Accountability Plan—a plan which will hold the entire state government accountable to our goals and committed to seek out every efficiency available.

The essence of the plan is to clearly state priorities, establish performance agreements with agency directors showing how they will pursue those priorities, and, then, measure the outcome to find out what worked and what did not. The budget provides resources to support a statewide effort to focus on core goals of the administration and direct the entire state enterprise toward meeting those goals. It is our roadmap to a lean, competitive, modern government that is a critical element in spurring Ohio's economic growth. The Executive Recommendations will:

- Support the implementation of Advantage Ohio, a regulatory streamlining initiative, led by the Governor's Special Representative on Regulatory Reform. This group will convene teams of stakeholders and others to eliminate redundant regulations, and streamline cumbersome processes throughout state agencies while ensuring the health and safety of Ohio's citizens.
- Support the Performance Management Initiative at the Department of Administrative Services, which will focus on strategic sourcing and bulk purchasing, with a goal of generating significant savings over the biennium.

This Executive Budget advances a strong agenda for change in our state. With its passage into law, we will:

- Reduce the burden on taxpayers while making our school funding more generous and more equitable;
- Bolster Ohio's economy by building a more skilled and more educated workforce and capitalizing on our strengths; and
- Improve access to health care, including offering affordable coverage to every child in Ohio, and in-home assistance for more seniors.

The Strickland-Fisher Administration looks forward to working in partnership with legislative leaders as we begin the journey back to prosperity.

Funding Our Future, Supporting Our Seniors

Overview

It is our responsibility, as Ohio's leaders, to provide a system of public education that ensures all children in Ohio have the opportunity to learn and that the education they receive allows them to be competitive in today's world economy. In the ten years since the DeRolph decision, progress has been made in improving our schools and the performance of our students. Standards have been set and expectations have been raised. And more funding has been put into the system. But what is clear today is that the rate of progress is not consistent across Ohio and the needs of students and school districts differ around the state. The state must identify inequities and disparities in order to strategically target resources where the needs are the greatest so that all Ohio's children can receive a high-quality education.

This Executive Budget builds on the work done over the last ten years and takes Ohio closer to achieving a student-centered, results-based system of education where resources are invested strategically to support high academic achievement and lifelong learning for all Ohio students. It acknowledges the research that tells us that student success is increased when children have quality early care and education experiences, high quality teaching in their classrooms and professional leadership in their school buildings.

To that end, this Executive Budget makes strategic investments to move us toward a K-12 funding system that is more equitable, provides universal property tax relief for homeowners over age 65 and homeowners with a permanent total disability, restructures Ohio's long-term debt obligations by securitizing revenues from the Tobacco Master Settlement Agreement, and increases accountability measures. These initial steps begin addressing the concerns expressed by parents, their children, and taxpayers while simultaneously moving Ohio toward an adequately funded, accountable educational system.

I. School Funding

The Executive Budget increases per pupil funding, or base cost, from $5,403 in fiscal year 2007 to $5,565 in fiscal year 2008 and to $5,732 in fiscal year 2009. This is a three percent increase in each fiscal year (Table D-1), which is the largest increase in base cost since fiscal year 2003. This investment increases the state's foundation formula share from 44.8 percent in the current fiscal year to 47.5 percent for fiscal year 2008 and 48.0 percent in fiscal year 2009, again, the largest state share investment since fiscal year 2003. Additionally, the proposal includes a 3.0 percent increase in the hourly rate for the building blocks program allowing schools to provide the needed academic interventions to increase student success.

The Executive Budget will increase funding for 311 school districts in fiscal year 2008 and 371 districts in fiscal year 2009. Continuation of the transitional aid guarantee will ensure that no district loses funding compared to fiscal year 2007.

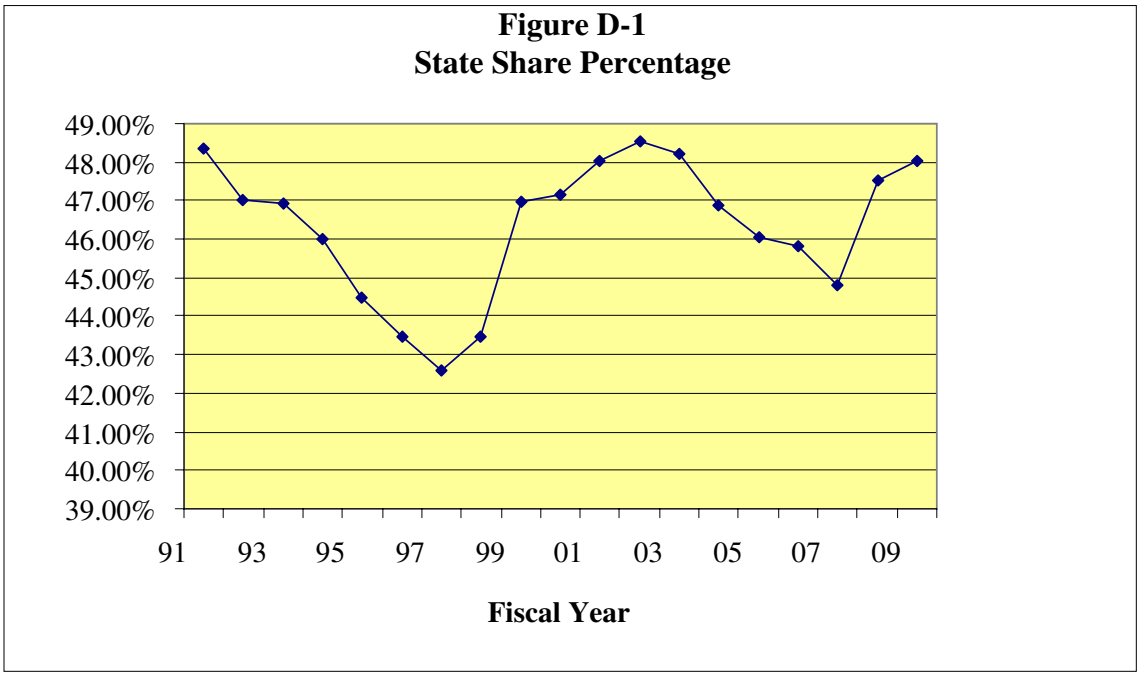


Table D-1
Summary of the Fiscal Year 2008-2009 Foundation Funding Formula and Special Education Funding

Measure	Fiscal Year 2007 (*est.)	Fiscal Year 2008	Fiscal Year 2009
Per Pupil Amount	$5,403	$5,565 (+3.0%)	$5,732 (+3.0%)
Building Block Rate	$20.40 per hour	$21.01 (+3.0%)	$21.64 (+3.0%)
State Share Percentage	44.79%	47.51%	48.04%
Special Education	$438 million*	$472 million (+7.7%)	$513 million (+8.7%)
Parity Aid	$482 million* @ 7.5 mills	$485 million @ 8 mills (0%)	$521 million @ 8.5mills (7.4%)
Poverty Based Assistance	$411 million*	$468 million (+13.8%)	$500 million (+6.8%)
Bottom Line Guarantee:	$87 million*	$360 million	$308 million
Number Of Districts with Increased Funding	--	311 (over fiscal year 2007)	371 (over fiscal year 2008)
Number Of Districts with Reduced Funding	--	0	0
Total Appropriations:	$6,312,222,127	$6,357,710,420	$6,651,739,647
Increase over Prior Year:	--	$45,488,293 (0.7%)	$294,029,227 (4.9%)

Addressing Disparities and Enhancing Equity to Meet the Needs of Children

Despite the progress made in our state, we must address the disparities and inequities that still exist. Ohio's urban and rural school districts often struggle to provide adequate resources for the parents and children they serve. Some districts require additional resources due to the unique needs of their communities. The Executive Budget addresses both issues by increasing the state support for the Poverty Based Assistance (PBA) and Parity Aid programs while including both within the basic aid calculation.

The Executive Budget increases the state's investment in Poverty Based Assistance by 13.8 percent in fiscal year 2008 and 6.8 percent in fiscal year 2009. Additionally, the Executive Budget fully funds various Poverty Based

Assistance components, previously funded at 70 percent, including drop out prevention in the eight largest urban districts, community outreach in the 21 urban districts, and professional development for high quality teachers.

In the Executive Budget proposal, Poverty Based Assistance is enhanced by the addition of preschool as an allowable cost and the creation of a new component providing incentives for districts to close the achievement gap. The new PBA component will assist districts in closing the achievement gap by providing support to districts in academic distress. If a district does not reduce its percentage of buildings in academic watch or emergency, the funding for closing the achievement gap will be restricted in fiscal year 2009. However, if a district reduces the percentage of buildings in academic watch or emergency, it earns a 3.5% bonus – rewarding success.

While some restrictions do remain for Poverty Based Assistance to encourage investments in early childhood education, districts will now be allowed to prioritize how their other PBA funds are spent within the "allowable expenditures menu" to address their unique challenges.

The Executive Budget increases Parity Aid by moving the equity threshold from its current rate of 7.5 mills to 8 mills in fiscal year 2008 and 8.5 mills in fiscal year 2009. Additionally, Parity Aid is targeted to the 67 percent of lower wealth districts in fiscal year 2008, and 60 percent in fiscal year 2009.

At the same time, the Executive Budget ensures that no school district receives less in state support from one year to the next by providing a single funding guarantee called Transitional Aid. The other school funding guarantees (Formula Aid, Poverty Based Assistance, and Reappraisal Guarantees) are eliminated in this budget.

The Executive Budget also expands early childhood education and school readiness in our public pre-school program by investing $10.0 million in fiscal year 2008 and $12.5 million in fiscal year 2009. This investment will allow over 2,400 more children to receive an early education.

High quality teaching is vital to the success of Ohio's schools. Through Ohio Core and STEM programs, the Executive Budget dedicates resources to high quality teaching by offering professional development in math and science. The investment will help attract individuals into the profession through incentives, and create a pipeline that directs high quality teachers to hard-to-staff schools. Specifically, funds will support the one-year intensive teacher preparation program, shared teachers, faculty on loan, and hard-to-staff school programs.

This budget also increases the state's investment in the National Board Certified Teachers program by $1 million in each fiscal year, which will restore stipends to teachers from $1,000 to $2,500 and increase state assistance for the application fee. Additionally, this budget continues to support leadership and professional development opportunities for entry-year principals.

Other investments in the Executive Budget for 21st century college and workplace readiness include:

- An additional $750,000 in the Early College High School program in each fiscal year. These programs provide high school students the opportunity to earn college credit toward an associate or bachelor degree while still in high school.
- Continuing support for Project GRAD (Graduation Really Achieves Dreams).
- Creating incentives, such as a teacher signing bonus and loan forgiveness program, to attract and retain qualified teachers that are licensed in hard to staff schools in subject areas such as advanced mathematics, sciences, and foreign language.
- Providing $6.5 million in new state investment for the Post Secondary Enrollment Option program in fiscal year 2009. Funding will allow an additional 3,800 students to earn college credit while still in high school.

School Facilities

As originally planned in the "Rebuilding Ohio's Schools Plan," each of Ohio's school districts would be served under one of the Ohio School Facilities Commission's programs within 12 years, beginning in 2000. As of December 2006, the end of the sixth year of the original plan, approximately 34 percent of the districts have been

funded. Through the most recent capital appropriations bill, HB 699 (126th General Assembly), the original 12 year plan has been fully-funded through fiscal year 2008. Even as we move forward with the securitization of revenues from the Tobacco Master Settlement Agreement, the Executive Budget respects prior commitments made for construction.

II. Property Tax Relief

The second plank in the administration's plan to turnaround Ohio's education system is property tax relief. As with all of the administration's budget proposals, the emphasis is on targeting the available resources in order to achieve the greatest possible effect. For this reason, approximately $260 million in additional annual property tax relief will go to senior citizens (and the disabled) in a dramatic expansion of the homestead exemption program. This will increase the number of recipients of homestead exemption relief from 220,000 to 775,000 (about one-quarter of all Ohio homeowners) and increase the amount of tax relief from $70 million to approximately $330 million.

The proposal makes four fundamental changes to the existing homestead exemption program.

(i) First, the executive budget removes the existing income limitations on the homestead exemption and makes the property tax relief available to all senior citizen homeowners, as well as those who are permanently and totally disabled.

(ii) Second, it also gets rid of the three tiers of exemptions in value under the current program and replaces them with a single market value exemption of $25,000 annually.

(iii) Third, it rationalizes the program by multiplying the exemption amount by the actual tax rate in effect on residential real property, rather than by the gross tax rate, which is paid only by business and public utilities on tangible property.

(iv) Fourth, it protects any homeowners currently receiving the homestead exemption from any reduction in their tax relief by ensuring that the new homestead tax relief will be at least as much as what was received under the old program (for a minority of taxpayers, the switch from the old gross tax rate calculation to the new effective tax rate calculation could otherwise result in a reduction in tax relief, even with the higher exemption amount).

As under current law, the homestead exemption tax relief will be reimbursed by the state GRF to schools and to local governments, so that no local entity loses property tax revenue as a result of expansion of the program. The proposed expansion will take effect in the current tax year, 2007, and will thus affect property tax payments made in 2008. Because of the way payments are made, with one half generally due in January and one half in June, with the GRF payments to local entities falling in succeeding months, fiscal year 2008 will have only a half-year impact. Thus, the proposed additional tax relief will cost the state an estimated $128 million in fiscal year 2008, and $257 million its first full fiscal year, fiscal year 2009. After fiscal year 2009 the cost is conservatively estimated to grow at 3 percent annually, so that the additional cost will be $265 million in fiscal year 2010 and $273 million in fiscal year 2011. Of these amounts, approximately 65 percent will be school district tax relief (about $167 million in fiscal year 2009), and approximately 35 percent will be local government tax relief (about $90 million in fiscal year 2009).

Table D-3 illustrates the proposed property tax relief, and also puts the relief in the context of all existing real property tax relief payments.

Table D-3 Current and Proposed Real Property Tax Relief
tax relief amounts rounded to nearest $1 million
eligibility numbers rounded to nearest 5,000

Program	Current homeowner eligibility	Current FY 2009 estimated cost	Proposed homeowner eligibility	Proposed FY 2009 estimated cost
10% rollback on all non-business property	3,150,000	$1,053,000,000	3,150,000	$1,053,000,000
2.5% rollback on owner-occupied homesteads	3,150,000	$201,000,000	3,150,000	$201,000,000
homestead exemption relief for elderly and disabled	220,000	$75,000,000	775,000	$332,000,000
county auditor compensation for homestead administration	NA	$0	NA	$3,000,000
Total cost		$1,329,000,000		$1,589,000,000

Notes
[1] total additional cost in FY 2009 = $260 million
[2] additional cost, including county administrative compensation, is 19.6% of current-law projected real property tax relief

As reflected in Table D-3, while the proposal more than quadruples tax relief under the homestead exemption, the increase in total real property tax relief is slightly less than 20 percent. The homestead exemption will become a bigger tax-relief program than the 2.5 percent rollback for owner-occupied homesteads.

To further illustrate the degree of targeting of the tax relief, a rough calculation of current real property tax relief paid to senior citizens would add together just under one-fourth of the 2.5 percent rollback amount, or $50 million (assuming that senior citizen property tax relief is proportional to the senior-citizen share of owner-occupied homes), one-fourth of 80 percent of the 10 percent rollback amount (owner-occupied homes receive about 80 percent of the total Class I rollback, with the other 20 percent going to agricultural property, rental housing of 3 units or less, etc.), or $210 million, and the current homestead exemption, or $75 million, for a total of $335 million. The proposal would thus increase the total real property tax relief paid to senior citizens by about 77 percent, whereas $257 million in tax relief would be enough to increase tax relief to all homeowners by only about 19 percent.

By targeting tax relief to senior citizens and the disabled through the homestead exemption, the administration proposal is able to achieve several objectives at once.

First, by substituting state tax relief dollars for locally collected school revenues, the proposal reduces school reliance on property tax revenues and increases the state's overall role in paying for education. This at least partially

addresses one of the criticisms of the education finance system in the Supreme Court's DeRolph decisions, the over-reliance on local property taxes.

Second, by providing senior citizens with additional tax relief when local voters approve additional millage, the enhanced homestead exemption should result in fewer levies appearing on local ballots, as the levy success rate improves. In this sense, the proposal complements a change made by the General Assembly in House Bill 66 that allows school districts to propose income taxes that apply only to earned income and thus exempt pension income and other types of income that senior citizens rely on.

Third, by choosing to expand an existing tax relief program rather than by creating a new one, the proposal can keep administrative costs down by not requiring new forms, new rules, and new procedures for taxpayers to apply for relief. Existing homestead exemption application procedures cannot only be kept, they can be simplified, because the proposal does away with the income limitations and the calculation of what income must be counted in determining whether a taxpayer qualifies for relief. In recognition of the fact that there will be many more applications than currently (775,000 rather than 220,000), and thus additional work for county auditors, the proposal includes compensation to county auditors in the amount of 1 percent of GRF homestead exemption payments to the county.

The amount of tax relief provided by the proposed $25,000 exemption will vary with the effective tax rate in the senior-citizen homeowner's taxing district (including school taxes, municipal or township taxes, county taxes, and special district taxes). Homes of different values in the same taxing district, facing the same effective tax rate, will all receive the same dollar amount of tax relief. For example, three homes in the Columbus City School District (Columbus CSD) that face the same overall effective tax rate of 50.18 mills will all receive $384 in additional property tax relief. Table D-4 shows the calculation.

Table D-4 Example of tax relief for different-valued homes in the same school district
Assume taxpayer would not have qualified for current-law homestead exemption.

School district	Home value	New homestead exemption	Tax rate in mills *	Tax before exemption, net of 12.5% in rollbacks	Tax after exemption, net of 12.5% in rollbacks	Tax reduction	% tax reduction
Columbus	$70,000	$25,000	50.18	$1,076	$692	($384)	-35.7%
Columbus	$110,000	$25,000	50.18	$1,690	$1,306	($384)	-22.7%
Columbus	$150,000	$25,000	50.18	$2,305	$1,921	($384)	-16.7%

* weighted average tax rate for all overlapping tax jurisdictions in the school district

The dollar amount of tax relief is the same for the three homes, but the percentage tax relief is larger for the lower-valued homes.

When one looks at the amount of property tax relief to senior citizens in school districts across the state, the average relief will then depend on two factors: the average effective millage on residential property in the district, and the average or median home value. Table D-5 has examples of property tax relief for homeowners in five different school districts from different regions of the state with very different average tax rates and very different median home values. As one can see, the dollar amount of tax relief per senior-citizen homeowner is greatest in the higher value and higher tax rate school districts, but the percentage tax relief is greater in the lower value and generally lower tax rate school districts.

Table D-5 Examples of tax relief for different-valued homes in the different school districts

Assume taxpayer would not have qualified for current-law homestead exemption

School district	home value	new homestead exemption	tax rate in mills *	tax before exemption, net of 12.5% in rollbacks	tax after exemption, net of 12.5% in rollbacks	tax reduction	% tax reduction
Columbus	$90,000	$25,000	50.18	$1,383	$999	($384)	-27.8%
Anna	$115,000	$25,000	41.81	$1,472	$1,152	($320)	-21.7%
Meigs	$50,000	$25,000	39.16	$600	$300	($300)	-50.0%
Shaker Heights	$190,000	$25,000	99.58	$5,794	$5,032	($762)	-13.2%
Middletown	$100,000	$25,000	59.35	$1,818	$1,363	($454)	-25.0%

* weighted average tax rate for all overlapping tax jurisdictions in the school district

III. Tobacco Securitization

The Executive Budget enables the State to securitize 100 percent of the payments to be made to Ohio under the Tobacco Master Settlement Agreement (MSA) over the next 40 or more years. Based on current market conditions, this securitization would generate an estimated $5.0 billion in net proceeds. The Executive Budget explicitly limits the use of the net proceeds to the dual priorities of: (1) rebuilding Ohio's elementary and secondary school facilities, and (2) providing property tax relief to the most in need through an expansion of the homestead exemption. This securitization would also eliminate the risk currently borne by the State that MSA payments will continue to decline in value or be subject to significant interruptions or reductions over the term of the bonds.

The MSA and Securitization History

In November 1998, Ohio joined 45 other states, the District of Columbia, and several territories in signing the MSA with the nation's largest tobacco manufacturers. Under the MSA, the state settled all pending and future claims against the tobacco industry for health care costs related to smoking. In exchange for this settlement, the tobacco industry makes annual payments to the states in perpetuity. The amount of those annual payments is determined using a predetermined base payment adjusted for the volume of domestic cigarette shipments, inflation, and other factors. Ohio's share of these "base payments" is set at 5.04 percent. In 2008-2017, the MSA also requires tobacco manufacturers to make strategic contribution payments to reimburse states for their legal and settlement related expenses, with Ohio's share of these much smaller payments set at 2.78 percent.

Since the MSA was entered into in 1998, 18 states, the District of Columbia, and two territories have securitized their future payments. Several other states, in addition to Ohio, are actively exploring tobacco securitizations. The most common uses for the tobacco securitizations completed to date have been capital projects and debt service (44%), budget relief (25%), special programs (19%), and endowments (12%). The Executive Budget proposes using the securitization of Ohio's tobacco settlement for capital projects and to reduce future GRF debt service. These purposes enable the securitization to be issued on a tax-exempt basis, thus maximizing the value of the net proceeds to the state.

Conditions Are Favorable for Tobacco Securitizations

The bond market for tobacco securitizations has been very volatile over its relatively short history. Periods of uncertainty over continuing litigation against the tobacco industry and the MSA, rating downgrades, and a limited investor base kept tobacco yields at high levels. For a two-year period in 2003-2005, litigation concerns were so great that new tobacco securitizations could not be executed. Since that time, several key lawsuits have been decided in favor of the tobacco industry. This improved litigation environment, together with enhancements in bond structures and stronger ratings criteria, have combined to significantly expand the base of investors willing to purchase tobacco bonds. As a result of these positive developments and the continuing low level of general interest rates, tobacco bond yields have fallen dramatically and tobacco bonds are pricing at historically low levels. For example, in 2003 forty-year tobacco bond maturities priced with yields in the 6.5 to 7.0 percent range. Following years of relatively steady declines, forty-year tobacco maturities priced in 2007 at yields ranging from 5.0 to 5.25 percent.

Ohio's Current Plan for Allocating Tobacco Settlement Receipts

Ohio's current allocation of its tobacco settlement receipts (TSRs) are set forth in ORC Section 183.02. This statute allocates 100% of annual TSRs through fiscal year 2012, with the education facilities funds receiving fixed dollar amounts and the other funds receiving set percentages of the remaining receipts. The statute makes a further partial allocation of TSRs to be received in 2013-2025, including a set dollar amount to reimburse the Tobacco Use Prevention and Control Foundation in 2013-2015 for previously allocated moneys that were transferred to the GRF and a percentage allocation to the Education Facilities Endowment Fund. No provision has been made for TSRs scheduled to be received after fiscal year 2025.

Net Proceeds Used to Fund School Facilities and Property Tax Relief

The Executive Budget proposes that the State securitize 100 percent of its TSRs over the next 40 or more years by selling the rights to receive those TSRs to investors for a set period of time through the issuance of tobacco bonds.

To implement the securitization, the Executive Budget proposes establishing the Ohio Tobacco Settlement Financing Authority (OTSFA) as a single-purpose authority that would purchase all rights to Ohio's MSA payments and monetize the upfront value of those payments through the issuance of bonds secured solely by a pledge of the TSRs. Investors in those bonds would have no recourse to any other funds of the state. The OTSFA would be comprised of the Governor, Auditor of State, Treasurer of State, Attorney General, Tax Commissioner and the Director of Budget and Management.

The net proceeds from securitizing 100 percent of Ohio's TSRs over the next 40-years are presently estimated at just over $5.0 billion based on current interest rates and existing tobacco market conditions. The Executive Budget proposes applying those net proceeds to accomplish two vital purposes: (i) rebuilding Ohio's elementary and secondary school facilities through the School Facilities Commission building assistance program, and (ii) providing property tax relief to 775,000 Ohioans through an expansion of the homestead exemption funded from GRF debt service savings resulting from the securitization (See Table D-6).

Table D-6 Use of Tobacco Bond Proceeds

$ in Billions	Use of Proceeds	Purpose/Rationale
$2.20	K-12 School Facilities (Fund 032)	K-12 School Facilities. Amount equals the present value of the current ORC 183.02 MSA allocations for education facilities (trust fund and endowment fund) for FYs 2008-2025.
$1.92 $0.92	K-12 School Facilities (Fund 032) Higher Education Facilities (Fund 034)	Debt Service Savings for Tax Relief. Funds capital needs over the next 3 years that would have otherwise been funded from State GRF-backed bonds. Debt service savings used to fund expansion of the homestead exemption.
$5.04		

Increasing Funding for K-12 School Facilities

The Executive Budget proposes using approximately 44 percent ($2.20 billion) of the net proceeds to fully fund, on a present value basis, all of the funding currently allocated by ORC Section 183.02 to the Education Facilities Trust Fund and the Education Facilities Endowment Fund for fiscal years 2008-2025. Those dollars would be allocated for use by the School Facilities Commission to provide financial assistance to local school districts across the State for the acquisition and construction of K-12 school facilities.

Using GRF Debt Service Savings for Property Tax Relief

Funding the expansion of the homestead exemption property tax relief program will not be accomplished directly from the net proceeds because such non-capital expenditures are not eligible to be funded from bond proceeds on a tax-exempt basis. The Executive Budget proposes using approximately 56 percent ($2.84 billion) of the net proceeds to fund state capital needs for elementary and secondary education and higher education facilities that would otherwise be funded through periodic issuances of GRF-backed bonds over the next three fiscal years. The GRF savings from the foregone debt service reaches $257 million per year for the twenty year life of those GRF bonds. The Executive Budget allocates these savings, together with interest earnings on the tobacco bond proceeds, to pay for the enhanced homestead exemption property tax relief program (See Table D-7).

Table D-7 Funding of Expanded Homestead Exemption Property Tax Relief Program

($ in Millions)	FY2008	FY2009	FY2010	FY2011
GRF Debt Service Offset	35.0	126.2	205.6	257.2
Tobacco Bond Funds – Interest Earnings to GRF	93.8	137.1	63.0	16.8
Total GRF Revenue	128.8	263.3	268.6	274.0
Cost of Increased Tax Relief	(128.5)	(257.0)	(265.0)	(273.0)
Difference*	0.3	6.3	3.6	1.0

* Any excess amounts not used to fund the homestead exemption tax relief program would remain in the school building assistance and higher education bond funds and used to fund capital appropriations from those funds.

Transition Funding Provided through FY 2009 for all Tobacco Budget Programs

Other programs funded through MSA payments in the fiscal years 2007-2008 Tobacco Budget will receive their fiscal year 2007 allocations that support their fiscal year 2008 appropriations. The Executive Budget also recommends funding those programs at their current ORC Section 183.02 allocation levels for an additional year in fiscal year 2009. Resources have been made available by reprogramming GRF expenditures and by shifting obligations to other sources of funding. Thus, these programs that are not related to school facilities will have two fiscal years to secure new funding sources or continue their phase-down of activities.

Securitization Positively Impacts State Debt Profile

Using the tobacco receipts to reduce the need for new GRF-supported debt issuances over the next three years will also have the added benefit of reducing growth in the State's debt burden and preserving capacity under the constitutional limit of 5 percent of GRF revenues and net state lottery proceeds. As of March 2007, Ohio's debt service to revenue ratio was 4.54 percent. If the State continues to incur additional GRF-debt at the current pace over the next three-to-four years during which GRF revenues are projected to increase at a much slower pace, the state would reach the constitutional limitation.

IV. Accountability

As we increase our investment in our public schools, we must create a better system for knowing what we're getting for our money. We will weigh seriously the recommendations of experts – including a recent report from Achieve that was commissioned by the state board of education and financed by the Gates Foundation.

This Executive Budget addresses that need with a pilot project in which participating school districts will adopt a common set of guidelines to account for all the pieces of their budget. This effort will increase efficiency and establish financial transparency. As a pilot, this project will serve as a model for developing a set of statewide practices that will help us see exactly where the money goes and what it accomplishes.

Additionally, we have seen a series of reports on Ohio's charter schools that all call for the same reforms—increased transparency and accountability. The Strickland Administration recognizes the difficulty for parents and their children in identifying which schools best meet their academic needs, especially when data are incomplete and there is no penalty for not reporting academic performance. The Executive Budget outlines a comprehensive package of reforms that directly address the concerns raised in the series of reports and proposes the implementation of national and international best practices included in the reports' recommendations.

The comprehensive accountability package proposed by the Strickland Administration includes the following actions:

- Providing the Department of Education additional authority to impose penalties for school districts and community schools that do not properly submit the required data through EMIS.
- Limiting the report card rank of charter schools that fail to test high proportions of their students.

- Advancing the school employees health care board's recommendations by establishing a board to develop an implementation plan to create voluntary health care pools and other best practices for purchasing health care services. The purpose of this action is to help local districts restrain health care costs and save taxpayer dollars.
- Permitting school districts with an income tax to reduce the assessment as they deem necessary. This will allow local leaders to reduce the tax burden on citizens in their communities.
- Establishing a moratorium on the creation of new community schools and an accountability and review commission to conduct an accountability audit of the state's school choice programs, as recommended by the Achieve Report.
- Requiring stronger community school accountability to ensure that the consumer rights of students and their families are protected and that they benefit from full academic and financial disclosure. This means, for example, that buildings in which community schools operate must meet health and life safety standards, teachers must be licensed, and food preparation facilities must pass health inspections.
- Reducing the per-pupil basic aid amount for e-schools to remain consistent with their lower-cost business model.
- Prohibiting community schools from using for-profit companies as the management company of the school and requiring that existing contracts up for renewal be competitively bid to ensure that taxpayer dollars are protected.
- Allowing public school districts to sell their school buildings that are no longer needed at a fair market rate, instead of being forced to offer these buildings first to community schools, which will result in better protection of taxpayer interests.
- Enhancing the Department of Education's authority to oversee community school sponsors.
- Requiring multi-state community school operators in establishing sites in Ohio to show that their out-of-state community schools are achieving at least at a level comparable to Ohio's "continuous improvement" academic status.
- Requiring community school sponsors to verify the operational capacity of community schools before the start of each school year.

With additional basic aid funding, additional parity aid and poverty based assistance, and with the Homestead rebate, this Executive Budget proposes the biggest single advance toward an equitable education system in our state's history.

A generation of Ohio students will benefit, and so too will parents and taxpayers.

State Appropriation Limitation

This Special Analysis provides a detailed examination of the State Appropriations Limitation (SAL), but also satisfies the requirements of ORC 107.33 which requires the following:

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

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

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

As outlined above, among the several non-tobacco budget related items contained in Amended Substitute Senate Bill 321 of the 126th General Assembly (the tobacco budget bill), was a provision setting a limitation on the amount of GRF appropriations that can be recommended to and enacted by the General Assembly. This restriction, referred to as the SAL has the potential to limit the discretion of future administrations by imposing a limit on the annual growth of most GRF appropriations to the greater of 3.5 percent or the sum of the rate of inflation plus the rate of population change, referred to in this special analysis as the Combination Rate. The intent of this analysis is to provide a general overview of the provisions of the SAL, establish the SAL for the FY 2008 – 2009 biennium, describe the method behind the SAL's calculation, and discuss what effects it might have on both the upcoming biennium as well as how it might have functioned and affected the GRF appropriation levels had it been in effect in previous biennia.

What the SAL Covers

While most GRF appropriations are governed under the restrictions imposed by the SAL (approximately 73% in FY 2007), there are three specific categories exempted from the limitation. While one of these exempted categories (appropriation of moneys received as gifts) is insignificant in terms of the amount of money involved (approximately $29,000 in FY 2007), the other categories represent more than one-fourth of total GRF appropriations and have been growing more rapidly than the GRF as a whole in recent years. These categories are the appropriations of moneys received from the federal government and appropriations made for tax relief, tax refunds, or refunds of other overpayments. These three exempted categories are significant in that in FY 2007, they represent an estimated $7.1 billion or 27.1 percent of all FY 2007 GRF appropriations.

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

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

As part of the responsibility of submitting the Executive Budget Recommendations to the General Assembly, the laws governing the SAL require the Governor to identify and set the limitation for each year of the biennium. Once the limitation is set, the General Assembly is generally prohibited from exceeding it in the appropriations it makes during the course of the biennium. As a result, in preparing recommendations for the FY 2008 – 2009 biennium, the

Office of Budget and Management (OBM), under direction from the Governor, calculated the limitation by estimating the total FY 2007 GRF appropriations and deducting estimated FY 2007 appropriations for the exempted categories identified above. Once the FY 2007 aggregate GRF appropriation amount was identified, thereby establishing the base, OBM determined the inflation factor that should be applied for FY 2008. This inflation factor was selected after determining whether 3.5 percent or the Combination Rate previously described was greater. The calculation of the SAL for the second year of the biennium, in this case, FY 2009, was then made by increasing the FY 2008 SAL by the greater of either 3.5 percent or the Combination Rate as estimated by OBM, using forecast data from Global Insight.

Calculating the SAL: Establishing the Limitation for the FY 2008 – 2009 Biennium

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

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

Table 1 – State Appropriations Limitation FY 2007 – 2009	
FY 2007 Estimated Total GRF Appropriations	**$26,189,419,046**
Minus Adjustments	**$7,091,425,064**
Tax Relief & Refunds Adjustment	$1,243,753,516
Other Refunds Adjustment	$15,493,049
Gifts Adjustment	$28,726
Federal Grants Adjustment	$5,832,149,774
FY 2007 Aggregate GRF Appropriations (Base)	**$19,097,993,982**
FY 2008 State Appropriations Limitation	**$19,766,423,771**
FY 2009 State Appropriations Limitation	**$20,458,248,603**

Estimated Impact of the SAL for FY 2008 and 2009

As would have been the case with budgets enacted in recent years (see below), the presence of the SAL will have no impact on the Executive Budget Recommendations for either FY 2008 or 2009. Specifically, while the SAL is set at $19.8 billion in FY 2008 and $20.5 billion in FY 2009, recommended aggregate GRF appropriations for those years are set at $18.9 billion and $19.7 billion respectively (see Table 2). As a result, the Executive Recommendations will be $839.4 million below the SAL in FY 2008 and $747.5 million below in FY 2009. This is due to the fact that while the SAL increases by 3.5 percent in each year and 7.1 percent over the biennium, recommended aggregate GRF appropriations decrease by 0.9 percent in FY 2008, increase by 4.1 percent in FY 2009, a net increase of only 3.2 percent over course of the biennium. Therefore, barring a significant increase in aggregate GRF appropriations during the legislative process, Ohio should end the FY 2008-2009 biennium with considerable capacity under the SAL.

Table 2 - State Appropriations Limitation vs Appropriations FY 2008 – 2009			
	2007	2008	2009
Total General Revenue Fund Appropriations	**$26,189,419,046**	**$25,668,936,025**	**$27,221,894,754**
Minus - Tax Relief	$1,243,753,516	$1,272,129,775	$1,344,778,875
Minus - Estimated Refunds	$15,493,049	$0	$0
Minus - Estimated Gifts	$28,726	$0	$0
Minus - Federal Grants	$5,832,149,774	$5,469,761,495	$6,166,326,197
Aggregate GRF Appropriations	**$19,097,993,982**	**$18,927,044,755**	**$19,710,789,682**
State Appropriations Limitation		**$19,766,423,771**	**$20,458,248,603**
Over (Under)	**N/A**	**($839,379,016)**	**($747,458,921)**

Limitations and Exceptions Available to the General Assembly

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

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

Reset Year Two and Set SAL for Second Biennium

While the above process would set the SAL for the first biennium, during the second year of the biennium (FY 2009), OBM will be required to do a new set of calculations to determine the SAL for the next biennium (2010-2011). In carrying out these calculations, the statute requires reexamining the estimate originally used to set the SAL for the second year (i.e., 2009) of the biennium the state is in at that time. This reexamination using the most recently published data on inflation and population growth would determine whether the SAL established for the second year of the biennium should have been set using an alternative method. For example, it is possible that in FY 2007, the Combination Rate identified for 2009 may have been estimated to be too low (due most likely to inflation) and as a result the SAL for 2009 was set assuming a 3.5 percent increase. If in the reexamination, it is determined that the Combination Rate was in excess of 3.5 percent, the Governor would be required to effectively recalibrate the SAL by adjusting the base of 2009 to reflect an increase greater than 3.5 percent. This base would then serve as the estimated aggregate GRF appropriation level used to set the SAL for 2010 and 2011, regardless of the actual FY 2009 appropriations.

Four Year Recast of the SAL

In addition to recalculating or resetting the SAL in the second year of a biennium, as part of the process of setting the limitation for the next biennium, the Governor and OBM are required to recast the limitation every four years beginning with FY 2012. Specifically, while the SAL in effect for the years 2008-2011 will be increased from the base year of FY 2007 regardless of aggregate GRF appropriation levels, the recast requirement mandates that the SAL for 2012 be based on the 2011 estimated aggregate GRF appropriations, not on an inflation adjusted figure of the 2011 SAL. By recasting the SAL every fourth year, spikes in appropriations resulting from a building up of previously unused capacity would potentially be limited.

Application of the SAL - Would Spending Levels Have Differed?

An argument cited by those that promoted the Tax Expenditure Limitation (TEL) and later the SAL was that they were necessary in order to restrain excessive growth in state government spending. To determine if this is accurate and identify what the implications on state GRF spending might have been had the SAL been in effect during the past six years, this analysis examines the three most recently enacted operating budgets.

Fiscal Years 2001 – 2007

To determine what the impact might have been had the SAL been in effect beginning in FY 2002, it is necessary to begin with FY 2001 as the base year. Based on the aggregate GRF appropriations for FY 2001 of $16.4 billion and considering either the 3.5 percent growth rate or the Combination Rate, the 3.5 percent increase would likely have been applied and the SAL would have been set at $17.0 billion and $17.6 in FY 2002 and 2003 respectively (see Table 3).

Table 3 – State Appropriations Limitation – Estimated Impact on Prior Years FY 2001 – 2007

Fiscal Year	State Appropriations Limitation	Aggregate GRF Appropriations	% Increase	Variance
2001 (Base Year)	N/A	$16,392,711,221	N/A	N/A
2002	$16,966,456,114	$16,387,550,467	0.0%	-$578,905,647
2003	$17,560,282,078	$16,873,955,588	3.0%	-$686,326,490
2004	$18,174,891,950	$17,453,284,407	3.4%	-$721,607,543
2005	$18,811,013,169	$18,259,748,218	4.6%	-$551,264,951
2006 (Recast Year)	$19,081,436,888	$18,351,104,213	0.5%	-$730,332,675
2007	$19,749,287,179	$19,097,993,982	3.8%	-$651,293,197

The FY 2002 – 2003 budget was constructed in a tight fiscal environment wherein slumping revenues required two rounds of cuts in the last six months of FY 2001. As a result of this climate and additional budget corrections, GRF appropriations growth during these years was more modest than in the years immediately preceding them, with total GRF appropriations of $21.9 billion in FY 2002 and $22.8 billion in FY 2003, representing increases of 2.0 percent and 3.8 percent respectively. Of these amounts, aggregate GRF appropriations as it is estimated that they would have been identified under the SAL totaled $16.4 billion in FY 2002 and $16.9 billion in FY 2003, which would have represented increases of 0 percent and 3.0 percent respectively. Thus, had the SAL been in place beginning with FY 2002, aggregate GRF appropriations would not have exceeded its limits in either year and at the end of the biennium would have in fact been $686.3 million below the limit.

Similar to FY 2002 and 2003, the FY 2004 – 2005 budget was also constructed in a challenging fiscal environment where again the presence of the SAL would not have been a factor. Had the SAL been in effect for that biennium, it is estimated that it would have restricted aggregate GRF appropriations to no more than $18.2 billion in FY 2004 and $18.8 billion in FY 2005. By comparison, actual aggregate GRF appropriations during these two years totaled $17.5 billion and $18.3 billion respectively, which represented increases of 3.4 percent in FY 2004 and 4.6 percent in FY 2005. While the aggregate GRF appropriation increases during this biennium were close to or would have

exceeded the 3.5 percent increase that would have likely been applied in setting the SAL for this period, these increases would have been permitted by the unused capacity carried over from the FY 2002-2003 biennium and would have resulted in the state being $551.3 million under the SAL at the end of FY 2005.

Recast and Fiscal Years 2006-2007

As discussed in the introduction to how the limitation is supposed to function, as part of preparing budget recommendations, the Governor is required to recast the SAL every four years. Had the SAL been in effect beginning with FY 2002, it would have been recast early in calendar year 2005 for the FY 2006-2007 biennium. Applying the estimated aggregate GRF appropriations for FY 2005, it is estimated that the Governor would have recast the SAL for FY 2006 and 2007 at $19.1 billion[1] and $19.8 billion respectively. While it is estimated that the factor used to set the SAL for FY 2006 would have been the Combination Rate of 4.5 percent, the actual increase over the FY 2005 SAL was only 1.4 percent due to the recasting. Even with the recasting however, aggregate GRF appropriations would still not have exceeded the SAL for either FY 2006 or 2007 as they are currently estimated to be $18.4 billion and $19.1 billion or $730.3 million and $651.3 million below the limitation (see Table 4).

Table 4 – Comparison All GRF and Aggregate Appropriations FY 2001 – 2007

Fiscal Year	All GRF Appropriations	% Increase – All GRF	Aggregate GRF Appropriations	% Increase – Aggregate GRF
2001 (Base Year)	$21,481,521,353	N/A	$16,392,711,221	N/A
2002	$21,920,110,478	2.0%	$16,387,550,467	0.0%
2003	$22,742,877,938	3.8%	$16,873,955,588	3.0%
2004	$24,065,271,211	5.8%	$17,453,284,407	3.4%
2005	$25,206,812,738	4.7%	$18,259,748,218	4.6%
2006 (Recast Year)	$25,371,180,139	0.7%	$18,351,104,213	0.5%
2007	$26,082,146,780	2.8%	$19,097,993,982	4.1%

Therefore as estimated here, the SAL will not be exceeded in the FY 2008 – 2009 biennium and would not have been exceeded in any of the previous six years examined. This outcome is and would have been the result of three factors – sluggish revenue growth (especially for the period 2002-2004), fiscal restraint and the implications on revenues of tax reform (FY 2005-2009), and the statutory structure of the SAL itself and the items that are exempted from its calculation. Aside from the impact of sluggish revenue growth, it was the exemption of federal moneys and to a lesser degree tax relief and refunds that would have played a major role, since together they grew at an average rate of more than 8.1% annually between FY 2002 and 2005. Thus in exempting these high growth items from the SAL calculation, the average rate of growth for the entire GRF of 4.1 percent was diluted as what would have been defined as aggregate GRF appropriations grew at an average rate of only 2.8 percent.

[1] FY 2006 is the only year during the period that the SAL would increase by more than 3.5%. FY 2006 inflation plus population growth rate was estimated at 4.5%.

Overview

The Medicaid Special Analysis provides an overview of the social impact of Ohio's Medicaid program and a brief survey of the range of services it provides through several departments of state government. Subsequently, the analysis will provide a summary of the Department of Job and Family Services' Medicaid budget for fiscal years 2008 and 2009. Sections describing the initiatives in the Executive Budget relating to the Auditor of State's Medicaid Performance Audit and the recommendations of the Medicaid Administrative Study Council are included. Lastly, this analysis will highlight major Medicaid policy initiatives funded in Governor Strickland's budget, including several Turnaround Ohio initiatives.

Medicaid: A Broad Health Plan For Ohio's Most Vulnerable Populations

Medicaid provides healthcare and related services to over 2 million low income Ohioans as well as those with medical disabilities. In particular, Ohio Medicaid covers over 1 million children and approximately 170,000 adults 65 years and older. The Medicaid program provides a broad suite of services to meet medical needs ranging, for example, from paying for approximately one in three births in Ohio to covering 70 percent of all nursing home care.

In fiscal year 2006, the cost of providing coverage to Ohio's Medicaid population exceeded $13 billion, in state and federal funds. The $13 billion includes funds for healthcare services, administration, and other payments such as those to hospitals for care provided to indigent individuals not eligible for Medicaid. The majority of these funds, over $11 billion or 85 percent, flow through the Department of Job and Family Services' budget. The remaining funds flow through seven other agencies, primarily the departments of Mental Retardation and Developmental Disabilities, Aging, Mental Health, and Alcohol and Drug Addiction Services.

The Department of Job and Family Services (JFS) is responsible for managing the vast majority of the state's Medicaid budget. This includes paying for most of the state plan services, including: managed care, nursing facilities, hospitals, and physician provided care to name just a few. JFS is also designated as the Single State Agency which means the department is responsible for managing the state's Medicaid relationship with the federal government, adjudicating all Medicaid claims, and drawing down all Medicaid reimbursements from the federal government.

The Department of Mental Retardation and Developmental Disabilities provides both institutional and community based Medicaid services. The department runs ten Developmental Centers which provide institutional services to approximately 1,200 citizens. In partnership with county boards, the department manages two Medicaid waivers which serve approximately 17,000 individuals. Both the Level One Waiver and Individual Options waiver are designed to allow consumers to live in a community setting instead of having to reside in an institution. The Individual Options Waiver is targeted for consumers requiring a higher level of care to remain in the community. In fiscal year 2006, the department's Medicaid expenditures were approximately $1 billion.

The Department of Mental Health in partnership with county boards provides community mental health services to approximately 160,000 Medicaid consumers. These services include counseling, psychotherapy, diagnostic assessments and crisis intervention. The department's Medicaid expenditures in fiscal year 2006 were $350 million.

The Department of Aging manages several Medicaid programs, including the PASSPORT and assisted living programs. PASSPORT provides care to individuals in their own homes, while assisted living provides care in a setting that gives the person a private, home-like environment while residing in a community-living setting. Through the department's relationship with the Area Agencies on Aging, the PASSPORT program provides services allowing approximately 26,000 consumers to safely live in a community setting. The department's fiscal year 2006 Medicaid expenditures were approximately $345 million.

The Department of Alcohol and Drug Addiction Services and the county boards provide community addiction and treatment services to over 33,000 Medicaid consumers. The department's fiscal year 2006 Medicaid expenditures were approximately $60 million.

Fiscal Years 2008 and 2009 JFS Medicaid Spending

The Department of Job and Family Services' Medicaid GRF projected spending for healthcare services (not including administrative or non-Medicaid indigent care) in fiscal year 2007 is $9.5 billion in state and federal funds. Fiscal year 2008 projected spending for these services is $9.6 billion, a 1.8 percent increase. In fiscal year 2009 spending projections increase 5.4 percent to $10.1 billion.

JFS GRF Spending by Line Item

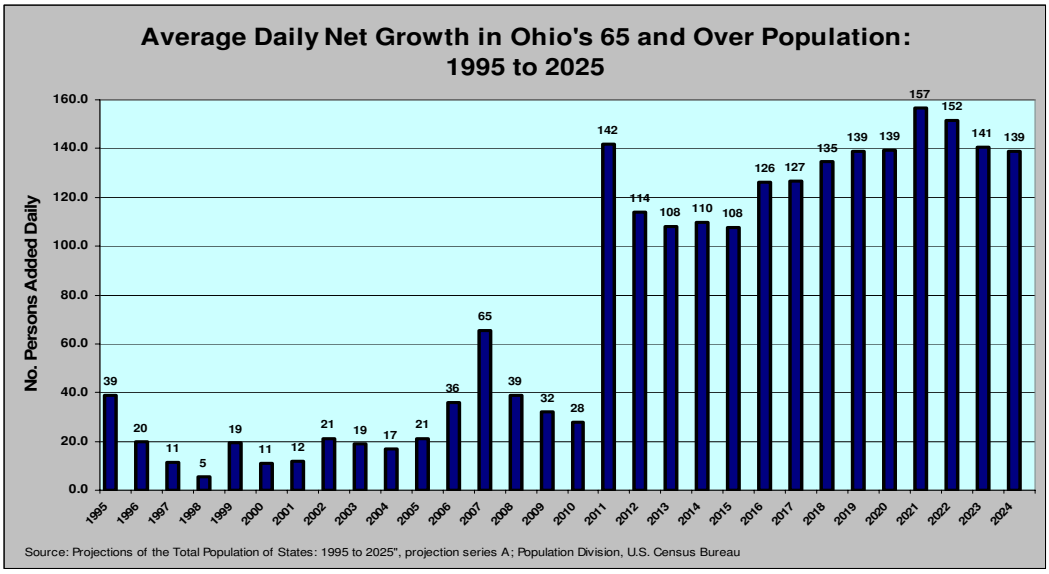
Line Item	FY 2007 - Est.	FY 2008 Appropriation		FY 2009 Appropriation	
600-525 – Healthcare / Medicaid	$9,157,150,368	$9,338,655,406	2.0%	$9,838,135,512	5.3%
State Share	$3,673,848,727	$3,711,477,365	1.0%	$3,781,240,317	1.9%
600-526 – Medicare Part D	$239,504,892	$254,397,401	6.2%	$271,854,640	6.9%
600-513 – Disability Medical Assistance	$24,088,991	$ -		$ -	
Total	**$9,420,744,251**	**$9,593,052,807**	**1.8%**	**$10,109,990,152**	**5.4%**

Line Item Notes:

- The fiscal year 2007 numbers in the table reflect estimated spending. Combined the estimate is approximately $448 million less than appropriations which are shown in Section E.
- The Executive Budget assumes $437 million of the fiscal year 2007 unspent funds will be encumbered and used in fiscal year 2008 to pay Medicaid obligations. This encumbrance is included in the fiscal year 2008 figures in the table. The fiscal year 2008 figures in Section E do not include the encumbered funds.
- In fiscal years 2008 and 2009, disability medical assistance spending has been moved from line item 600-513, Disability Medical Assistance, to line item 600-525, Healthcare / Medicaid.
- The growth rates in fiscal year 2009 are higher due to the time it takes to see the full impact of eligibility expansions.

Caseloads

Medicaid caseloads are separated into two basic groups: the Covered Family and Children (CFC) group and the Aged, Blind, or Disabled (ABD) group. The CFC population represents 75 percent of total Medicaid enrollees and the ABD group accounts for the remaining 25 percent However, spending on the ABD group accounts for over 70 percent of all spending. The ABD population is projected to grow slightly less than 2 percent per year in fiscal years 2008 and 2009. But in 2011, Ohio will experience a significant rise in citizens over the age of 65, as shown in the chart below, which was produced by the Ohio Department of Development, Office of Strategic Research.



While not all of these people will enroll in Medicaid, undoubtedly this increase will have an impact on the Medicaid caseloads. This trend highlights the importance of developing a continuum of cost effective options for people requiring long-term care services now to ensure Ohio has the infrastructure and resources needed to serve this important population in the future.

The Growth of Managed Care

The state budget bill enacted in June 2005 (Am. Sub. HB 66 of the 126th General Assembly) mandated the swift conversion from a fee for service model to managed care for the Medicaid program. As a result of this legislation, fiscal year 2009 spending in managed care will be $3.9 billion more than in fiscal year 2005. This represents an increase of 262 percent Approximately $5 billion will be paid to eight companies to provide care for over 1.3 million Medicaid enrollees. To ensure proper management of this significant portion of the Medicaid program, the Executive Budget provides funding for the hiring of a full-time actuary to provide detailed analysis of the program and proper rate setting methods.

The Auditor of State's Medicaid Performance Audit

The Auditor of State spent almost an entire year completing a performance audit of Ohio's Medicaid program. The audit was released in December 2006 and produced a report that exceeded 800 pages and contained over 100 individual recommendations. Many of the Auditor's recommendations were being implemented at the time of the report or have since been undertaken.

The Governor's budget continues funding for many of those recommendations currently being implemented. Additionally, Governor Strickland's budget supports many new initiatives. Some of the most important include:

- The performance audit called for increased stakeholder involvement in the Medicaid planning process. External stakeholders have had an unprecedented role in providing analysis of current government operations and have provided numerous recommendations to the administration. The administration is committed to continuing this increased and transparent level of stakeholder involvement.
- As mentioned above, the Governor's budget includes funding for Medicaid buy-in programs, both for people with disabilities who want to work as well as for children whose family income is over 300 percent of the federal poverty level.
- The performance audit calls for expanding community based services and rebalancing long-term care services. Governor Strickland believes consumers should have the opportunity to choose which setting is best for them

whether it's an institutional setting or a community setting. To achieve this goal the Executive Budget implements a long-term care budget, implements the Money Follows the Person Grant and increases funds for the PASSPORT program.

- The Auditor's report had numerous recommendations regarding enhancing Medicaid's technology assets. The Executive Budget funds the implementation of the Medicaid Information Technology System (MITS) and the expansion of the data warehouse and decision support system.
- Both the audit report and the Executive Budget call for increased provider management through requiring regular re-enrollment and purging inactive providers from the system.

The Medicaid Administrative Study Council

The Medicaid Administrative Study Council's final report included recommendations on the structure and management of a cabinet level Department of Medicaid. The Executive Budget contains many of the building blocks for a new department. The Executive Budget includes funding for the completion of the Medicaid Information Technology System, expanding the use and access to the data warehouse and decision support systems, and the implementation of a unified long-term care budget. Additionally, the Governor's budget provides funding in fiscal year 2009 to begin work on developing the new department and separating the Medicaid program from the Department of Job and Family Services.

Governor Strickland's Turnaround Ohio Plan

Governor Strickland's Turnaround Ohio Plan includes numerous initiatives related to the Medicaid program. Following is a brief overview of the Turnaround Ohio initiatives included in the Medicaid portion of the Executive Budget. Additional details on Turnaround Ohio budget initiatives can be found in the Turnaround Ohio Special Analysis, see page D-7.

Providing access to affordable healthcare coverage is a cornerstone of the Turnaround Ohio plan. The Executive Budget provides access to affordable healthcare to all children in Ohio. This will be accomplished through the expansion of the SCHIP program and by allowing other families to buy into the Medicaid program. Currently, Ohio's SCHIP program eligibility is limited to children whose family income is 200 percent of the federal poverty level or lower. The Executive Budget increases the SCHIP eligibility level to 300 percent of the federal poverty level. For those children whose income is over 300 percent of the federal poverty level, Governor Strickland's plan will allow them to buy Medicaid coverage using sliding scale premiums based on the family's income level and co-payments.

Governor Strickland's budget will allow people with medical disabilities who want to work to continue receiving Medicaid coverage. Many people with disabilities prefer to work, but are discouraged from gaining employment because doing so would result in a high cost of coverage due to their disability or even in a total loss of healthcare coverage. This program will permit these citizens to overcome these obstacles by allowing them to pay a premium to retain their medical coverage through the Medicaid program.

Improving the efficiency of government operations is another focus of the Turnaround Ohio plan. The Medicaid budget contains numerous initiatives focused on improving the efficiency of the program. One example is an emphasis on improved management of Medicaid's Third Party Liability (TPL) program. This program ensures Medicaid is the payer of last resort, which means other insurers must pay their share of a claim prior to Medicaid making a payment. The Governor's plan includes improving the identification of these insurers and requiring them to pay their share of claims before Medicaid makes a payment.

Additional Medicaid Initiatives

The Governor's budget includes several other noteworthy Medicaid policy initiatives. The Executive Budget provides funding to increase the parent income eligibility level from 90 percent to 100 percent of the federal poverty level. This initiative restores coverage to approximately 25,000 parents who lost coverage in fiscal year 2006.

Currently, the income eligibility ceiling for pregnant women to enroll in Ohio Medicaid is 150 percent of the federal poverty level. The Executive Budget will increase this limit to 200 percent of the federal poverty level.

Ohio was selected by the U.S. Department of Health and Human Services to receive a Money Follows the Person grant. This five year grant will allow Ohio to provide more choice and flexibility to consumers wishing to stay or move to a community setting. Governor Strickland's budget provides the matching funds for the Money Follows the Person grant.

The Executive Budget provides increased funding for the PASSPORT program. The additional funding provides the resources needed to serve over an additional 5,600 people through the PASSPORT program.

To comply with the Martin vs. Taft consent order, the budget also includes funding to serve 1,500 new people to be served via the Individual Options Waiver.

Developing a Unified Long-Term Care Budget

Governor Strickland strongly supports providing a choice of long-term care services to Medicaid consumers. This includes offering a continuum of services which meets the consumers' needs throughout their lives. A critical step in achieving this choice is the development of a unified long-term care budget. The Governor has instructed the Director of the Department of Aging to convene a workgroup consisting of state policy makers, consumer advocates, and industry leaders. This workgroup will develop an implementation plan to create a state-wide long-term care budget. This implementation plan will outline action steps to begin implementation in fiscal year 2009 with a goal of full implementation in fiscal year 2010.

Provider Rate Increases

The Governor's Executive Budget includes rate increases for several provider categories. Providers of State Plan community services will receive a 3 percent per year increase in both fiscal years 2008 and 2009. ICF/MR providers will receive a 2 percent per year increase each year. Rates for inpatient hospitalization services will increase approximately 3.3 percent in fiscal year 2008 and 2.9 percent in fiscal year 2009.

Conclusion

The Medicaid budget reflects the goals of the Governor Strickland's Turnaround Ohio plan. The budget includes providing access to affordable healthcare to all children in Ohio. It expands Medicaid coverage for parents, pregnant women, and working people with disabilities. The budget includes judicious provider rate increases and addresses many of the recommendations of the Auditor's Performance Review and the Medicaid Administrative Study Council.

Role and Overview

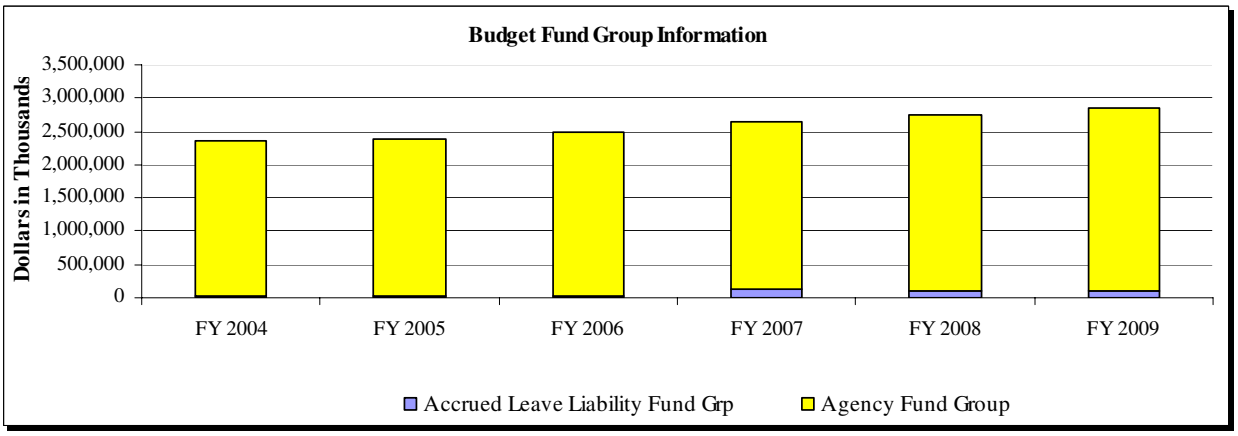
Employee Benefits Funds (PAY) is a budget presentation convention that deals with eight separate funds. These funds account for various transactions related to the benefits of state employees. The fiscal year 2008-2009 biennium budget presentation changes the name of this agency from "Accrued Leave Liability Fund Group" to "Employee Benefits Funds." The updated agency name reflects the Central Accounting System code for this group of specialized funds. The name change is being made because Employee Benefits Funds no longer accounts solely for the accrued leave liabilities of the state, but also accounts for the cost of state employee benefits.

The eight funds shown on the budget tables for PAY are appropriated to and administered by the Department of Administrative Services (DAS). The funds 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 amounts received are based on payroll charges and payroll deductions. Disbursements are made from the health and life insurance funds to service providers, 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 benefits to recipients and payments to actuarial and medical consultants reviewing disability claims. Disbursements from the payroll deductions fund include payments for various employee benefits and taxes owed to federal, state, and local taxing jurisdictions.

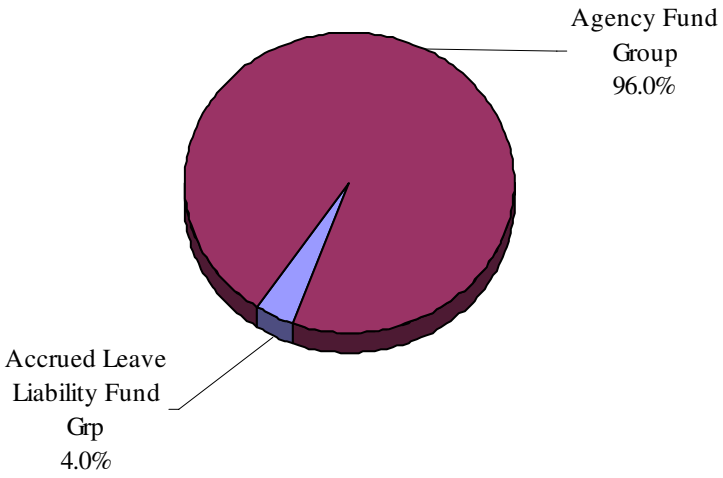
Agency Priorities

- Ensure that adequate revenues to fund all benefit programs are collected via charges to agencies and employees.
- Ensure that all required payments are made to vendors, employees, retirement programs, and taxing authorities on a timely basis.

Summary of Budget History and Recommendations

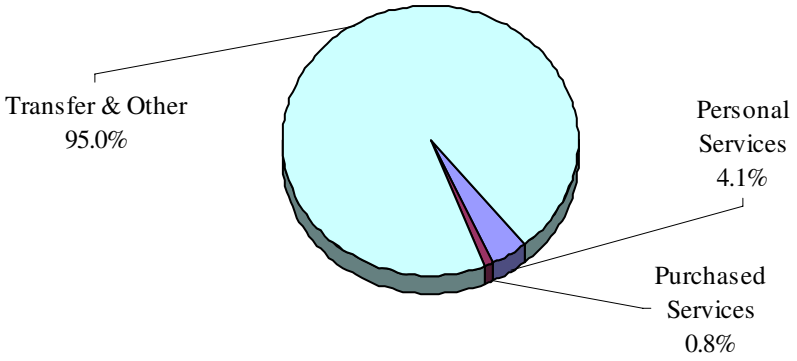


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Accrued Leave Liability Fund Grp	22,551	21,256	26,765	128,906	381.6	109,689	(14.9)	115,349	5.2
Agency Fund Group	2,324,789	2,366,777	2,472,186	2,505,163	1.3	2,645,318	5.6	2,747,357	3.9
TOTAL	**2,347,339**	**2,388,033**	**2,498,952**	**2,634,069**	**5.4**	**2,755,007**	**4.6**	**2,862,705**	**3.9**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	68	56	36	69,006	91,073.3	113,249	64.1	119,148	5.2
Purchased Services	443	3,021	7,423	12,408	67.1	20,687	66.7	25,683	24.1
Maintenance	0	4	14	20	46.5	20	.0	20	.0
Transfer & Other	2,346,829	2,384,952	2,491,478	2,552,635	2.5	2,621,051	2.7	2,717,855	3.7
TOTAL	**2,347,339**	**2,388,033**	**2,498,952**	**2,634,069**	**5.4**	**2,755,007**	**4.6**	**2,862,705**	**3.9**

PROGRAM SERIES 01: Health Insurance Benefits

The Health Insurance Benefits Program Series consists of six programs that provide medical, dental, vision, and life insurance coverage for current and former state employees. Claims costs for all programs in this series are paid from the State Employee Health Benefit Fund.

Program 01.01: Ohio Med – Self-Insured PPO

This program pays the claims costs of the state's self-insured, preferred provider organization (PPO) health insurance program known as Ohio Med. This plan is administered by Medical Mutual of Ohio.

The Executive Recommendation will:

- Pay state employee health insurance claims and administrative costs for more than 30,000 employees enrolled in the Ohio Med PPO.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
AGY	808	995-668	State Employee Hlth Bnft Fund	346,943,031	383,934,167
TOTAL FOR PROGRAM				**346,943,031**	**383,934,167**

Program 01.02: Self-Insured HMOs

This program pays the claims costs of the state's five self-insured, health maintenance organization (HMO) health insurance programs from which state employees can select. Currently available plans are administered by Aetna and United Healthcare.

The Executive Recommendation will:

- Pay state employee health insurance claims and administrative costs for those enrolled in one of the HMO programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
AGY	808	995-668	State Employee Hlth Bnft Fund	125,718,231	139,104,965
TOTAL FOR PROGRAM				**125,718,231**	**139,104,965**

Program 01.03: Dental Insurance

This program pays the benefits costs for the state's two dental insurance programs for state employees not covered by the Ohio Civil Service Employees Association (OCSEA) benefits trust. Currently available plans are provided by Delta Dental.

The Executive Recommendation will:

- Pay the cost of dental insurance for state employees not covered by the Ohio Civil Service Employees Association benefits trust.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	808	995-668	State Employee Hlth Bnft Fund	12,584,988	13,178,213
TOTAL FOR PROGRAM				**12,584,988**	**13,178,213**

Program 01.04: Vision Insurance

This program pays the benefits costs for the state's two vision insurance programs for state employees not covered by the OCSEA benefits trust. Currently available plans are provided by Vision Service Plan and EyeMed Vision Care.

The Executive Recommendation will:

- Pay the cost of vision insurance for state employees not covered by the Ohio Civil Service Employees Association benefits trust.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	808	995-668	State Employee Hlth Bnft Fund	2,322,246	2,365,936
TOTAL FOR PROGRAM				**2,322,246**	**2,365,936**

Program 01.05: Managed Mental Health

Separate from the individual health plans, this program pays the premiums for the state's carve-out insurance program for mental health and substance abuse services. This plan is administered by United Behavioral Health.

The Executive Recommendation will:

- Pay the cost of insurance for mental health and substance abuse services for state employees.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	808	995-668	State Employee Hlth Bnft Fund	11,551,547	12,207,508
TOTAL FOR PROGRAM				**11,551,547**	**12,207,508**

Program 01.06: COBRA

This program pays the claims costs for former state employees who opt to continue their health insurance, while paying the full monthly premium, for up to 18 months following the end of their state service.

The Executive Recommendation will:

- Pay state employee health insurance claims and administrative costs, pursuant to federal law, for those extending their state coverage at their own cost for up to 18 months following the end of their state service.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	808	995-668	State Employee Hlth Bnft Fund	119,957	131,953
TOTAL FOR PROGRAM				**119,957**	**131,953**

PROGRAM SERIES 02: Life Insurance Benefits

The Life Insurance Benefits Program Series consists of one program that provides life insurance coverage for state employees that are exempt from collective bargaining.

Program 02.01: Life Insurance Benefits

The Life Insurance Investment Fund is used to pay the premiums for the state's group life insurance benefit program for exempt employees.

The Executive Recommendation will:

- Pay the premium for the state's group life insurance benefit program for exempt employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	810	995-670	Life Insurance Invest Fnd	2,113,589	2,229,834
TOTAL FOR PROGRAM				**2,113,589**	**2,229,834**

PROGRAM SERIES 03: Paid Leave Funds/Programs

The Paid Leave Funds/Programs Program Series consists of three programs that provide for accrued, disability, and parental leave payments for eligible State of Ohio employees.

Program 03.01: Accrued Leave

Upon termination from state service due to retirement or separation, the Accrued Leave Liability Fund provides for the payment to employees of accrued vacation, sick, and personal leave. In addition, payments for certain amounts of unused sick and personal leave are made to active employees, at their option, during an annual December conversion opportunity.

The Executive Recommendation will:

- Make payments to fund employees' accrued leave cash outs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
ALF	806	995-666	Accrued Leave Fund	69,584,560	76,038,787
TOTAL FOR PROGRAM				**69,584,560**	**76,038,787**

Program 03.02: Disability Leave

The State Employee Disability Leave Benefit Fund provides disability and income protection for non-job related disabilities to eligible state employees.

The Executive Recommendation will:

- Make payments to fund employees' disability leave payments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
ALF	807	995-667	Disability Fund	40,104,713	39,309,838
TOTAL FOR PROGRAM				**40,104,713**	**39,309,838**

Program 03.03: Parental Leave

The Parental Leave Benefit Fund is used to make payments to eligible employees using parental leave to care for newborn or adopted children.

The Executive Recommendation will:

- Make payments to fund employees' parental leave payments, by which 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 2008	RECOMMENDED FY 2009
AGY	811	995-671	Parental Leave Benefit Fund	3,994,806	4,234,495
TOTAL FOR PROGRAM				**3,994,806**	**4,234,495**

PROGRAM SERIES 04: Health and Dependent Care Spending Accounts

The Health and Dependent Care Spending Accounts Program Series consists of two programs that provide for the pre-tax deduction and subsequent repayment for health care and dependent care expenses to eligible employees who elect to participate.

Program 04.01: 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 requiring care and living in the employee's home, or a spouse or relative who is physically and/or mentally incapable of self-care.

The Executive Recommendation will:

- Make transfer payments to fund employees' tax-exempt dependent care expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	809	995-669	Dependent Care Spending Acct	2,969,635	2,969,635
TOTAL FOR PROGRAM				**2,969,635**	**2,969,635**

Program 04.02: 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 not covered by insurance. Funds are deducted from employees' wages each pay period. Account holders can then withdraw their funds on a tax-free basis as eligible expenses are incurred. The program was initiated in January 2005.

The Executive Recommendation will:

- Make transfer payments to fund employees' tax-exempt health care expenses paid from wage deductions up to $2,000 in 2007 and $3,000 in 2008.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	813	995-672	Health Care Spending Account	12,000,000	12,000,000
TOTAL FOR PROGRAM				**12,000,000**	**12,000,000**

PROGRAM SERIES 05: Payroll Deductions

This program series provides a centralized mechanism for collecting and disbursing all state agency and employee payroll deductions. The series is new to PAY for the 2008-2009 Executive Budget, having been moved from the DAS Human Resources Program Series.

Program 05.01: 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 contributions, insurance premiums, deferred compensation withholdings, and credit union account deposits, as well as federal, state, and local taxes.

The Executive Recommendation will:

- Administer a pass-through 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 2008	RECOMMENDED FY 2009
AGY	124	995-673	Payroll Deductions	2,125,000,000	2,175,000,000
TOTAL FOR PROGRAM				**2,125,000,000**	**2,175,000,000**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

995-667, Disability Fund: Because of disability program changes agreed upon in collective bargaining, state costs for employee disability benefits are expected to decline. For additional information, please refer to Program 03.02, Disability Leave.

995-672, Health Care Spending Account: Continuation of the current $12 million appropriation will give this program begun in fiscal year 2005 room to mature. In addition, increasing maximum employee deductions will also contribute to higher expenditures. For additional information, please refer to Program 04.02, Health Care Spending Account.

LINE ITEM SUMMARY - Accrued Leave Liability

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
806	995-666	Accrued Leave Fund	21,439,499	20,826,000	24,032,449	77,950,372	69,584,560	(10.7)	76,038,787	9.3
807	995-667	Disability Fund	1,111,349	429,972	2,732,975	50,955,496	40,104,713	(21.3)	39,309,838	(2.0)
TOTAL Accrued Leave Liability Fund Grp			**22,550,848**	**21,255,972**	**26,765,424**	**128,905,868**	**109,689,273**	**(14.9)**	**115,348,625**	**5.2**
124	995-673	Payroll Deductions	1966,254,440	2006,912,680	2061,318,876	2050,000,000	2125,000,000	3.7	2175,000,000	2.4
808	995-668	State Employee Hlth Bnft Fund	353,668,187	354,977,508	404,783,595	441,464,535	499,240,000	13.1	550,922,742	10.4
809	995-669	Dependent Care Spending Acct	2,769,729	2,560,104	2,664,591	2,969,635	2,969,635	.0	2,969,635	.0
810	995-670	Life Insurance Invest Fnd	1,851,438	1,868,227	1,922,909	2,031,381	2,113,589	4.0	2,229,834	5.5
811	995-671	Parental Leave Benefit Fund	244,730	35,667	181,691	4,282,860	3,994,806	(6.7)	4,234,495	6.0
813	995-672	Health Care Spending Account	0	423,177	1,314,554	4,414,389	12,000,000	171.8	12,000,000	.0
TOTAL Agency Fund Group			**2324,788,524**	**2366,777,363**	**2472,186,216**	**2505,162,800**	**2645,318,030**	**5.6**	**2747,356,706**	**3.9**
TOTAL Accrued Leave Liability			**2347,339,372**	**2388,033,335**	**2498,951,640**	**2634,068,668**	**2755,007,303**	**4.6**	**2862,705,331**	**3.9**

Role and Overview

The Accountancy Board (ACC) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to responsibly practice accounting in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of slightly more than $1.4 million supports a staff of 11 in addition to nine board members.

More information about the Accountancy Board is available at http://acc.ohio.gov/.

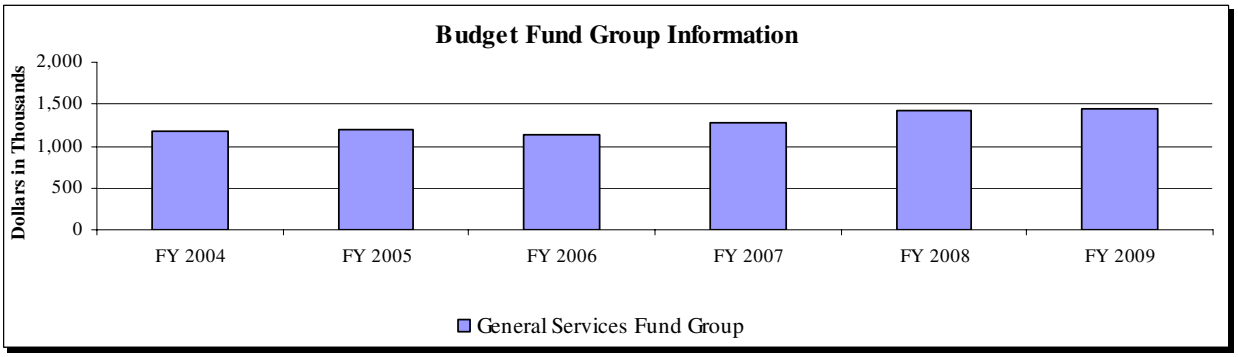
Turnaround Ohio Initiatives

- Continue to review the accountancy laws and rules for ways to make the regulation of public accounting more effective, with emphasis on enforcement of the professional standards and appropriate discipline where applicable.
- Operate the Accountancy Board of Ohio with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

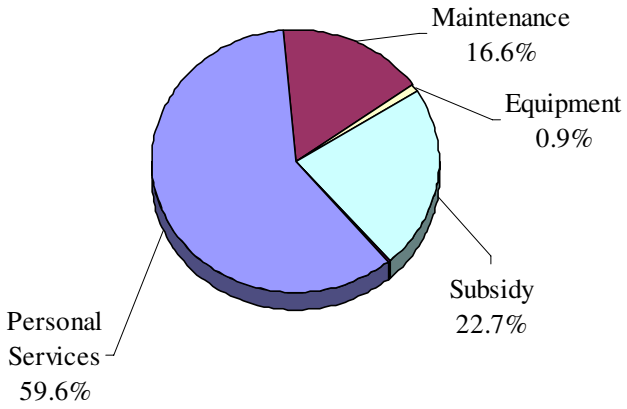
- Ensure that Ohio businesses and individuals in Ohio receive quality public accounting services.
- Set and enforce rules, standards, and guidelines governing certified public accountants and public accountants.
- Administer the board's scholarship program.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	1,177	1,193	1,140	1,279	12.3	1,417	10.8	1,442	1.7
TOTAL	**1,177**	**1,193**	**1,140**	**1,279**	**12.3**	**1,417**	**10.8**	**1,442**	**1.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	711	730	737	789	7.0	830	5.2	875	5.4
Purchased Services	0	1	1	8	609.4	0	(100.0)	0	.0
Maintenance	192	192	215	252	17.3	237	(5.8)	237	(.1)
Equipment	1	3	11	19	68.8	23	21.1	3	(87.0)
Subsidy	265	266	173	210	21.1	325	55.1	325	.0
Transfer & Other	7	1	2	2	(13.9)	2	6.6	2	.0
TOTAL	**1,177**	**1,193**	**1,140**	**1,279**	**12.3**	**1,417**	**10.8**	**1,442**	**1.7**

PROGRAM SERIES 01: Regulation

This program series assures that the services received by Ohio's citizens and businesses from licensed certified public accountants and public accountants will be performed in an ethical and professional manner and to strictly and fairly enforce Ohio's statutes and rules.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Accountancy Board.

The Executive Recommendation will:

- Support the regulation of 3,600 active public accounting firms and approximately 30,000 active licensees including the renewal of approximately 21,700 licenses over the biennium;
- Fund investigative activities and permit the board to properly discipline licensees who violate accountancy laws;
- Enhance the Education Assistance program that provides college scholarships; and
- Allow the board to make use of technology to improve operations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4J8	889-601	CPA Education Assistance	325,000	325,000
GSF	4K9	889-609	Operating Expenses	1,092,246	1,117,000
TOTAL FOR PROGRAM				**1,417,246**	**1,442,000**

LINE ITEM SUMMARY - Accountancy Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4J8	889-601	CPA Education Assistance	264,921	266,023	173,058	209,510	325,000	55.1	325,000	.0
4K9	889-609	Operating Expenses	912,340	926,632	966,487	1,069,776	1,092,246	2.1	1,117,000	2.3
TOTAL General Services Fund Group			**1,177,261**	**1,192,655**	**1,139,545**	**1,279,286**	**1,417,246**	**10.8**	**1,442,000**	**1.7**
TOTAL ACCOUNTANCY BOARD			**1,177,261**	**1,192,655**	**1,139,545**	**1,279,286**	**1,417,246**	**10.8**	**1,442,000**	**1.7**

Role and Overview

The Adjutant General's Department (ADJ) provides administration, oversight and command-control of the Ohio organized militia which is principally comprised of the Ohio Army and Air National Guard. The ADJ has both a federal and state mission. The National Guard is commanded by the governor during peacetime and may be called to state active duty to assist during natural disasters or other state emergencies; during war, units may be called to federal active duty by the president or Congress. The department has three main responsibilities: management and oversight, facility maintenance, and recruitment of soldiers and airmen.

The Adjutant General is appointed by the Governor and is a member of the Governor's cabinet. The agency has approximately 370 full-time state employees with an annual state-administered operating budget of approximately $42.0 million. The department receives approximately two-thirds of its funds from the federal government. The funding allows the department to maintain facilities and equipment necessary to meet Department of Defense training standards and provide supplies and employee payroll. In addition to the state-administered budget, the Ohio Army and Air National Guard receive direct federal funds for training, equipment, and operations. During federal fiscal year 2006, the direct federal funding provided to the Ohio National Guard exceeded $340 million. Additional information about the Adjutant General is available at http://www.ohionationalguard.com/.

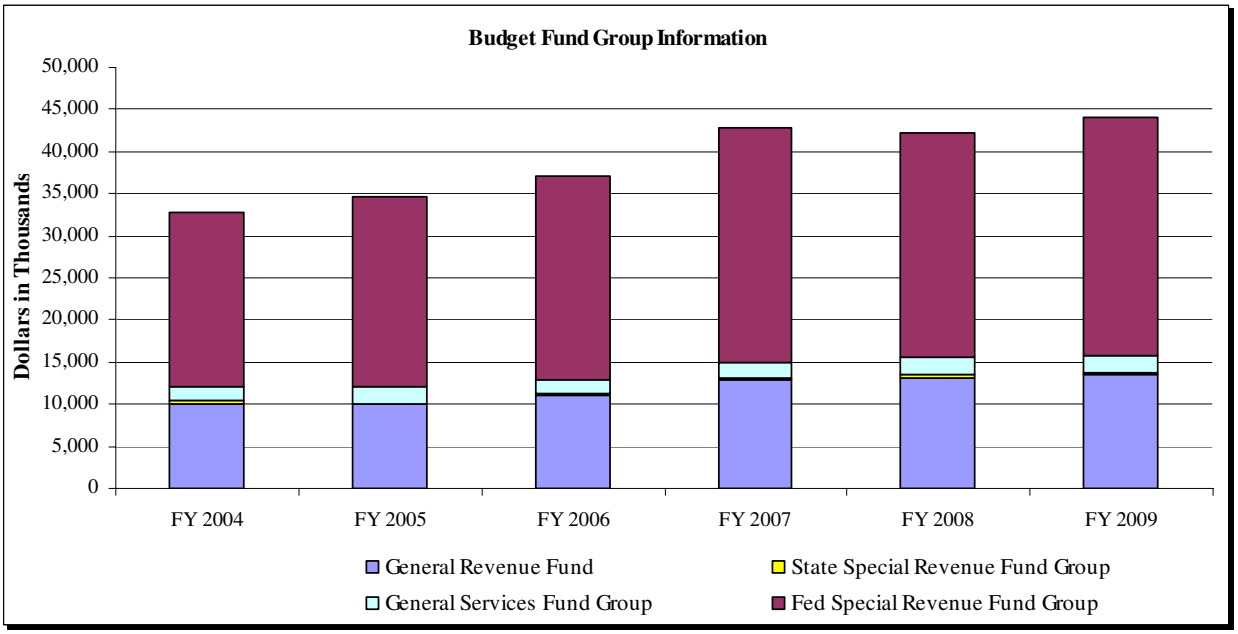
Turnaround Ohio Initiatives

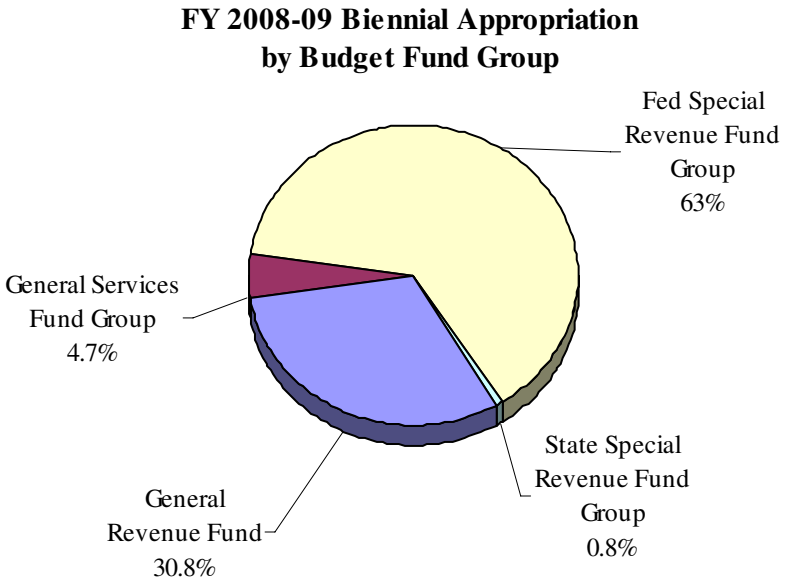
- Develop a performance contract to set priorities in line with efficient and effective funds management and Turnaround Ohio strategies.
- Sustain and expand the National Guard Scholarship program within the Ohio Board of Regents' budget as a key tool in sustaining 100 percent military strength and increasing the number of students in Ohio's colleges and universities.

Agency Priorities

- Recruit, train, and retain soldiers and airmen that provide a ready response capability to meet national and state mission requirements.
- Construct and maintain facilities for the Ohio National Guard that support training and equipping needs to provide a response capable force.
- Maintain and sustain a relevant Department of Defense force structure in the Ohio National Guard that is responsive to the national defense strategy as well as state mission requirements.

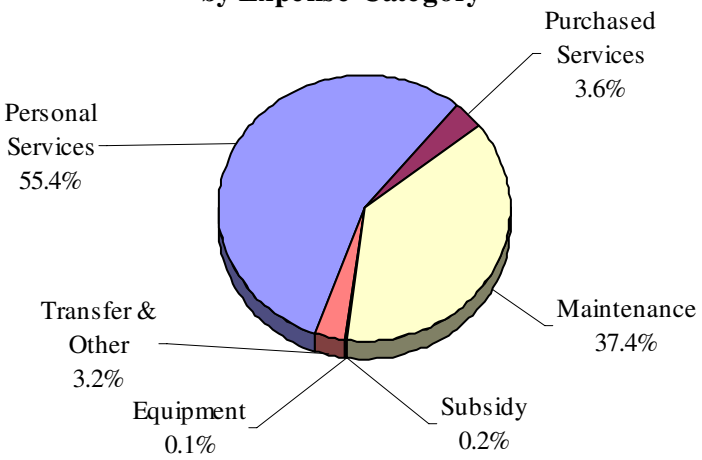
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	10,098	9,971	11,093	12,813	15.5	13,125	2.4	13,432	2.3
General Services Fund Group	1,568	1,972	1,642	1,849	12.6	2,007	8.5	2,007	.0
Fed Special Revenue Fund Group	20,704	22,670	24,087	27,827	15.5	26,769	(3.8)	28,252	5.5
State Special Revenue Fund Group	326	105	181	350	92.7	349	(.3)	349	.0
TOTAL	**32,696**	**34,718**	**37,003**	**42,839**	**15.8**	**42,249**	**(1.4)**	**44,039**	**4.2**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	18,324	18,941	19,504	24,049	23.3	23,201	(3.5)	24,612	6.1
Purchased Services	1,209	991	1,275	0	(100.0)	1,516	.0	1,558	2.8
Maintenance	12,708	13,679	13,824	16,391	18.6	15,965	(2.6)	16,302	2.1
Equipment	232	574	886	596	(32.8)	64	(89.3)	64	.0
Subsidy	151	314	653	129	(80.2)	103	(20.5)	103	.0
Capital Improvements	0	0	100	0	(100.0)	0	.0	0	.0
Transfer & Other	72	218	762	1,674	119.7	1,400	(16.4)	1,400	.0
TOTAL	**32,696**	**34,718**	**37,003**	**42,839**	**15.8**	**42,249**	**(1.4)**	**44,039**	**4.2**

PROGRAM SERIES 01: Ohio Army National Guard

This program series provides an organized, trained, and equipped Army National Guard force ready and able to respond to the vital security interests of the communities, state, and nation. The Ohio Army National Guard participates in and promotes activities 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 staff and facilities for essential troop assembly and training facilities required to develop and sustain military ready units. Support is provided for over 10,500 Army Guard soldiers who train at 53 armories statewide.

The Executive Recommendation will:

- Support the Army National Guard force structure necessary to ensure a capability to respond to state natural disasters, homeland defense events, National Command Authority or other emergencies;
- Fund utility costs and maintenance for upkeep of 6.8 million square feet of facilities;
- Maintain existing cadre of maintenance and custodial workers to provide on-site support at 44 of 53 readiness centers; and
- Maintain 15 full-time personnel as a centralized staff for executive oversight and management of maintenance and repairs to ensure usable condition of readiness centers for soldier assembly, training and recruiting.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	745-409	Central Administration	323,076	341,966
GRF	GRF	745-499	Army National Guard	4,445,651	4,532,308
GRF	GRF	745-502	Ohio National Guard Unit Fund	69,673	69,673
GSF	534	745-612	Property Operations/Management	474,304	474,304
FED	3R8	745-603	Counter Drug Operations	10,000	10,000
FED	342	745-616	Army National Guard Agreement	8,962,690	9,343,471
SSR	5U8	745-613	Community Match Armories	220,000	220,000
TOTAL FOR PROGRAM				**14,505,394**	**14,991,722**

PROGRAM SERIES 02: Ohio Air National Guard

This program series provides an organized, equipped, and trained Air National Guard force ready and able to respond to the vital security interests of the communities, state, and nation. The Ohio Air National Guard participates in and promotes activities that add value to Ohio's communities; protects life and property; and preserves peace, order, and public safety.

Program 02.01: Air National Guard Support

This program provides operations and maintenance support for four Ohio Air National Guard Wings and three separate operating locations serving more than 5,100 members.

The Executive Recommendation will:

- Support the Ohio Air National Guard force structure of 5,100 airmen necessary to respond effectively to state natural disasters, homeland defense events, National Command Authority or other emergencies;
- Fund utility costs and maintenance for upkeep of 1.4 million square feet of facilities for equipment storage, airmen training and assembly; and
- Maintain 67 full-time maintenance and facility support workers to provide on-site support to all Ohio Air National Guard Wings and separate operating locations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	745-404	Air National Guard	2,131,039	2,179,114
GRF	GRF	745-502	Ohio National Guard Unit Fund	33,300	33,300
FED	3E8	745-628	Air National Guard Agreement	7,039,344	7,433,948
TOTAL FOR PROGRAM				**9,203,683**	**9,646,362**

Program 02.02: Firefighters and Security Guards

This program provides fire and security protection services to four Ohio Air National Guard Wings as authorized and funded by federal cooperative agreements.

The Executive Recommendation will:

- Fund 95 firefighter personnel to ensure emergency response and protection for civilian and military aircraft operations and community mutual aid assistance upon request at the four Ohio Air National Guard Wing locations; and
- Fund 47 security guard personnel to provide 24 hour facility and aircraft protection at the four Air Wing locations in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3E8	745-628	Air National Guard Agreement	7,060,656	7,472,872
FED	341	745-615	Air National Guard Base Security	2,497,480	2,729,939
TOTAL FOR PROGRAM				**9,558,136**	**10,202,811**

PROGRAM SERIES 03: Services and Training

This program provides various services, mainly overnight accommodations and event rentals, for use by the military, guard members, and general public.

Program 03.01: Buckeye Inn

This program maintains the Buckeye Inn complex, a billeting operation that provides overnight accommodations for military personnel engaged in training or mission activity in central Ohio.

The Executive Recommendation will:

- Fund facilities to provide overnight accommodations for 12,000 military personnel each year at reasonable lodging rates;
- Provide lodging facilities to support accommodations for military personnel required to travel and remain overnight to perform training; and
- Fund a small staff to operate the facility as a rental activity.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	536	745-620	Camp Perry/Buckeye Inn Operations	373,437	368,342
GSF	537	745-604	Ohio National Guard Facility Maint	90,397	95,821
TOTAL FOR PROGRAM				**463,834**	**464,163**

Program 03.02: Camp Perry Clubhouse

This program maintains billeting facilities and the small convention center at the Camp Perry Training Site for overnight accommodations and training activities of military personnel, as well as facilities access for the general public.

The Executive Recommendation will:

- Fund facility operations to provide rental properties including motels, cottages, hutments, an RV park and banquet facilities to support training for the Ohio National Guard and the civilian community;
- Fund a small staff to operate the facility for rentals;
- Provide facilities to support the National Rifle and Pistol Matches each year, an activity that supports approximately 8,000 competitors and produces revenue for the local economy of Ottawa County.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	536	745-620	Camp Perry/Buckeye Inn Operations	760,368	762,251
TOTAL FOR PROGRAM				**760,368**	**762,251**

Program 03.03: Camp Perry Operations

This program operates the Camp Perry Training Site complex which provides on-site firing ranges for military qualification training and national event match competitions for the general public. This training site incorporates federal training and billeting facilities for use by the military, as well as state-operated rental facilities.

The Executive Recommendation will:

- Support the Camp Perry complex for training and weapons qualification for the, local, state and federal law enforcement agencies, and the Ohio Army National Guard;
- Maintain the shooting range operations staff of 22 to provide care for the ranges, buildings and more than 600 acres of property;
- Maintain facilities necessary to provide overnight accommodations for military personnel for training ; and
- Support the National Rifle and Pistol Matches held annually in concert with the Civilian Marksmanship Program and the National Rifle Association.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	745-409	Central Administration	472,862	497,034
GSF	534	745-612	Property Operations/Management	60,000	60,000
GSF	536	745-620	Camp Perry/Buckeye Inn Operations	69,165	72,377
FED	342	745-616	Army National Guard Agreement	1,183,488	1,246,579
SSR	528	745-605	Marksmanship Activities	128,600	128,600
TOTAL FOR PROGRAM				**1,914,115**	**2,004,590**

Program 03.04: Militia

This program provides a reserve cadre of military forces capable of being called to duty 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.

The Executive Recommendation will:

- Fund the cost of meals provided to the Militia during annual training at Camp Perry; and
- Provide miscellaneous supplies for training activities, within the limited funding available.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	745-401	Ohio Military Reserve	15,188	15,188
TOTAL FOR PROGRAM				**15,188**	**15,188**

PROGRAM SERIES 04: Central Administration

This program series provides executive oversight, management, and administration of the Adjutant General's Department functions and the Ohio Army and Air National Guard.

Program 04.01: Central Administration Support

This program provides executive and administrative support services to the Ohio Army and Air National Guard program and department. Support includes executive staff, public relations, human resources, finance operations, purchasing and contracting operations, tuition grant scholarship coordination, and administrative and facility support services.

The Executive Recommendation will:

- Fund 44 full-time positions for executive oversight and administrative support of the Ohio Army and Air National Guard programs;
- Fund three full-time positions to manage the National Guard Tuition Grant program that provides full college tuition scholarships for guardsmen; and
- Provide utility and maintenance operating costs for operation of Beightler Armory as the Joint Force Headquarters for the Ohio National Guard and the department.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	745-404	Air National Guard	114,966	105,084
GRF	GRF	745-407	National Guard Benefits	1,400,000	1,400,000
GRF	GRF	745-409	Central Administration	3,499,840	3,621,069
GRF	GRF	745-499	Army National Guard	619,185	637,060
GSF	537	745-604	Ohio National Guard Facility Maint	179,429	174,005
FED	3R8	745-603	Counter Drug Operations	15,000	15,000
TOTAL FOR PROGRAM				**5,828,420**	**5,952,218**

LINE ITEM SUMMARY - Adjutant General

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	745-401	Ohio Military Reserve	19,340	15,188	15,155	15,188	15,188	.0	15,188	.0
GRF	745-404	Air National Guard	1,893,494	1,945,198	1,865,480	2,107,749	2,246,005	6.6	2,284,198	1.7
GRF	745-407	National Guard Benefits	0	0	709,229	1,400,000	1,400,000	.0	1,400,000	.0
GRF	745-409	Central Administration	4,149,248	3,820,650	4,127,157	4,365,657	4,295,778	(1.6)	4,460,069	3.8
GRF	745-499	Army National Guard	3,934,556	4,086,534	4,273,188	4,820,166	5,064,836	5.1	5,169,368	2.1
GRF	745-502	Ohio National Guard Unit Fund	100,953	102,973	102,973	104,473	102,973	(1.4)	102,973	.0
TOTAL General Revenue Fund			**10,097,591**	**9,970,543**	**11,093,182**	**12,813,233**	**13,124,780**	**2.4**	**13,431,796**	**2.3**
534	745-612	Property Operations/Management	276,883	675,162	413,316	534,304	534,304	.0	534,304	.0
536	745-620	Camp Perry/Buckeye Inn Operations	1,094,056	1,067,276	1,022,340	1,094,970	1,202,970	9.9	1,202,970	.0
537	745-604	Ohio National Guard Facility Maint	197,501	229,424	206,079	219,826	269,826	22.7	269,826	.0
TOTAL General Services Fund Group			**1,568,440**	**1,971,862**	**1,641,735**	**1,849,100**	**2,007,100**	**8.5**	**2,007,100**	**.0**
3E8	745-628	Air National Guard Agreement	11,437,109	12,117,761	12,353,047	13,690,400	14,100,000	3.0	14,906,820	5.7
3R8	745-603	Counter Drug Operations	8,972	3,684	16,077	25,000	25,000	.0	25,000	.0
3S0	745-602	Higher Ground Character Education	0	1,535	0	0	0	.0	0	.0
341	745-615	Air National Guard Base Security	1,967,429	2,199,812	2,036,734	2,424,740	2,497,480	3.0	2,729,939	9.3
342	745-616	Army National Guard Agreement	7,290,316	8,347,565	9,681,066	11,686,893	10,146,178	(13.2)	10,590,050	4.4
TOTAL Fed Special Revenue Fund Group			**20,703,826**	**22,670,357**	**24,086,924**	**27,827,033**	**26,768,658**	**(3.8)**	**28,251,809**	**5.5**
5U8	745-613	Community Match Armories	202,647	0	63,165	221,000	220,000	(.5)	220,000	.0
528	745-605	Marksmanship Activities	123,506	105,123	118,260	128,599	128,600	.0	128,600	.0
TOTAL State Special Revenue Fund Group			**326,153**	**105,123**	**181,425**	**349,599**	**348,600**	**(.3)**	**348,600**	**.0**
TOTAL Adjutant General			**32,696,010**	**34,717,885**	**37,003,266**	**42,838,965**	**42,249,138**	**(1.4)**	**44,039,305**	**4.2**

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 925 funded positions provide services to state agencies through the recruitment, selection, and retention of state employees; administration, design, construction, and renovation of state-owned buildings; procurement of goods and services; management of state property; coordination and promotion of equal access to state employment and contracting opportunities; negotiation and interpretation of the state's collective bargaining contracts; and provision of statewide oversight, leadership, and direction for all activities related to information technology.

DAS plays an integral role in lowering the cost of running state government by providing enterprise-wide business services. The agency manages more than 30 program areas that serve its Ohio government customers, which in turn directly serve the interests of Ohio citizens. To provide these services, DAS is organized into four operating divisions: Equal Opportunity, General Services, Human Resources, and Collective Bargaining. In addition, housed within the department is the Office of Information Technology (OIT), which includes the Service Delivery Division and the Investment and Governance Division. There is also a division that provides administrative support.

In the past, both the director of DAS and the director of OIT have been members of the Governor's cabinet. However, the Executive Budget includes provisions to move OIT to the Office of Budget and Management (OBM) in fiscal year 2009.

More information regarding the Department of Administrative Services is available at http://www.das.ohio.gov/.

Turnaround Ohio Initiatives

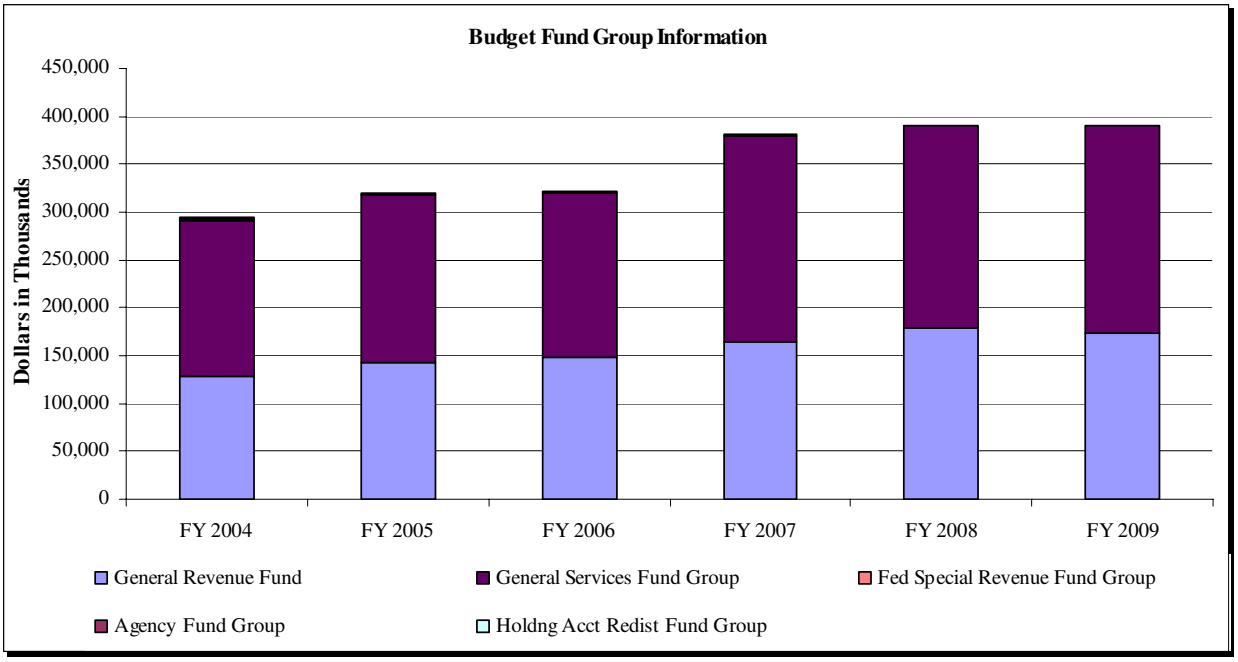
- Develop energy services, policies, and standards for state government that will set an example for energy efficiency in the state.
- Develop a results-oriented state government procurement system that includes in-state bulk purchases, multi-state contracts, and opportunities for other governmental units to join enterprise procurement contracts on a voluntary basis.
- Migrate the state's existing data network, more commonly referred to as Ohio.gov, to OSCnet.
- Continue to expand the online services, including municipal tax functionality, of the Ohio Business Gateway to reduce the administrative compliance burden government places on businesses to free more of their resources to create jobs.
- Provide easy access to tools for better metrics development for state agencies.
- Continue coordination of spatial data activities between all levels of government, academia, and the private sector to minimize redundant mapping efforts and save taxpayers dollars.
- Continue providing access to spatial data as a foundation to improve demographic, location, and site analysis for infrastructure planning and economic development.

Agency Priorities

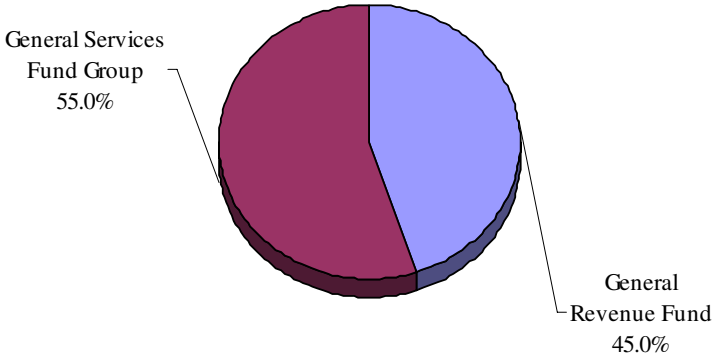
- Continue to support the integration and implementation of the Ohio Administrative Knowledge System (OAKS) to improve the efficiency and effectiveness of the State of Ohio's administrative processes.
- Increase centralized procurement of supplies and services for state agencies.
- Provide quality, efficient printing services for the state by operating a network of copy centers.
- Oversee the state's fleet of vehicles by providing agencies with a centralized fleet management system and vehicles available for long-term lease or short-term rental.
- Employ proven risk management strategies to reduce the $20 million annually paid out in claims against the state.

- Continue to provide a statewide asset management system and centralized policy and oversight to ensure uniform compliance with the inventory and financial reporting requirements of the Revised Code.
- Enhance the management of DAS-owned and -managed buildings by providing centralized building operations and maintenance services through both DAS staff and contracted services based on cost-effectiveness.
- Provide mechanisms to enable Ohio's mobile workforce to interact and communicate with state agency offices and legacy systems.
- Provide an integrated human resources system that enables agency customers to conduct HR operations efficiently and effectively.
- Efficiently process the state's payroll, which includes the generation of approximately 61,000 payroll checks every two weeks and distribution of approximately $4.0 billion in wages and employee benefits annually.
- Implement innovative health management programs to increase the cost-effectiveness of state employee benefits, including promoting healthy lifestyles and maximizing the use of preventive healthcare services.
- Maintain and promote the Encouraging Diversity, Growth & Equity and Minority Business Enterprise programs to facilitate access to state contracts for minority and economically disadvantaged vendors.

Summary of Budget History and Recommendations

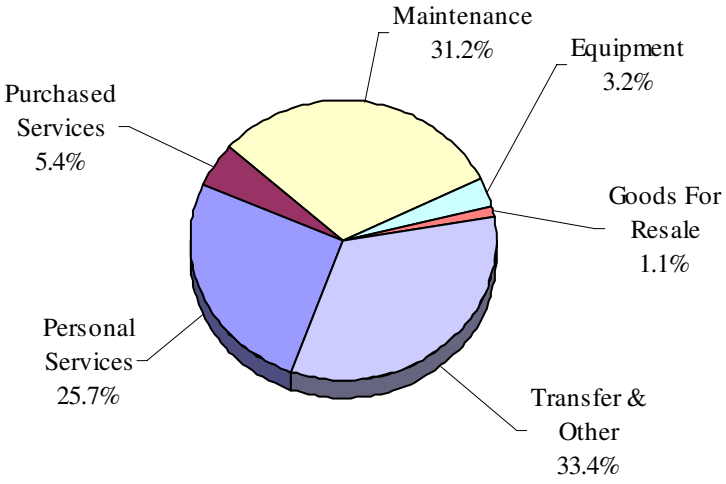


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	128,899	143,416	147,574	164,010	11.1	178,301	8.7	173,534	(2.7)
General Services Fund Group	162,944	175,485	172,859	215,566	24.7	212,347	(1.5)	217,219	2.3
Fed Special Revenue Fund Group	24	172	699	1,390	99.0	0	(100.0)	0	.0
Agency Fund Group	2,649	0	0	0	.0	0	.0	0	.0
Holdng Acct Redist Fund Group	6	6	0	20	19,900.0	0	(100.0)	0	.0
TOTAL	**294,522**	**319,078**	**321,131**	**380,986**	**18.6**	**390,648**	**2.5**	**390,753**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	67,481	66,562	67,987	81,648	20.1	98,225	20.3	102,688	4.5
Purchased Services	15,757	18,692	20,512	30,185	47.2	22,419	(25.7)	19,802	(11.7)
Maintenance	96,007	93,523	96,176	119,533	24.3	119,654	.1	123,949	3.6
Equipment	5,484	16,408	8,481	13,248	56.2	12,328	(6.9)	12,491	1.3
Subsidy	54	9	0	0	.0	0	.0	0	.0
Goods For Resale	5,706	2,055	3,463	7,590	119.1	4,445	(41.4)	4,171	(6.2)
Capital Improvements	182	40	89	50	(43.6)	49	(2.2)	48	(2.9)
Transfer & Other	103,851	121,789	124,424	128,732	3.5	133,528	3.7	127,605	(4.4)
TOTAL	**294,522**	**319,078**	**321,131**	**380,986**	**18.6**	**390,648**	**2.5**	**390,753**	**.0**

PROGRAM SERIES 01: General Services Programs

This program series consists of six programs providing various services such as construction management, procurement, printing and copying, vehicle fleets, insurance coverage, and property management to state agencies as customers.

Program 01.01: State Architect

The State Architect's Office consists of three functions that provide architectural, engineering, and construction management services, as well as space planning and interior design services for state public improvement projects. (1) Capital Project Management Services manages the design and construction of all projects for any agency, board, commission, or institution that requests its services. Further, it develops and maintains the processes and procedures for the qualifications-based selection of associate architects, engineers, and construction managers on state projects and produces the protocol used in the "lowest and best bidder" method for state construction contracts. All state agencies except the Departments of Transportation and Natural Resources and certain commissions are subject to DAS oversight of capital projects. (2) Space Planning and Interior Design provides space-planning and interior design services to tenants of buildings owned or managed by DAS or the Ohio Building Authority (OBA), as well as agencies in commercially leased space. Services include maintenance of a space density database that includes space plans to ensure that the occupancy plans accurately calculate square footage in DAS and OBA buildings and that the plans are reviewed for code compliance. (3) Energy Services facilitates the cost-effective, efficient use of energy 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, -supported, or -leased facilities.

The Executive Recommendation will:

- Provide for the proper management of capital facility development for a large portion of the State's capital projects and maintain procedures and policies for effective project management for the design and construction of the state's capital projects;
- Maintain the master contractual requirements for design and construction contracts used in the development of state facilities;
- Provide guidance and support in the competitive selection and bidding process;
- Promote claims avoidance and alternative dispute resolution practices on capital projects;

- Provide direct space-planning services to tenants of DAS buildings located in Columbus (includes the North High complex, Department of Education building, and DAS's General Services building), OBA buildings (includes the James A. Rhodes State Office Tower – Columbus, the Vern Riffe Center for Government and 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;
- Support the development of stacking plans, space and occupancy surveys, and maintenance of a space density database to ensure effective usage of facility space; and
- Allow state government buildings to be more energy efficient through energy audits, retrofit projects, and new design standards, as required by H.B. 251 and Executive Order 2007-02S.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-421	OAKS Project Implementation	172,769	160,244
GRF	GRF	130-321	State Agency Support Services	561,125	482,872
GSF	131	100-639	State Architect's Office	7,348,483	7,544,164
TOTAL FOR PROGRAM				**8,082,377**	**8,187,280**

Program 01.02: Procurement Services

The Procurement Services Program consists of four functions 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. (1) State Purchasing provides term contracts and schedules to state agencies, state colleges and universities, and political subdivisions. In fiscal year 2006, state agencies purchased $435 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. (2) Cooperative Purchasing 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. In fiscal year 2006, political subdivisions purchased $162 million in goods and services from State Purchasing contracts. (3) Competitive Sealed Proposals procures services that are not conducive to traditional bidding on behalf of state agencies—for example, building maintenance services. This procurement method involves issuing Requests for Proposals (RFPs) to solicit bids that are evaluated on the basis of factors that include, but are not limited to, price. (4) Procurement from Community Rehabilitation Programs is responsible for establishing contracts for supplies and services with sheltered work centers serving the developmentally disabled.

The Executive Recommendation will:

- Provide for the centralized competitive bidding for supplies and services for state agencies. Approximately $400 million, or 20 percent, of the state's $2 billion worth of purchased supplies and services are competitively bid by State Purchasing;
- Allow over 1,600 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;
- Provide for an alternative competitive process when the competitive sealed bid process is not possible or advantageous to the state; and
- Establish contracts for supplies and services with sheltered work centers employing Ohio residents with work-limiting disabilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	100-404	Comm Rehab Procurement Program	262,277	262,277
GSF	117	100-644	General Services Div-Operating	5,323,934	5,422,263
TOTAL FOR PROGRAM				**5,586,211**	**5,684,540**

Program 01.03: Printing and Document Management Services

This program consists of four functions that allow agencies to copy, print, distribute, store, and retrieve written information. (1) Document Reproduction operates a network of six copy centers that provides a wide range of printing services for state agencies, boards, and commissions. (2) Commercial Printing 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 are responsible for managing printing projects from design through procurement and production. For each printing project, program staff determine which contract mechanism, term contracts, one-time bids, or direct-purchase quotes will secure the best product at the best cost. (3) Records and Forms Management responsibilities include establishing standards, reviewing disposal requests, and establishing general schedules and guidelines for retaining the records and administering the forms of all state agencies. Records and Forms Management develops policies and procedures to manage the retention and disposal of both paper and electronic records. (4) State Mail Services provides inter-departmental mail delivery, metering, pre-sorting services, and flat-sorting services to state agencies.

The Executive Recommendation will:

- Operate a network of one main and five satellite copy centers that provide copying and printing services to state agencies;
- Procure 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;
- Purchase services and products related to the production of printing such as typesetting and color separations;
- Establish consistent records management standards to be employed by state agencies;
- Review disposal requests and the development of records retention schedules for all state agencies for paper and electronic documents;
- Support the transition of state warrant printing and mailing operations from the Department of Job and Family Services (JFS) and OIT to DAS;
- Fund the processing of 70 million pieces of presort mail and provide mail metering services to customer agencies with 90 separate accounts utilizing the program, saving an estimated $5 million annually in postage costs with total savings for all state mail programs greater than $7 million a year;
- Support inter-office mail delivery between agencies; and
- Ensure security of statewide mail operations through the use of federally mandated equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	130-321	State Agency Support Services	4,195,087	4,427,919
GSF	201	100-653	Gen Srvcs Resale Merch	1,553,000	1,553,000
GSF	210	100-612	State Printing	5,681,421	5,436,421
TOTAL FOR PROGRAM				**11,429,508**	**11,417,340**

Program 01.04: Fleet Management Services

Fleet Management Services consists of two functions that support the state's motor vehicle fleet management program and provide guidance on vehicle purchases, assignment, usage, maintenance, operation, management analysis, and disposal. (1) Statewide Fleet Services provides customer agencies with an online fleet management information system—named FleetOhio—that provides comprehensive vehicle management reports and vehicle

inventory data for all state agencies. Fleet Services also performs a technical review process on all customer requests for the purchase or lease of motor vehicles; develops policies, procedures, and administrative rules; provides fleet oversight; and provides a fleet card for payment of fuel and maintenance expenses that is convenient to agency customers because it is widely accepted by most major oil companies and maintenance vendors. (2) Vehicle Lease and Rental Services maintains a supply of vehicles available for state agency use through long-term leases or short-term rentals.

The Executive Recommendation will:

- Provide vehicle management reports and inventory review to assist DAS and user agencies with the development of agency-specific fleet plans including maintenance management;
- Continue the central administration of the state's Voyager Fleet Card Payment program;
- Provide 60 customer agencies with vehicles available for long-term lease or short-term rental and provide for the maintenance and replacement of these vehicles;
- Maintain the state's fleet management information system (FleetOhio); and
- Oversee the state's alternative fuel program including monitoring federal activity, providing a credit banking and selling program, and statewide reporting.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	122	100-637	Fleet Management	2,182,968	2,032,968
TOTAL FOR PROGRAM				**2,182,968**	**2,032,968**

Program 01.05: Risk Management Services

This program consists of two functions that coordinate insurance coverage to protect the state's assets from major loss and to insure agencies against losses that would adversely impact their financial stability. This is accomplished through a combination of self-funding and insurance agreements. (1) Vehicle Liability Services 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 reduce the cost of processing accident claims involving state vehicles. (2) Property, Casualty, and Bonding Services procures property and casualty insurance coverage through private insurers on behalf of state agencies. Insurance policies are also procured and carried for fidelity bonds and other miscellaneous product lines.

The Executive Recommendation will:

- Provide vehicle liability insurance for 14,200 vehicles from 58 state agencies and act as a liaison between agencies and private firms to reduce the cost of processing claims against vehicles;
- Recover payments from at-fault parties or their insurance carriers when vehicles are damaged; and
- Provide state agencies with professional risk management services through the provision of property and casualty insurance from private vendors.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	130	100-606	Risk Management Reserve	2,568,548	2,568,548
TOTAL FOR PROGRAM				**2,568,548**	**2,568,548**

Program 01.06: Properties and Facilities Management

This program consists of six functions that support the activities of state government by providing accommodations for state agencies' space needs and building management services. (1) State and Federal Surplus cost-effectively processes excess and surplus property from state agencies to obtain the maximum benefit to the state. Through this

program, excess property (beyond the needs of the state-agency owner) and surplus property (beyond the needs of any state agency) is processed for reuse or disposition. Property that is declared as surplus is generally sold through public auction. (2) Real Estate Services supports most state agencies in real estate matters throughout Ohio's 88 counties. Included in these services is the negotiation of commercial leases, appraisal review, preparation and processing of easements involving state property, and the purchase and sale of real property for the state. (3) Safety and Security Services provides security officers and electronic monitoring at the following state-owned buildings: 25 South Front Street (Department of Education); 246 North High Street and 35 East Chestnut Street (predominantly Department of Health); 4200 Surface Road (DAS General Services Division); 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. (4) Facilities Management provides centralized building operations and maintenance services for buildings managed by DAS. (5) Skilled Trades supplies specialized maintenance and repair services such as HVAC, electrical, plumbing, and carpentry to DAS-managed building facilities. Skilled Trades also offers a variety of cost-effective minor construction services to other state agencies. (6) Asset Management Services 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.

The Executive Recommendation will:

- Dispose of surplus property through its sale to other state agencies or governmental entities and private entities;
- Provide for auctioneer services and internet marketing of the surplus material;
- Administer real estate services provided to state agencies, universities, and colleges. Services include real estate appraisal review, commercial leasing, easements, purchase and sale of real estate, and resolution of issues related to land and building management;
- Provide 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;
- Provide 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;
- Provide services within state-owned buildings at the request of occupant agencies. These services are typically more extensive in scope than those provided through Facilities Management;
- Provide centralized policy and oversight to ensure uniform compliance with the inventory and financial reporting requirements of the Revised Code;
- Maintain and provide web access to the state's FAMS; and
- Advance efforts to develop and implement the fixed asset management components of OAKS, the state's new Enterprise Resource Planning (ERP) system.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-421	OAKS Project Implementation	229,237	241,761
GRF	GRF	100-734	Major Maint - State Bldgs	48,925	47,500
GRF	GRF	130-321	State Agency Support Services	472,206	489,694
GSF	117	100-644	General Services Div-Operating	762,335	819,813
GSF	132	100-631	DAS Building Management	9,716,228	10,166,228
GSF	427	100-602	Investment Recovery	5,683,564	5,683,564
GSF	5C3	100-608	Skilled Trades Services	934,982	934,982
TOTAL FOR PROGRAM				**17,847,477**	**18,383,542**

Program 01.07: General Services Program Management

This program provides centralized management of DAS programs in the General Services Program Series.

The Executive Recommendation will:

Provide for overall management of six General Services programs, including program leadership and oversight, human resources support, and financial management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	130-321	State Agency Support Services	574,341	598,056
GSF	117	100-644	General Services Div-Operating	2,209,503	2,298,696
TOTAL FOR PROGRAM				**2,783,844**	**2,896,752**

PROGRAM SERIES 02: Human Resources

The Human Resources Program Series consists of four programs designed to meet the human resources needs of state government.

Program 02.01: State Personnel

This program provides human resource services to state agencies. (1) Payroll Administration processes payroll for state agencies, boards, and commissions; collects and distributes agency and employee contributions to entities such as federal, state, and municipal taxing authorities, retirement programs, credit unions, and healthcare and employee benefit providers; and is responsible for annual employee wage reporting. (2) The Human Resources Support Center provides support and services to state agencies to conduct personnel functions such as the approval of personnel actions and position descriptions; maintenance of certification eligible lists; and administration of civil service exams, provisional tests, and proficiency tests. The center maintains personnel records of state and county agencies. This section also coordinates Ohio's compliance with all provisions of the federal Drug-Free Workplace Act. (3) The Classification and compensation plan, assists agencies with personnel recruitment including maintenance of an online recruitment and Compensation section oversees the creation and maintenance of the employee classification system, performs testing services, and provides human resource services to county agencies. (4) Training and Development offers educational and development programs such as an administrative and professional support curriculum, supervisory and management development programs, project management, leadership, distance learning opportunities, and skill assessment programs. (5) The Information Resources Center disseminates human resource policy and procedure updates to state agencies through conferences, roundtables, newsletters, a website, and payroll inserts.

The Executive Recommendation will:

- Provide for the planning, integration, and implementation of OAKS to improve the efficiency and effectiveness of the State of Ohio's human resource and business process;
- Process the state's payroll, which includes generating an average of 61,000 payroll checks every two weeks, distributing approximately $4 billion in wages and employee benefits annually, and performing annual employee wage and benefit enrollment data reports;
- Provide centralized recruitment, including an on-line employment application process and civil service testing of prospective state employees;
- Administer and maintain the job classification and compensation plan;
- Create and maintain certification eligible lists, lay-off records, and recall lists and process approvals/disapprovals of personnel actions for centralized and decentralized agencies;
- Issue statewide policies pertaining to human resources and provide information and assistance to agencies and employees related to proposed and current legislation affecting public employment in Ohio;
- Plan, administer, and evaluate the statewide drug testing program;
- Coordinate and offer general and customized training to all state employees focused on enhancing administrative, technical, supervisory, and management/leadership skills; and
- Continue maintenance of the official personnel records for employees of state and county agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	100-406	County & Univ Human Res Svcs	893,000	893,000
GSF	125	100-622	Human Resources Division-Operating	12,994,811	13,605,736
TOTAL FOR PROGRAM				**13,887,811**	**14,498,736**

Program 02.02: Benefits Administration

This program administers benefits programs including health care; long-term care; dental, vision, and life insurance; COBRA; unemployment benefits; dependent care programs; and workers' compensation for all state employees, pursuant to various statutes and collective bargaining agreements. Benefits Administration monitors the performance of health plans and conducts data analysis and research to provide state agencies and employees with the most cost-effective benefit programs. It manages contracts with all health vendors and provides support to the open enrollment process. This program operates a customer support team to assist state agencies and employees with participation in benefit programs. It oversees a communications program for all employee health, mental health, and substance abuse programs to educate state employees regarding health care-related matters. It administers and adjudicates claims for the disability leave benefit program and oversees absence management functions. This program administers statewide wellness programs, providing resources and guidance to state agencies and employees to promote wellness programs and coordinating special events such as conferences, wellness fairs, and the Governor's annual fitness challenge.

The Executive Recommendation will:

- Administer benefits programs for state employees including health care, long-term care, dental, vision and life insurance, dependent care programs, and workers' compensation;
- Handle administration of Consolidated Omnibus Reconciliation Act (COBRA) health care programs;
- Adjudicate claims for the self-insured, state-administered disability leave benefit program;
- Oversee statewide absence management and wellness initiatives; and
- Manage contracts with benefit providers through rate negotiations, vendor performance audits, and analysis and identification of health care industry trends.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	125	100-622	Human Resources Division-Operating	5,603,332	5,603,332
TOTAL FOR PROGRAM				**5,603,332**	**5,603,332**

Program 02.03: Exempt Employee Educational Programs

This program provides tuition reimbursement, professional development education and training, and computer purchase loans for employees who are exempt from collective bargaining.

The Executive Recommendation will:

- Provide tuition reimbursement, computer purchase loan program, and other professional development education and training for exempt employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	5L7	100-610	Professional Development	3,900,000	3,900,000
TOTAL FOR PROGRAM				**3,900,000**	**3,900,000**

Program 02.04: Non-Exempt Employee Educational Programs

This program includes five tuition and seminar 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 (OSTA). Each plan has negotiated reimbursement levels for approved classes and seminars. In addition, this program includes the Workforce Development Program, which was created to enhance the job skills of eligible bargaining unit employees through training and educational opportunities. The Workforce Development program under DAS management has been dismantled under the current Ohio Civil Service Employees Association (OCSEA) collective bargaining agreement. The program will be maintained in the Human Resources Division until final obligations for education programs, vendor services, and computer purchase loans incurred under DAS management are paid.

The Executive Recommendation will:

- Provide tuition reimbursement for 1199, OEA, OSTA (two units), and FOP bargaining unit members.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5D7	100-621	Workforce Development	70,000	0
GSF	5V6	100-619	Employee Edu Development	936,129	936,129
TOTAL FOR PROGRAM				**1,006,129**	**936,129**

Program 02.05: Human Resources Program Management

This program provides services, guidance, and oversight to programs in the Human Resources Program Series. These functions include personnel services, fiscal support services, coordination of quality initiatives, performance measures, and workplace mediation services.

The Executive Recommendation will:

- Provide for overall management of four Human Resources programs, including program leadership and oversight, human resources support, and financial management.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	125	100-622	Human Resources Division-Operating	1,292,471	1,351,546
TOTAL FOR PROGRAM				**1,292,471**	**1,351,546**

PROGRAM SERIES 03: 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 series is responsible for collective bargaining agreements with five unions representing 15 bargaining units. The five unions are OCSEA; District 1199 (which includes the Health Care and Social Service Union, Service Employees International Union); State Council of Professional Educators (SCOPE); Fraternal Order of Police (FOP); and OSTA. More than 42,000 state employees are covered by these agreements.

Program 03.01: Contract Administration

This program is responsible for interpreting collective bargaining contract language, providing 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.

The Executive Recommendation will:

- Support administration of six collective bargaining agreements with five unions;
- Support coordination and review of mid-term changes in collective bargaining agreements; and
- Ensure effective contract administration by supporting development and provision of training on labor-management cooperatives, arbitration advocacy, supervision, administrative investigations, and pre-disciplinary meetings.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	128	100-620	Collective Bargaining	1,741,797	1,939,798
TOTAL FOR PROGRAM				**1,741,797**	**1,939,798**

Program 03.02: Conflict Resolution Services

This program assists state agencies in resolving employee grievances through the selection and scheduling of mediation and arbitration services. In addition, the program provides for representation in issues before the State Employment Relations Board. This service is provided for all agencies with unionized employees under the appointing authority of the Governor.

The Executive Recommendation will:

- Represent the state in the resolution of approximately 2,500 employee grievances per year; and
- Represent the state before the State Employment Relations Board in approximately 100 unfair labor practice charges and bargaining unit determinations over the biennium.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	128	100-620	Collective Bargaining	1,180,589	1,180,589
TOTAL FOR PROGRAM				**1,180,589**	**1,180,589**

Program 03.03: Contract Negotiation

This program provides representation to state agencies 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.

The Executive Recommendation will:

- Support negotiation, including fact-finding and conciliation hearings, of six collective bargaining agreements with five unions that will take place principally in fiscal year 2009;.
- Support other statewide elected office holders in negotiations with up to four collective bargaining agreements and three unions that will take place over the biennium; and
- Support development of cost estimates for proposed collective bargaining changes, statistical analysis of labor market trends, and labor costs for dispute resolution.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	128	100-620	Collective Bargaining	542,147	542,147
TOTAL FOR PROGRAM				**542,147**	**542,147**

PROGRAM SERIES 04: 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 and contracting opportunities. These programs help minority and economically disadvantaged vendors gain access to and obtain contracts with the state. These programs also provide services to state employees and minority communities.

Program 04.01: 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 in compliance with 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.

The Executive Recommendation will:

- Provide 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	188	100-649	Equal Opportunity Div-Operating	360,339	374,558
TOTAL FOR PROGRAM				**360,339**	**374,558**

Program 04.02: MLK Commission

The MLK Commission 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.

The Executive Recommendation will:

- Provide liaison services, funding, budget preparation, and clerical support to the Ohio Dr. Martin Luther King Jr. Holiday Commission.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-451	Minority Affairs	52,927	52,927
TOTAL FOR PROGRAM				**52,927**	**52,927**

Program 04.03: Construction Compliance

This 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 issuing 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.

The Executive Recommendation will:

- Ensure that contractors on state and state-assisted construction projects comply with laws and regulations pertaining to equal employment opportunity.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	102-321	Construction Compliance	1,167,099	1,167,099
TOTAL FOR PROGRAM				**1,167,099**	**1,167,099**

Program 04.04: EO Certification Programs

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 in obtaining 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.

The Executive Recommendation will:

- Assist minority businesses with obtaining state government contracts through a set-aside procurement program for goods and services; and
- Provide 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 2008	RECOMMENDED FY 2009
GRF	GRF	100-439	Equal Opportunity Cert Program	750,236	750,236
TOTAL FOR PROGRAM				**750,236**	**750,236**

Program 04.05: Equal Opportunity Program Management

This program provides centralized management of DAS programs in the Equal Opportunity Program Series.

The Executive Recommendation will:

- Provide for overall management of four Equal Opportunity programs, including program leadership and oversight, human resources support, and financial management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	188	100-649	Equal Opportunity Div-Operating	487,070	510,092
TOTAL FOR PROGRAM				**487,070**	**510,092**

PROGRAM SERIES 05: Information Technology

The Information Technology Program Series is home to the senior leadership and strategic direction-setting body for the State of Ohio on information technology (IT) issues. The program series also includes an enterprise-wide structure for managing technology acquisition, policy, planning, and project management to support agencies, boards, and commissions in their acquisition and use of IT. In addition, it provides a variety of services such as network infrastructure, data storage, and maintenance of operating system environments.

The Executive Budget includes provisions to move this program series to OBM in fiscal year 2009.

Program 05.01: Enterprise IT Leadership

The state chief information officer is responsible for the strategic direction and efficient use of IT across the state and for oversight of state activities related to information technologies. This program supports planning, research, communication, and collaboration among government entities.

The Executive Recommendation will:

- Fund 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 2008	RECOMMENDED FY 2009
GRF	GRF	100-418	Web Sites and Business Gateway	91,335	98,749
GSF	229	100-630	IT Governance	1,436,095	1,682,137
TOTAL FOR PROGRAM				**1,527,430**	**1,780,886**

Program 05.02: Digital Government

This program is responsible for coordinating the state's efforts for delivery of online services to the public. Digital Government manages the state's primary web site, Ohio.gov, and provides website hosting to state agencies. This program is also responsible for overseeing the development and operation of the Ohio Business Gateway (OBG), a web-based application that allows businesses to file reports for and pay 27 different taxes and fees at one Internet location. The system continues to expand to enable other transactions between the state and the public and since 2002 has accepted over $5 billion in electronic payments.

The Executive Recommendation will:

- Provide an internet portal by which businesses can transact business with the State of Ohio, 24 hours a day seven days a week. In 2006, $2.1 billion in electronic payments for over 880,000 transactions was accepted; and
  Provide funding for the state portal, which hosts the State of Ohio website that receives over 33,000 visits a day.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	100-418	Web Sites and Business Gateway	3,179,138	3,171,334
GSF	229	100-630	IT Governance	1,188,287	1,296,720
GSF	5X3	100-634	Centralized Gateway Enhancemt	974,023	974,023
TOTAL FOR PROGRAM				**5,341,448**	**5,442,077**

Program 05.03: IT Governance and Research Services

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 IT. Associated responsibilities include developing and evaluating bid documents and proposals, developing and managing policies and standards, monitoring the status of large IT projects being conducted statewide, and compiling the state's comprehensive IT plans. This program also 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.

The Executive Recommendation will:

- Execute statutory and federal rule responsibilities, obligations, and regulatory oversight with regard to the State's $600 million annual procurement of information technology;
- Yield savings across all state agency IT purchases in excess of $40 million annually. These savings are more than twice the amount of the annual budget of the entire program series;
- Provide IT research and advisory services that are currently utilized by over 40 state agencies;
- Offer publications, onsite briefings, conferences, and consulting services (for example, Gartner, Columbus Technology Council, and NOREX) for use by state agencies to address the latest technologies, industry trends, and business challenges; and
- Improve IT decision making through the use of expert advice and the application of proven best practices.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	229	100-630	IT Governance	14,484,164	14,129,689
TOTAL FOR PROGRAM				**14,484,164**	**14,129,689**

Program 05.04: Enterprise Computing

This program 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 provides support and tools enabling customers to develop systems that seamlessly cross platform boundaries. This program operates as a means of providing cost-effective enterprise-wide computing services. Customers benefit by being able to develop applications unique to each agency, while utilizing the economies of enterprise-class hardware and software services. Enterprise Computing has been providing statewide computing services to agencies for decades, beginning and continuing with mainframe system services, multi-platform open systems services, email services, enterprise print services and database administration support. Enterprise Computing Services supports the state's Central Accounting System (CAS) as well as payroll, welfare, child support, unemployment, job matching, and Medicaid systems to name a few.

The Executive Recommendation will:

- Provide a disaster recovery program in support of the state's mission-critical core business applications;
- Consolidate the current, multiple help desk services for each computing platform operating today into a centralized operation;
- Provide various mainframe and open system platforms and associated technology, computer operations, data storage options, enterprise printing, technical assistance, database administration services, and Exchange/Outlook e-mail service;
- Provide technical support and tools enabling customers to develop systems that seamlessly cross platform boundaries; and
- Provide cost-effective, enterprise-wide computing services to agencies in support of agency-specific applications such as welfare, child support and unemployment systems, job matching, and Medicaid systems.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	133	100-607	IT Service Delivery	35,248,116	37,932,959
GSF	4N6	100-617	Major IT Purchases	3,687,931	3,857,371
TOTAL FOR PROGRAM				**38,936,047**	**41,790,330**

Program 05.05: Unified Network Services

This program has two major components: Network Administration and the Multi-Agency Radio Communications System (MARCS). Network Administration provides network connectivity, network infrastructure management for wide area and local area network connectivity, video connectivity, and network security. System engineering prepares network design, supports network security functions, and provides recommended solutions to resolve complex network connectivity issues. The program also provides local, long distance, and other associated telephone services. Master contracts for services are negotiated at the lowest possible cost. 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 the fiscal year 2008–2009 biennium include the Departments of Highway Safety, Rehabilitation and Correction, Natural Resources, Youth Services, Agriculture, Transportation, and Health; Emergency Management Agency; Attorney General's Bureau of Criminal Identification and Investigation; Supreme Court; local police and fire departments; National Guard; and Life Flight.

The Executive Recommendation will:

- Deliver voice, video, and data services of higher quality and lower cost than what state agencies could obtain independently;
- Support management of the state's network backbone, including acting as the state's internet service provider;
- Manage MARCS; and
- Provide the state's data center network infrastructure to deliver critical OIT enterprise services including the state's mainframe, Ohio Business Gateway, OAKS, and other critical agency applications.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-419	It Security Infrastructure	816,456	816,456
GSF	133	100-607	IT Service Delivery	19,143,213	20,587,361
GSF	4N6	100-617	Major IT Purchases	3,807,788	3,638,348
GSF	5C2	100-605	MARCS Administration	11,069,291	11,069,291
TOTAL FOR PROGRAM				**34,836,748**	**36,111,456**

Program 05.06: Enterprise Shared Services

Enterprise Shared Services (ESS) supports multi-agency functions and services, including electronic commerce, electronic filing, and geographic information services (GIS). ESS is the service provider for OBG, web hosting services, and the Ohio Portal for the Digital Government Program. ESS also manages the state's Central e-Payment Engine for the Office of Budget and Management (OBM), which is used by numerous state agencies. ESS hosts and manages the Enterprise Cognos Business Intelligence and Reporting platform that supports a variety of reporting requirements for OIT, OBM, and OAKS. ESS also houses the state's GIS coordinating body, the Ohio Geographically Referenced Information Program (OGRIP), which oversees the Location Based Response System (LBRS) and the Ohio Statewide Imagery Program (OSIP). These programs support numerous state agencies' applications associated with homeland security, homeland defense, public safety, and economic development. ESS also supports the development of the Mobile Transaction Gateway that will serve as a mechanism for the secure delivery of state data to wireless and mobile devices for state government, citizens, and businesses.

The Executive Recommendation will:

- Provide an enterprise approach for electronic commerce, electronic filing, ePayment, business intelligence and reporting, application integration, data exchange, communication/collaboration, and Geographic Information System (GIS) services and expertise;
- Provide easy access to tools for better metrics development, dashboarding, and scorecarding for state agencies;

- Manage the hardware and software infrastructure and upkeep of the state's web presence for approximately 150 agency web sites, as service provider for the Ohio Business Gateway and Ohio.gov portal;
- Provide mechanisms to enable Ohio's mobile workforce to interact and communicate with state agency offices and legacy systems; and
- Continue to provide access to spatial data as a foundation to improve demographic, location, and site analysis for infrastructure planning and economic development.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-419	It Security Infrastructure	737,979	737,979
GSF	133	100-607	IT Service Delivery	10,124,039	9,966,414
TOTAL FOR PROGRAM				**10,862,018**	**10,704,393**

Program 05.07: Information Technology Services Program Management

This program provides centralized management of DAS/OIT programs in the Information Technology Program Series.

The Executive Recommendation will:

- Provide centralized management of OIT programs in the Information Technology Program Series.
- Maintain OAKS application support as it moves from its current, developmental phase supported by the state program management office and contractors into a "steady state" organization.
- Support a new organization within OIT to support the application, data management, and other increased IT functions related to support of OAKS.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	133	100-607	IT Service Delivery	8,024,519	7,361,215
GSF	5EB	100-635	OAKS Support Organization	19,132,671	19,132,671
TOTAL FOR PROGRAM				**27,157,190**	**26,493,886**

PROGRAM SERIES 06: State Support Services

The State Support Services Program Series consists of five programs that provide centralized support services to various entities.

Program 06.01: Central Service Agency

The Central Service Agency (CSA) provides accounting, budgeting, personnel and payroll services for 32 boards and commissions. Use of CSA-provided services allows small agencies to expend their limited resources more efficiently.

The Executive Recommendation will:

- Continue accounting, budgeting, and payroll services for professional licensing boards and commissions;
- Provide for the maintenance and coordination of the state's standard license renewal system that is shared by the professional licensing boards; and
- Fund the cost of communication lines and shared office equipment—including a copier, printer, and fax machine—used by boards and commissions located in the Riffe Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	115	100-632	Central Service Agency	860,878	928,403
TOTAL FOR PROGRAM				**860,878**	**928,403**

Program 06.02: State Buildings – Rent and Operations

This program provides for the payment of building debt service, operating, and maintenance costs for the Rhodes Tower, Riffe Center, and SOCC in Columbus; Lausche Building in Cleveland; DiSalle Center in Toledo; and Ocasek Building in Akron. In addition, this program also supports rent for GRF-funded state agencies, veterans groups that occupy space in DAS-owned buildings, vacant space and space undergoing renovation, and tenants relocated due to building renovations, as well as the cost of appraisals and other evaluations.

The Executive Recommendation will:

- Support payment of scheduled debt service for the five state office towers, the State of Ohio Computer Center, Administrative Building Fund capital projects including the Statehouse and Judicial Center, and estimated debt on new fiscal year 2007-2008 biennium capital appropriations;
- Fund OAKS system lease payments; and
- Fund the operation and maintenance of the five state office towers and the computer center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	100-415	OAKS Lease Payments	14,162,000	14,165,000
GRF	GRF	100-433	State of Ohio Computer Center	5,092,502	5,007,502
GRF	GRF	100-447	OBA - Building Rent Payments	112,294,800	106,476,400
GRF	GRF	100-448	OBA - Bldg Operating Payments	26,457,000	27,303,000
GRF	GRF	100-449	DAS - Bldg Operating Payments	3,769,510	3,834,871
TOTAL FOR PROGRAM				**161,775,812**	**156,786,773**

Program 06.03: 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 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, statewide elected officials, Ohio House, and Ohio Senate—do not pay for their audits. Instead, DAS is statutorily responsible for the payment.

The Executive Recommendation will:

- Support 5,200 audit hours in fiscal year 2008 and 4,952 audit hours in fiscal year 2009 for those state agencies audited on a biennial basis.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	100-405	Agency Audit Expenses	312,550	312,550
TOTAL FOR PROGRAM				**312,550**	**312,550**

Program 06.04: Veterans' Records System

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 National Records Center—as required documentation to re-enlist or to claim benefits including retirement, disability, pension, health care, and burial.

The Executive Recommendation will:

- Maintain the Veterans' Records System including software, server, server connections, data storage, and tape backup;
- Provide for scanning into the system approximately 90,000 new military records of Ohio veterans in fiscal year 2008; and
- Fund the replacement of the Veterans' Records System server in fiscal year 2009.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-410	Veterans' Records Conversion	46,170	46,171
TOTAL FOR PROGRAM				**46,170**	**46,171**

Program 06.05: Public School Employee Benefits

This program supports the activities of the School Employees Health Care Board and the Public Schools Health Care Advisory Committee, which is comprised of interested parties to advise the board. These entities were created in Am. Sub. H.B. 66, the operating budget bill for the 2006-2007 biennium, to analyze the health care environment for non-teaching public school employees, make recommendations for pooling this group for centralized health plan administration to save money for school districts, and implement and administer such a program if approved by the legislature.

The Executive Recommendation will:

- Support the activities of the School Employees Health Care Board and the Public Schools Health Care Advisory Committee, established in Revised Code Section 9.901;
- Support development of recommendations to the Governor and legislature regarding the design and administration of medical plans for public school employees;
- Provide for an assessment of the feasibility of designing medical plans for public institutions of higher education;
- Fund consultant services for data collection and analysis activities; and
- Fund the design and implementation of medical plans as ultimately approved by the legislature.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	100-403	Pub School Employee Benefits	1,425,000	1,425,000
TOTAL FOR PROGRAM				**1,425,000**	**1,425,000**

PROGRAM SERIES 07: DAS Program Management

This program series provides centralized shared services, guidance, and oversight to DAS's operating divisions and offices. Services are provided through the Director's Office and the following seven specialized support offices: Chief Legal Counsel, Finance, Employee Services, Communications, Legislative Affairs, Quality, and Information Technology Services.

Program 07.01: DAS Program Management

This program provides services, guidance, and oversight to all of DAS's operating divisions and offices. These services include legal counsel, finance, human resources, communications, legislative relations, and IT support.

The Executive Recommendation will:

- Support overall departmental management;
- Provide for information technology support of statewide programs housed within DAS, including fleet management, state procurement, labor negotiations, and joint labor-management committees; and
- Provide information technology support for the development, implementation, and maintenance of DAS systems that will be developed during the fiscal year 2008-2009 biennium to "bolt on" to OAKS, including the capital improvement management, benefits adjudication, family and medical leave administration, and vendor notification systems.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	130-321	State Agency Support Services	537,456	565,760
GSF	112	100-616	DAS Administration	5,299,427	5,299,427
GSF	4P3	100-603	DAS Information Services	4,793,190	4,958,218
TOTAL FOR PROGRAM				**10,630,073**	**10,823,405**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 100-627, Vehicle Liability Insurance, is consolidated into 100-606, Risk Management Reserve, for administrative efficiencies. The combined line item is reduced to more nearly reflect actual expenditures.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
130	100-606	Risk Management Reserve	3,568,548	2,568,548	-28.0%	2,568,548	0.0%
127	100-627	Vehicle Liability Insurance	-	-	-	-	-

Line Item Notes

100-415, OAKS Lease Payments: This is a new GRF line item to make lease payments on the certificates of participation that have financed OAKS development costs. For additional information, please refer to Program 06.02, State Buildings - Rent and Operations.

100-603, DAS Information Services: This line item is reduced to more nearly reflect actual expenditures. For additional information, please refer to Program 07.01, DAS Program Management.

100-608, Skilled Trades Services: This line item is reduced to more nearly reflect actual expenditures. For additional information, please refer to Program 01.06, Properties and Facilities Management.

100-610, Professional Development: This professional development line item for exempt state employees is increased to more nearly reflect actual service levels and expenditures. For additional information, please refer to Program 02.03, Exempt Employee Educational Programs.

100-617, Major IT Purchases: This line item is reduced to more nearly reflect actual expenditures. For additional information, please refer to Program 05.04, Enterprise Computing, and Program 05.05, Unified Network Services.

100-621, Workforce Development: Pursuant to the current contract, this professional development program for OCSEA employees has been turned over to the union for management and administration. Only some final close-out costs for the state-administered program remain for DAS. For additional information, please refer to Program 02.04, Non-Exempt Employee Educational Programs.

100-635, OAKS Support Organization: This is a new line item for a new OIT program that will support day-to-day OAKS operations as the project transitions from development phase in the fiscal year 2008-2009 biennium. For additional information, please refer to Program 05.07, Information Technology Services Program Management.

100-637, Fleet Management: This line item is reduced to more nearly reflect actual expenditures. For additional information, please refer to Program 01.04, Fleet Management Services.

130-321, State Agency Support Services: This line item includes costs for the transition of state warrant printing and mailing operations from JFS and OIT to DAS. For additional information, please refer to Program 01.03, Printing and Document Management Services.

LINE ITEM SUMMARY - Administrative Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	100-402	Unemployment Compensation	85,396	9,720	0	0	0	.0	0	.0
GRF	100-403	Pub School Employee Benefits	0	0	74,070	1,500,000	1,425,000	(5.0)	1,425,000	.0
GRF	100-404	Comm Rehab Procurement Program	0	0	251,616	268,040	262,277	(2.2)	262,277	.0
GRF	100-405	Agency Audit Expenses	347,524	162,374	186,857	329,000	312,550	(5.0)	312,550	.0
GRF	100-406	County & Univ Human Res Svcs	417,433	458,762	181,282	940,000	893,000	(5.0)	893,000	.0
GRF	100-409	Departmental Information Services	25,099	0	0	0	0	.0	0	.0
GRF	100-410	Veterans' Records Conversion	33,016	21,456	58,680	48,600	46,170	(5.0)	46,171	.0
GRF	100-414	Ohio Geog. Referenced Info Program	53,041	0	0	0	0	.0	0	.0
GRF	100-415	OAKS Lease Payments	0	0	0	0	14,162,000	**	14,165,000	**
GRF	100-416	Strategic Technology Devlpmnt Prgs	936,864	0	0	0	0	.0	0	.0
GRF	100-417	MARCS	893,369	564,108	198,061	0	0	.0	0	.0
GRF	100-418	Web Sites and Business Gateway	3,135,526	2,217,925	3,978,081	3,275,280	3,270,473	(.1)	3,270,083	.0
GRF	100-419	It Security Infrastructure	1,805,070	1,650,116	993,637	1,636,247	1,554,435	(5.0)	1,554,435	.0
GRF	100-421	OAKS Project Implementation	442,956	353,539	476,797	410,839	402,006	(2.2)	402,005	.0
GRF	100-433	State of Ohio Computer Center	5,011,160	5,131,423	5,190,443	4,991,719	5,092,502	2.0	5,007,502	(1.7)
GRF	100-439	Equal Opportunity Cert Program	616,100	582,552	619,033	728,384	750,236	3.0	750,236	.0
GRF	100-447	OBA - Building Rent Payments	83,978,669	97,148,564	107,241,389	116,091,300	112,294,800	(3.3)	106,476,400	(5.2)
GRF	100-448	OBA - Bldg OPerating Payments	23,179,819	27,318,351	21,440,485	25,647,183	26,457,000	3.2	27,303,000	3.2
GRF	100-449	DAS - Bldg OPerating Payments	3,995,368	4,176,511	3,055,002	4,170,623	3,769,510	(9.6)	3,834,871	1.7
GRF	100-451	Minority Affairs	37,600	33,804	50,087	47,000	52,927	12.6	52,927	.0
GRF	100-734	Major Maint - State Bldgs	38,092	40,433	88,713	50,000	48,925	(2.2)	47,500	(2.9)
GRF	102-321	Construction Compliance	969,024	957,142	1,005,415	1,206,779	1,167,099	(3.3)	1,167,099	.0
GRF	130-321	State Agency Support Services	2,898,129	2,589,188	2,484,003	2,668,985	6,340,215	**	6,564,301	3.5
TOTAL General Revenue Fund			**128,899,255**	**143,415,968**	**147,573,651**	**164,009,979**	**178,301,125**	**8.7**	**173,534,357**	**(2.7)**
112	100-616	DAS Administration	4,429,802	4,566,120	4,375,967	5,299,427	5,299,427	.0	5,299,427	.0
115	100-632	Central Service Agency	941,906	929,472	740,132	860,878	860,878	.0	928,403	7.8
117	100-644	General Services Div-Operating	4,645,453	5,114,726	6,902,793	8,145,773	8,295,772	1.8	8,540,772	3.0
122	100-637	Fleet Management	1,500,778	1,469,632	2,222,038	4,032,968	2,182,968	**	2,032,968	(6.9)
125	100-622	Human Resources Division-Operating	15,388,783	15,721,789	15,795,254	19,220,614	19,890,614	3.5	20,560,614	3.4
127	100-627	Vehicle Liability Insurance	2,005,039	1,701,329	1,770,238	3,344,644	0	**	0	.0
128	100-620	Collective Bargaining	2,655,153	2,901,219	2,946,867	3,410,952	3,464,533	1.6	3,662,534	5.7
130	100-606	Risk Management Reserve	196,411	191,699	205,032	223,904	2,568,548	**	2,568,548	.0
131	100-639	State Architect's Office	5,816,486	4,767,250	5,093,670	7,047,427	7,348,483	4.3	7,544,164	2.7
132	100-631	DAS Building Management	8,650,757	8,819,665	8,822,696	11,066,228	9,716,228	(12.2)	10,166,228	4.6
133	100-607	IT Service Delivery	72,691,058	81,949,006	65,507,430	80,345,563	72,539,887	(9.7)	75,847,949	4.6
188	100-649	Equal Opportunity Div-Operating	805,889	800,403	695,536	1,010,255	847,409	(16.1)	884,650	4.4
201	100-653	Gen Srvcs Resale Merch	1,348,893	942,184	1,523,421	1,553,000	1,553,000	.0	1,553,000	.0
210	100-612	State Printing	4,777,923	5,166,286	4,907,618	5,931,421	5,681,421	(4.2)	5,436,421	(4.3)

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Administrative Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
229	100-630	IT Governance	0	0	13,705,157	20,117,555	17,108,546	(15.0)	17,108,546	.0
4N6	100-617	Major IT Purchases	232,317	3,423,458	1,914,378	10,617,166	7,495,719	**	7,495,719	.0
4P3	100-603	DAS Information Services	3,935,717	3,828,890	3,803,695	6,117,004	4,793,190	**	4,958,218	3.4
427	100-602	Investment Recovery	5,418,384	5,037,088	5,092,616	5,683,564	5,683,564	.0	5,683,564	.0
5AB	100-624	Non-Federal Info Technology Grants	1,313	17,442	241	0	0	.0	0	.0
5C2	100-605	MARCS Administration	6,458,686	9,000,187	8,313,204	11,069,291	11,069,291	.0	11,069,291	.0
5C3	100-608	Skilled Trades Services	1,197,231	863,313	723,129	1,434,982	934,982	**	934,982	.0
5D7	100-621	Workforce Development	16,543,124	14,274,238	13,510,856	5,397,619	70,000	**	0	**
5EB	100-635	OAKS Support Organization	0	0	0	0	19,132,671	**	19,132,671	**
5L7	100-610	Professional Development	2,685,719	3,403,208	3,553,289	2,700,000	3,900,000	**	3,900,000	.0
5V6	100-619	Employee Edu Development	616,716	596,359	733,971	936,129	936,129	.0	936,129	.0
5X3	100-634	Centralized Gateway Enhancemt	0	0	0	0	974,023	.0	974,023	.0
TOTAL General Services Fund Group			**162,943,538**	**175,484,963**	**172,859,228**	**215,566,364**	**212,347,283**	**(1.5)**	**217,218,821**	**2.3**
3AJ	100-623	Federal In Tech Grants	23,666	1,299	448,183	82,048	0	(100.0)	0	.0
3AL	100-625	MARCS Grants	0	87,252	154,327	308,000	0	(100.0)	0	.0
3AM	100-626	Homeland Security Grants	0	83,280	95,992	0	0	.0	0	.0
3H6	100-609	Federal Grants OGRIP	0	0	0	1,000,000	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**23,666**	**171,831**	**698,502**	**1,390,048**	**0**	**(100.0)**	**0**	**.0**
113	100-628	Unemployment Comp Pass Through	2,648,824	0	0	0	0	.0	0	.0
TOTAL Agency Fund Group			**2,648,824**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**
R08	100-646	General Services Refunds	6,370	5,580	100	20,000	0	(100.0)	0	.0
TOTAL Holdng Acct Redist Fund Group			**6,370**	**5,580**	**100**	**20,000**	**0**	**(100.0)**	**0**	**.0**
TOTAL Dept of Administrative Svcs			**294,521,653**	**319,078,342**	**321,131,481**	**380,986,391**	**390,648,408**	**2.5**	**390,753,178**	**.0**

**** Please see the Appropriation Line Item analysis for further detail.**

Role and Overview

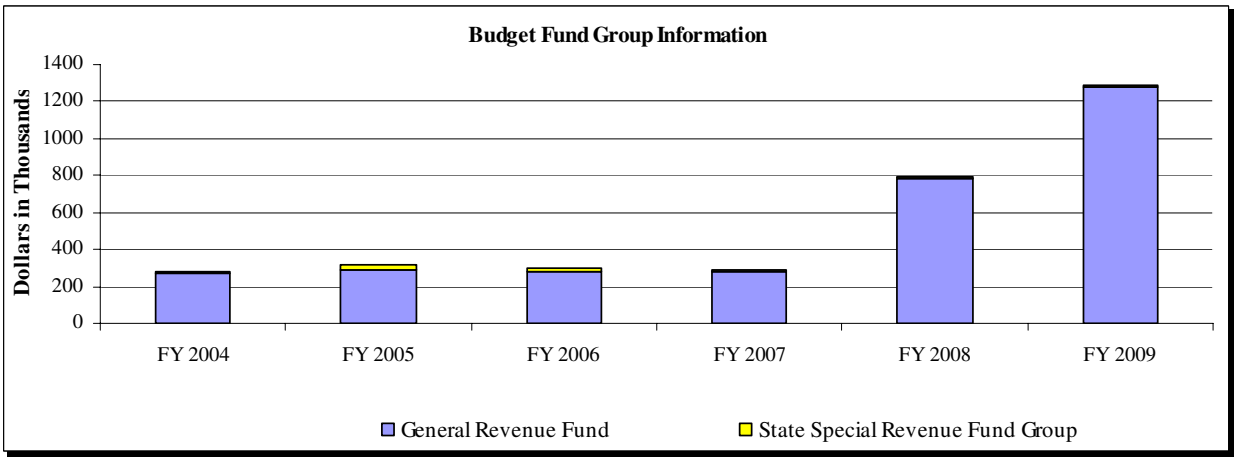
The Commission on African American Males (CAAM) oversees and supervises four separate and distinct subcommittees devoted to solving problems and advancing recommendations to improve the lives of African American males. The commission conducts research to determine the nature of problems concerning African 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 $792,000 and employs a staff of three.

Additional information regarding the Ohio Commission on African American Males is available at http://caam.ohio.gov.

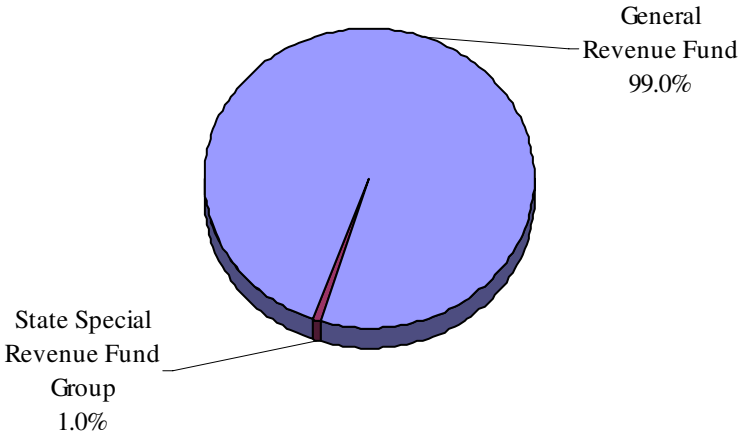
Agency Priorities

- Reach individuals who have difficulty contributing to society through effective education and employment opportunities.
- Increase the number of collaborative partners regionally who will serve and support the efforts of disenfranchised citizens.
- Make education and employment the foremost desire among our clients.

Summary of Budget History and Recommendations

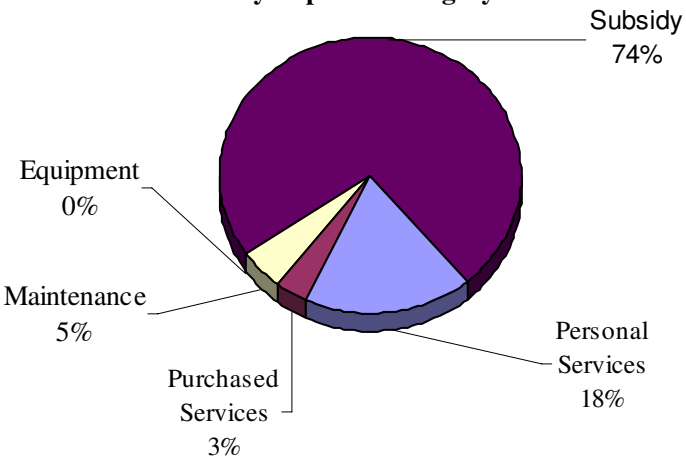


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	272	293	281	282	.5	782	177.3	1,282	63.9
State Special Revenue Fund Group	2	23	20	10	(48.8)	10	.0	10	.0
TOTAL	**274**	**316**	**300**	**292**	**(2.7)**	**792**	**171.2**	**1,292**	**63.1**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	170	163	182	220	21.2	189	(14.1)	189	.0
Purchased Services	25	56	47	9	(80.8)	36	297.8	36	.0
Maintenance	45	71	50	41	(17.7)	49	19.9	49	.0
Equipment	4	4	1	1	21.7	1	.0	1	.0
Subsidy	30	22	21	21	.0	517	2,361.5	1,017	96.7
TOTAL	**274**	**316**	**300**	**292**	**(2.7)**	**792**	**171.2**	**1,292**	**63.1**

PROGRAM SERIES 01: Community Projects

This program series includes programs that focus on disseminating information and educating African American males in employment, criminal justice, education, and health issues.

Program 01.01: Speaker Services

This program provides a positive role model for students, civic organizations, and other clients through the use of paid and volunteer speakers, educational television programs, and documentaries produced by CAAM.

The Executive Recommendation will:

- Increase speaking engagements from 20 in fiscal year 2007 to 30 in fiscal year 2008 and fiscal year 2009;
- Use more volunteers to work as professionals in the specialty fields of criminal justice, education, employment and health; and
- Produce 12 television shows and one documentary in fiscal year 2008 and fiscal year 2009.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	036-100	Personal Services	136,000	136,000
GRF	GRF	036-200	Maintenance	10,000	10,000
GRF	GRF	036-300	Equipment	1,000	1,000
SSR	4H3	036-601	African American Males-Gifts/Grant	5,000	5,000
TOTAL FOR PROGRAM				**152,000**	**152,000**

Program 01.02: Health Education

This program provides African American males with health awareness and training programs to address prostate cancer, hypertension, diabetes, and obesity. The program also provides workshops on men's health issues and encourages routine checkups.

The Executive Recommendation will:

- Increase from four health education workshops statewide in fiscal year 2007 to six health education workshops in fiscal year 2008 and fiscal year 2009;
- Increase from six Central Ohio workshops in fiscal year 2007 to 12 workshops in Central Ohio during fiscal year 2008 and fiscal year 2009; and
- Use the Department of Alcohol and Drug Addiction Services and the Department of Health to deliver services in hypertension, diabetes, and smoking cessation during fiscal year 2008 and fiscal year 2009.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	036-100	Personal Services	35,000	35,000
SSR	4H3	036-601	African American Males-Gifts/Grant	2,500	2,500
TOTAL FOR PROGRAM				**37,500**	**37,500**

Program 01.03: Community Board Meetings

This program enables CAAM staff to serve on community boards and attend meetings, programs, and conferences.

The Executive Recommendation will:

- Increase the service to boards from four in fiscal year 2007 to service on six boards in fiscal year 2008 and fiscal year 2009; and
- Enable staff to serve on boards that have direct impact of target service areas at the grassroots level in communities in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	036-100	Personal Services	5,000	5,000
GRF	GRF	036-200	Maintenance	4,000	4,000
TOTAL FOR PROGRAM				**9,000**	**9,000**

Program 01.04: Conferences

This program provides funding for one statewide conference covering the four major areas of outreach: criminal justice, education, employment, and health.

The Executive Recommendation will:

- Increase sponsorship from one major conference in fiscal year 2007 to two major conferences in fiscal year 2008 and fiscal year 2009; and
- Provide research data and recommendations to state agencies for program implementation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	036-100	Personal Services	39,091	39,091
SSR	4H3	036-601	African American Males-Gifts/Grant	2,500	2,500
TOTAL FOR PROGRAM				**41,591**	**41,591**

Program 01.05: Scholarships and Awards

This program awards scholarships to college students to help offset tuition costs. The program also sponsors education, leadership, and technology camps and programs for youth and adults.

The Executive Recommendation will:

- Provide over $500,000 in grants for community projects in fiscal year 2008 and over $1 million in fiscal year 2009; and
- Increase awareness of agency programs and services statewide.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	036-100	Personal Services	20,000	20,000
GRF	GRF	036-200	Maintenance	15,000	15,000
GRF	GRF	036-502	Community Projects	516,909	1,016,909
TOTAL FOR PROGRAM				**551,909**	**1,051,909**

LINE ITEM SUMMARY - Commission on African American Males

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	036-100	Personal Services	194,205	218,827	219,782	220,091	235,091	6.8	235,091	.0
GRF	036-200	Maintenance	43,354	47,662	39,019	39,909	29,000	(27.3)	29,000	.0
GRF	036-300	Equipment	3,662	3,846	822	1,000	1,000	.0	1,000	.0
GRF	036-501	CAAM Awards & Scholarships	6,700	1,765	1,000	1,000	0	(100.0)	0	.0
GRF	036-502	Community Projects	23,583	20,445	20,000	20,000	516,909	2484.5	1,016,909	96.7
TOTAL General Revenue Fund			**271,504**	**292,545**	**280,623**	**282,000**	**782,000**	**177.3**	**1,282,000**	**63.9**
4H3	036-601	African American Males-Gifts/Grant	2,023	23,096	19,539	10,000	10,000	.0	10,000	.0
TOTAL State Special Revenue Fund Group			**2,023**	**23,096**	**19,539**	**10,000**	**10,000**	**.0**	**10,000**	**.0**
TOTAL Comm. on African Amer. Males			**273,527**	**315,641**	**300,162**	**292,000**	**792,000**	**171.2**	**1,292,000**	**63.1**

Role and Overview

The Department of Aging (ODA) works to improve the quality of life for older and disabled 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 $623 million and 105 employees, works with the 12 regional Area Agencies on Aging to administer federal and state senior citizens programs throughout Ohio.

Approximately 72 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 also operates the Assisted Living Program, a Medicaid waiver program that provides needed assistance in residential care facilities for individuals who otherwise would have to live in a nursing facility. 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 manages the Golden Buckeye Card Program, the first statewide consumer discount program in the nation. Beginning in fiscal year 2008, the department will begin administering the Ohio's Best Rx program that provides prescription drug discounts that enable seniors and low income individuals 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, and Resident Services Coordination.

Additional information regarding the Ohio Department of Aging is available at www.aging.ohio.gov.

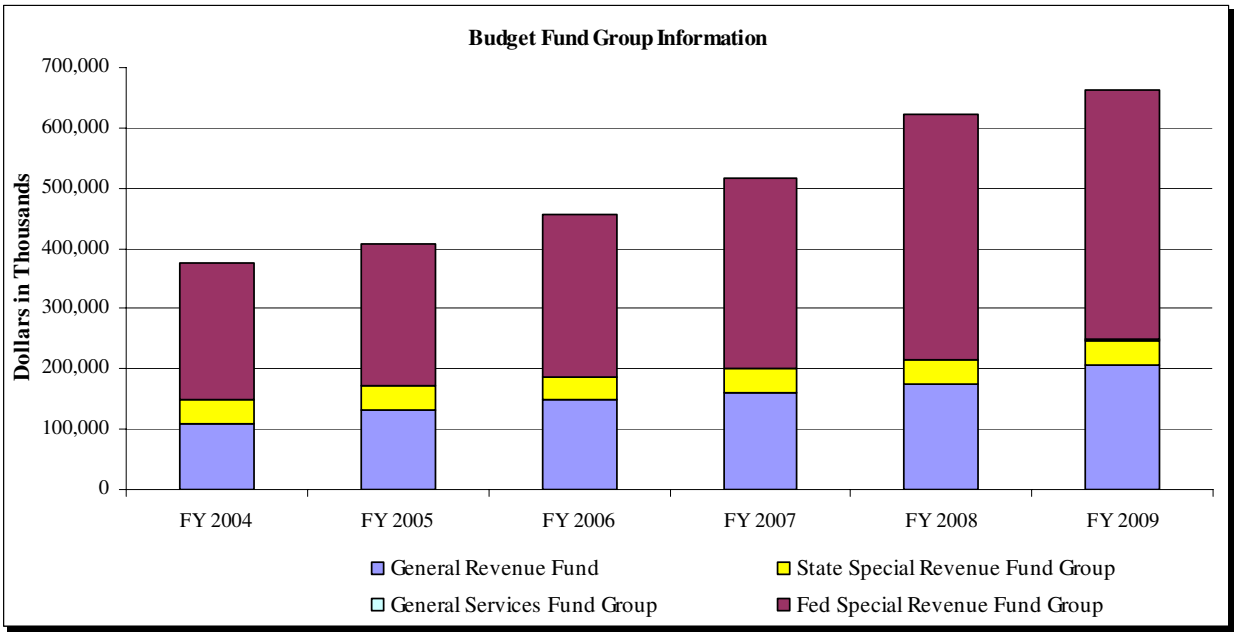
Turnaround Ohio Initiatives

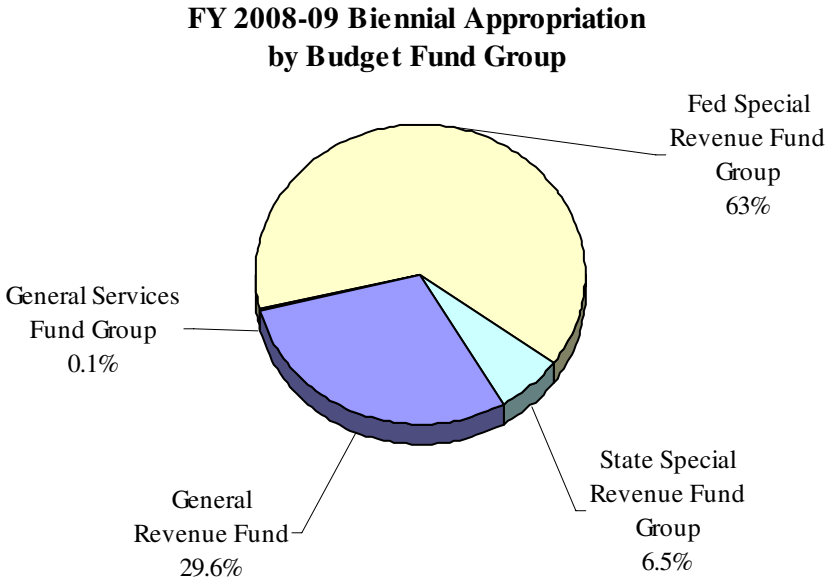
- Provide cost-effective, high-quality home and community-based care to help seniors remain safely independent.
- Expand the capacity of PASSPORT and Ohio's other community-based services to give Ohioans true choice in long-term care.
- Promote consumer choice by providing an array of home- and community-based services and by providing information about these options to Ohioans in need of long-term care.
- Develop the framework and protocols needed to support a unified budget for long-term care for Ohioans age 60 and over.
- Promote and disseminate evidence-based disease prevention programs for seniors.
- Respond to workforce challenges and opportunities presented by an aging society.

Agency Priorities

- Provide support to informal caregivers by helping them access services, including support, training, and respite care.
- Serve as an advocate for long-term care consumers by seeking resolution of complaints through the Office of the State Long-Term Care Ombudsman.
- Enable seniors and low income individuals to purchase prescription drugs at the lowest possible price through administration of the Ohio's Best Rx program.
- Promote opportunities for active aging, including employment and volunteerism.
- Promote positive attitudes toward aging.

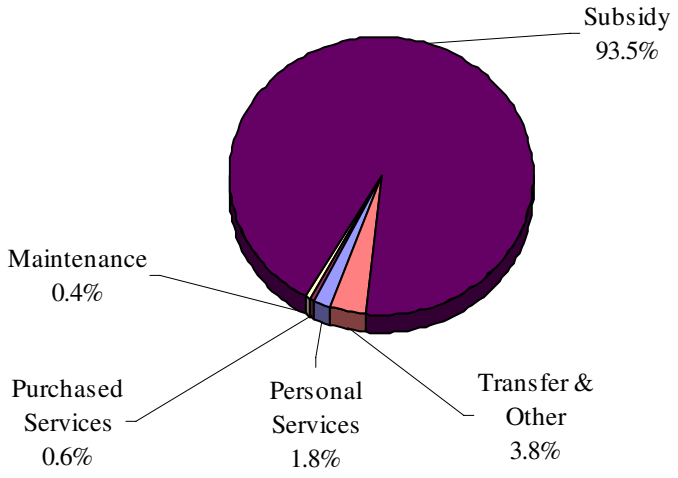
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	110,214	132,312	148,120	160,086	8.1	173,907	8.6	206,035	18.5
General Services Fund Group	114	16	17	373	2,062.3	373	.0	373	.0
Fed Special Revenue Fund Group	226,100	236,102	269,233	316,050	17.4	406,174	28.5	413,573	1.8
State Special Revenue Fund Group	39,261	39,251	38,945	40,203	3.2	42,256	5.1	41,755	(1.2)
TOTAL	**375,689**	**407,680**	**456,315**	**516,711**	**13.2**	**622,710**	**20.5**	**661,736**	**6.3**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	8,548	8,691	9,055	10,972	21.2	11,201	2.1	11,476	2.5
Purchased Services	1,434	1,826	1,000	2,169	116.9	3,971	83.1	3,271	(17.6)
Maintenance	1,681	1,665	1,798	2,163	20.3	2,293	6.0	2,705	18.0
Equipment	167	188	201	284	41.0	320	12.7	267	(16.3)
Subsidy	349,871	384,030	432,088	489,282	13.2	581,982	18.9	618,413	6.3
Transfer & Other	13,988	11,280	12,173	11,842	(2.7)	22,944	93.8	25,603	11.6
TOTAL	**375,689**	**407,680**	**456,315**	**516,711**	**13.2**	**622,710**	**20.5**	**661,736**	**6.3**

PROGRAM SERIES 01: Senior Independence Services

This program series contains programs designed to help seniors live with dignity, maximize independence, and facilitate self-direction by providing them with the services and support needed to allow them to remain in the community setting of their choice.

Program 01.01: Home, Community, and Caregiver Support Services

This program helps older adults live independently in their own homes and communities and supports the efforts of their family caregivers. A combination of federal, state, and local funds are used to provide services such as congregate and home-delivered meals, chore services, home accessibility modifications, nutrition education, information and referral, volunteer opportunities, and transportation services to older adults who need minimal support and their caregivers. State-funded Senior Community Services leverage federal and local funds to provide case managed services to frail older adults at risk of institutionalization. Senior Community Services can include services such as care coordination, homemaker services, home-delivered meals, adult day services, personal care, chore services or assisted transportation. Older American Act federal funds support programs, such as exercise classes, walking programs, and other wellness activities to help older adults maintain their physical health and prevent or delay the onset of a disabling disease.

The Executive Recommendation will:

- Provide home, community, and caregiver support to 275,000 older Ohioans with federal, state, and local funds;
- Allocate state Senior Community Services funds to provide nutrition and community services to 13,490 older Ohioans;
- Allocate state Alzheimer's Respite funds to provide respite care services to more than 1,990 Ohioans with Alzheimer's disease; and
- Allow Area Agencies on Aging flexibility to determine service provisions and allocate funds based on local priorities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-411	Senior Community Services	10,007,289	10,007,289
GRF	GRF	490-414	Alzheimer's Respite	3,881,594	3,881,594
GRF	GRF	490-416	JCFS Community Options	250,000	250,000
FED	3M4	490-612	Federal Independence Services	61,396,419	62,644,680
FED	322	490-618	Federal Aging Grants	6,192,251	6,354,173
SSR	5W1	490-616	Resident Services Coordinator Prgm	330,000	330,000
TOTAL FOR PROGRAM				**82,057,553**	**83,467,736**

Program 01.02: 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 include adult foster homes, adult care facilities and residential care facilities, rooms or apartments, and residential facilities. Individuals participating in the Residential State Supplement Program (RSS) must meet the criteria for a protective level of care which includes supervision and/or assistance with daily living activities.

The Executive Recommendation will:

- Provide housing subsidies for 2,000 low-income adults age 21 and over.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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 01.03: PASSPORT

PASSPORT is a system of programs that facilitate access to long-term care services and provides home and community-based services for disabled individuals age 60 and over through Medicaid waivers. The system includes the PASSPORT Medicaid waiver program, which 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. The PASSPORT Program also serves as the front door for nursing facility admissions by funding preadmission reviews to identify individuals with mental illness or mental retardation or developmental disabilities and a level of care assessments. Screenings and assessments, known as long-term care consultations, are also provided to direct individuals to the most appropriate long-term care services. The Home First initiative began in fiscal year 2006 and allows individuals on the PASSPORT waiting list currently in nursing facilities to transfer directly to PASSPORT, effectively bypassing the waiting list. Costs incurred in the PASSPORT program are paid using the funds the individual would have used while in the nursing facility.

The Executive Recommendation will:

- Fund an additional 5,600 waiver slots over the biennium for the PASSPORT Program;
- Allocate funding to 13 PASSPORT administering agencies to provide pre-admission screening and make possible alternative service recommendations to Ohioans seeking to enter nursing homes; and
- Fund over 575 participants in Choices, a PASSPORT-based consumer program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-403	PASSPORT	123,923,047	153,392,150
FED	3C4	490-607	PASSPORT	294,637,721	293,751,444
SSR	4J4	490-610	PASSPORT/Residential State Supplement	30,656,930	30,428,984
SSR	4U9	490-602	PASSPORT	4,424,969	4,424,969
TOTAL FOR PROGRAM				**453,642,667**	**481,997,547**

Program 01.04: 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. 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 assumed responsibility for the administration of this program from the Department of Job and Family Services in fiscal year 2006.

The Executive Recommendation will:

- Support two existing PACE sites providing services to 735 program participants in Cleveland and Cincinnati.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-421	PACE	10,214,809	10,214,809
FED	3C4	490-621	PACE-Federal	14,586,135	14,586,135
TOTAL FOR PROGRAM				**24,800,944**	**24,800,944**

Program 01.05: Assisted Living

The Assisted Living Program is a Medicaid waiver that offers an additional long-term care option for people coming from a nursing home or from a home- and community-based services (HCBS) waiver. The goal of the program is to meet the planned and unscheduled needs of consumers in a home-like setting. The services, which can assist the individual with daily living activities, medication administration, and social programming, are delivered in a residential care setting. The program also provides a transition service to individuals leaving a nursing facility. This service is used to obtain household items needed to establish a basic community residence.

The Executive Recommendation will:

- Fund the currently authorized 1,800 waiver slots.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-422	Assisted Living Waiver	12,554,940	15,213,890
FED	3C4	490-622	Assisted Living - Federal	14,972,892	21,810,442
TOTAL FOR PROGRAM				**27,527,832**	**37,024,332**

PROGRAM SERIES 02: Elder Rights

This program series helps to protect the rights of the elderly to health and safety, train caregivers, educate policy makers, and provide information regarding long-term care facilities to families of seniors through web and face-to-face interactions.

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. Ombudsmen also voice consumer needs and concerns to policy makers and providers.

The Executive Recommendation will:

- Support the investigation of over 10,000 complaints; and
- Furnish consumers with information on benefits, individual rights, regulation, and assistance with selecting a long-term care service.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-410	Long-Term Care Ombudsman	654,965	654,965
FED	3M4	490-612	Federal Independence Services	913,200	913,200
SSR	4C4	490-609	Regional Long-Term Care Ombudsman Program	935,000	935,000
SSR	5BA	490-620	Ombudsman Support	600,000	600,000
TOTAL FOR PROGRAM				**3,103,165**	**3,103,165**

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, located at www.ltcohio.org, includes information such as size, location, services offered, customer satisfaction, regulatory compliance, performance, and quality measures on all nursing homes and residential care facilities in Ohio. Consumers can easily compare data about facilities from this guide.

The Executive Recommendation will:

- Develop and maintain a comprehensive website to assist consumers in determining the most appropriate long-term care service to meet their needs; and

- Provide funding for three surveys including the nursing home resident satisfaction survey, nursing home family satisfaction survey, and residential care facility satisfaction survey.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	5K9	490-613	Long Term Care Consumers Guide	820,400	820,400
TOTAL FOR PROGRAM				**820,400**	**820,400**

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 and Ohio's Best Rx

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 Ohio's Best Rx Program will be merged with the Golden Buckeye Prescription Drug Savings Program. The Ohio's Best Rx program provides significant savings on prescription medications to people over the age of 60 and low income individuals of any age.

The Executive Recommendation will:

- Maintain the Golden Buckeye Card for nearly 2 million Ohioans;
- Merge the Ohio Best Rx and Golden Buckeye Prescription Drug Savings Programs; and
- Allow an average savings of 30 percent to the consumer on prescription drug prices through the Prescription Drug Savings Program. Note that additional funds for Best Rx will be transferred from the Department of Job and Family Services through the Controlling Board to support this program in fiscal year 2008 and 2009 (Section 7 of H.B. 468 of the 126th General Assembly).

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-321	Operating Expenses	162,450	168,150
SSR	5AA	490-673	Ohio's Best Rx Administration	1,184,154	910,801
TOTAL FOR PROGRAM				**1,346,604**	**1,078,951**

Program 03.02: Senior Community Services Employment Program (SCSEP)

This U.S. Department of Labor funded program offers work experience and job training for income-eligible Ohioans age 55 and older. The program, operated by one of six federal contractors in Ohio, 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.

The Executive Recommendation will:

- Make available 527 subsidized part-time positions for seniors in the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-321	Operating Expenses	15,841	15,841
FED	322	490-618	Federal Aging Grants	3,807,749	3,845,827
TOTAL FOR PROGRAM				**3,823,590**	**3,861,668**

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 27 Retired and Senior Volunteer programs, nine Foster Grandparent programs, and six Senior Companion programs.

The Executive Recommendation will:

- Facilitate 27 Retired Senior Volunteer programs involving 16,890 volunteers;
- Fund nine Foster Grandparent programs involving 1,137 seniors who contribute time to 3,500 children with special needs; and
- Fund six Senior Companion programs with 580 volunteers who enable another 1,100 seniors to remain in their homes by helping with transportation and home care needs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-506	Nat'l Senior Service Corps	335,296	335,296
TOTAL FOR PROGRAM				**335,296**	**335,296**

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.

The Executive Recommendation will:

- Support eight local Senior Olympic Games serving 5,000 athletes annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-406	Senior Olympics	14,856	14,856
TOTAL FOR PROGRAM				**14,856**	**14,856**

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.

The Executive Recommendation will:

- Fund a variety of consumer education products including a comprehensive website, print publications, and a monthly television show.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-321	Operating Expenses	110,200	110,200
GRF	GRF	490-411	Senior Community Services	92,150	92,150
GSF	480	490-606	Senior Community Outreach and Education	372,677	372,677
FED	3M4	490-612	Federal Independence Services	97,200	97,200
TOTAL FOR PROGRAM				**672,227**	**672,227**

PROGRAM SERIES 04: Ohio Community Services Council

This program series encompasses the operations of the Ohio Community Services 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: Subsidies and Subgrants

This program provides AmeriCorp grants that are awarded to local projects. Local projects recruit their own AmeriCorps members who dedicate a year of service to accomplish the project's goals. During the year, members receive a small monthly stipend to cover their living expenses and upon successful completion of their term of service receive an "education award" of $4,725.

The Executive Recommendation will:

- Fund 50 projects across the state to recruit 1,000 AmeriCorps members who will provide 1.3 million hours of community service while earning about $3 million in tuition credits for college; and
- Generate an additional 300,000 hours of service by local volunteers to supplement the service provided by AmeriCorps members.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3R7	490-617	Ohio Community Service Council Programs	8,000,000	8,000,000
TOTAL FOR PROGRAM				**8,000,000**	**8,000,000**

Program 04.02: State Volunteer Infrastructure

The OCSC discretionary spending is included in this program. The goals of this program are to operate the OCSC in a compliant and effective manner in support of programmatic initiatives, encourage volunteerism throughout the state, and build an infrastructure of collaboration and mutual support among volunteer-based organizations.

The Executive Recommendation will:

- Maintain a mandated statewide database of registered volunteers to be called upon for emergency/disaster response through Ohio Citizen Corps and provide volunteer registration services to other state agencies on a contractual basis;
- Support ongoing volunteer recruitment and training activities to expand the number of registered volunteers from 8,000 to 15,000;
- Expand the capacity of local communities to manage volunteer responders in order to support rather than hamper the efforts of "first responders" like firefighters, police, and EMTs; and
- Provide staffing and administrative capacity necessary to effectively plan, manage, evaluate, and improve all programs and initiatives of the Ohio Community Service Council.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-409	Ohio Community Service Council Operations	183,792	183,792
FED	3R7	490-617	Ohio Community Service Council Programs	870,000	870,000
SSR	624	490-604	OCSC Community Support	470,000	470,000
TOTAL FOR PROGRAM				**1,523,792**	**1,523,792**

PROGRAM SERIES 05: Program Support

This program series contains the non-program specific activities supported in the Department of Aging's central office.

Program 05.01: Program Support Expenses

Program support not only provides for staff, space, equipment, and related expenses but also provides for operating costs associated with several federal and state programs that lack managerial funding. Program support provides efficient monitoring of operating expenses and allocation of available funds. This allows the department to develop strategies, manage, enhance, and develop projects that benefit the department's beneficiaries as well as consider and develop cost containment strategies.

The Executive Recommendation will:

- Allow the department to monitor program activity to ensure that public funds are efficiently, responsibly, and appropriately spent;
- Allow the department to develop strategies that will coordinate, manage, enhance, and develop projects that benefit Ohio's older population; and
- Allow the department to consider and develop cost containment strategies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	490-321	Operating Expenses	2,349,080	2,343,080
TOTAL FOR PROGRAM				**2,349,080**	**2,343,080**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 490-611, Federal Aging Nutrition, is merged into 490-612, Federal Independence Services, to consolidate similar funding grants and program activities.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
3M4	490-612	Federal Independence Services	56,362,930	62,406,819	10.7%	63,655,080	2.0%

Line Item Notes

490-422, Assisted Living Waiver: The Assisted Living waiver line item will increase in fiscal years 2008 and 2009 because the program funding is moved from the Department of Job and Family Services into the Department of Aging. The funding increase from fiscal year 2008 to fiscal year 2009 reflects the anticipated growth in program enrollment.

490-607, PASSPORT: The PASSPORT waiver federal financial participation line item will experience a one-time increase of approximately $20 million in fiscal year 2008 due to a change in processing methodology. The one-time increase in federal revenue serves as a direct offset to GRF funding in fiscal year 2008.

490-622, Assisted Living - Federal: The Assisted Living waiver federal financial participation line item will increase in fiscal years 2008 and 2009 because the program funding is moved from the Department of Job and Family Services into the Department of Aging. The funding increase from fiscal year 2008 to fiscal year 2009 reflects the anticipated growth in program enrollment.

LINE ITEM SUMMARY - Aging

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	490-321	Operating Expenses	2,289,917	2,312,578	2,583,382	2,776,481	2,637,571	(5.0)	2,637,271	.0
GRF	490-403	PASSPORT	81,028,907	103,662,310	113,311,739	121,009,372	123,923,047	2.4	153,392,150	23.8
GRF	490-405	Golden Buckeye Card	287,471	296,802	355,766	0	0	**	0	.0
GRF	490-406	Senior Olympics	16,636	15,638	15,638	15,638	14,856	(5.0)	14,856	.0
GRF	490-407	Long Term Care Consumer Guide	3,194	0	0	0	0	.0	0	.0
GRF	490-409	Ohio Comm Srvc Council Operatns	218,926	214,365	203,468	193,465	183,792	(5.0)	183,792	.0
GRF	490-410	Long-Term Care Ombudsman	923,894	722,526	756,337	689,437	654,965	(5.0)	654,965	.0
GRF	490-411	Senior Community Services	11,062,855	10,816,153	10,575,913	10,630,988	10,099,439	(5.0)	10,099,439	.0
GRF	490-412	Residential State Supplement	9,916,867	9,194,187	9,158,400	9,156,771	9,156,771	.0	9,156,771	.0
GRF	490-414	Alzheimers Respite	3,815,434	4,363,754	4,031,046	4,085,888	3,881,594	(5.0)	3,881,594	.0
GRF	490-416	JCFS Community Options	138,369	130,067	100,000	100,000	250,000	150.0	250,000	.0
GRF	490-419	Prescription Drug Discount Prgm	170,003	166,734	1,092	0	0	.0	0	.0
GRF	490-421	PACE	0	46,863	6,669,152	10,214,809	10,214,809	.0	10,214,809	.0
GRF	490-422	Assisted Living Waiver	0	0	0	859,919	12,554,940	**	15,213,890	21.2
GRF	490-506	Nat'l Senior Service Corps	341,098	370,073	358,458	352,943	335,296	(5.0)	335,296	.0
TOTAL General Revenue Fund			**110,213,571**	**132,312,050**	**148,120,391**	**160,085,711**	**173,907,080**	**8.6**	**206,034,833**	**18.5**
480	490-606	SR Community Outreach and Education	39,251	15,344	17,235	372,677	372,677	.0	372,677	.0
5R5	490-614	OhioReads/Stars	70,467	0	0	0	0	.0	0	.0
5T4	490-615	Aging Network Support	3,890	560	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**113,608**	**15,904**	**17,235**	**372,677**	**372,677**	**.0**	**372,677**	**.0**
3C4	490-607	PASSPORT	159,885,409	171,954,472	201,068,888	218,196,387	295,337,721	**	294,451,444	(.3)
3C4	490-621	PACE-Federal	0	0	4,619,370	14,586,135	14,586,135	.0	14,586,135	.0
3C4	490-622	Assisted Living - Federal	0	0	0	5,687,374	14,972,892	**	21,810,442	45.7
3M3	490-611	Federal Aging Nutrition	23,469,012	23,597,864	21,279,412	28,037,034	0	**	0	.0
3M4	490-612	Federal Independence Services	25,051,078	23,451,493	24,888,347	28,325,896	62,406,819	**	63,655,080	2.0
3R7	490-617	Ohio Commity Srvc Council Programs	6,592,325	5,561,177	6,190,218	6,202,480	8,870,000	43.0	8,870,000	.0
322	490-618	Federal Aging Grants	11,102,606	11,536,569	11,186,288	15,014,495	10,000,000	(33.4)	10,200,000	2.0
TOTAL Fed Special Revenue Fund Group			**226,100,430**	**236,101,575**	**269,232,523**	**316,049,801**	**406,173,567**	**28.5**	**413,573,101**	**1.8**
4C4	490-609	Reg Long-Term Care Ombmn Prg	388,071	907,044	426,698	935,000	935,000	.0	935,000	.0
4J4	490-610	PASSPORT/Residential State Supplmnt	33,268,052	33,263,983	33,263,984	33,263,984	33,491,930	.7	33,263,984	(.7)
4U9	490-602	PASSPORT	5,459,342	3,854,716	3,903,959	4,424,969	4,424,969	.0	4,424,969	.0
5AA	490-673	Ohio's Best Rx Administration	0	0	0	0	1,184,154	.0	910,801	(23.1)
5BA	490-620	Ombudsman Support	0	615,001	615,000	0	600,000	.0	600,000	.0
5CE	490-624	Special Projects	0	0	350,000	225,000	0	(100.0)	0	.0
5K9	490-613	Long Term Care Consumers Guide	108,789	0	62,852	820,400	820,400	.0	820,400	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Aging

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5W1	490-616	Resident Srvcs Coordinator Prgm	7,042	506,128	238,928	315,001	330,000	4.8	330,000	.0
624	490-604	OCSC Community Support	30,165	103,693	83,734	218,500	470,000	115.1	470,000	.0
TOTAL State Special Revenue Fund Group			**39,261,461**	**39,250,565**	**38,945,155**	**40,202,854**	**42,256,453**	**5.1**	**41,755,154**	**(1.2)**
TOTAL Department of Aging			**375,689,070**	**407,680,094**	**456,315,304**	**516,711,043**	**622,709,777**	**20.5**	**661,735,765**	**6.3**

**** Please see the Appropriation Line Item analysis for further detail.**

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 director is appointed by the Governor. The department has an annual budget of more than $49.9 million that supports the activities of over 450 full-time employees. Additional information regarding the Department of Agriculture is available at http://www.ohioagriculture.gov/default.stm.

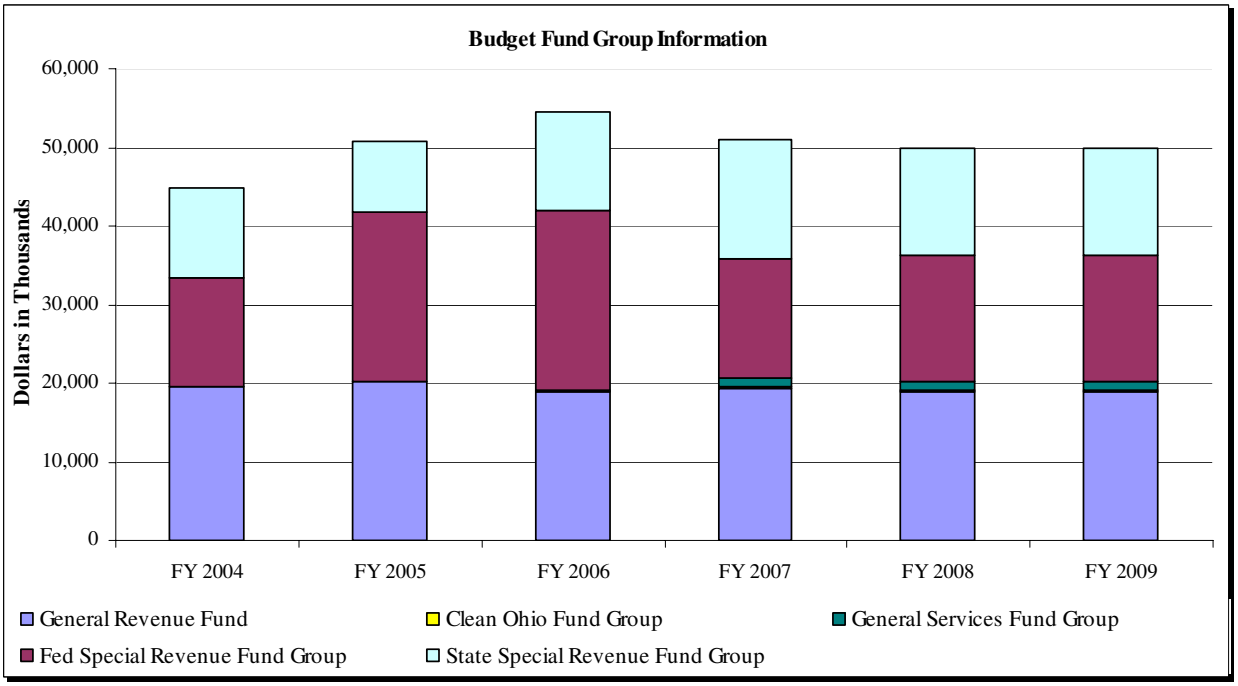
Turnaround Ohio Initiatives

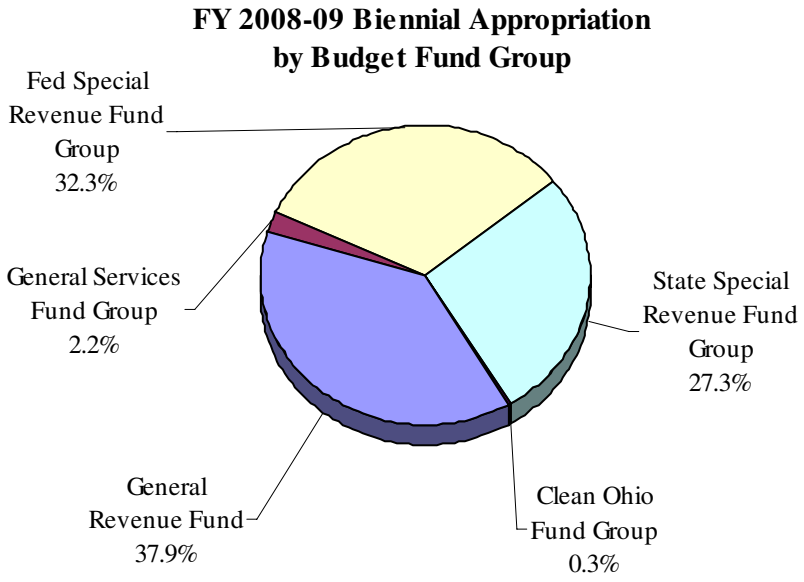
- Promote research development and availability of renewable bio energy fuel in the consumer marketplace.
- Strengthen department-wide strategic planning processes for enhanced accountability.
- Promote Ohio agricultural products in domestic and international markets.

Agency Priorities

- Provide food safety and consumer protection through regulatory testing and sampling of food products and processing facilities.
- Promote traditional agricultural products and new agricultural products in domestic and international markets.
- Develop and promote agri-tourism opportunities.
- Educate Ohioans about agricultural industries.

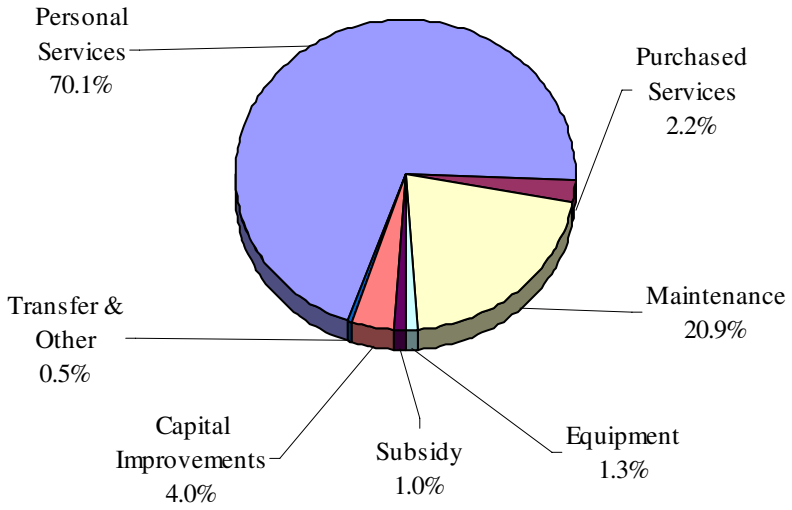
Summary of Budget History and Recommendations





(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	19,553	20,232	18,932	19,366	2.3	18,970	(2.0)	18,870	(.5)
General Services Fund Group	0	0	175	1,100	530.0	1,100	.0	1,100	.0
Fed Special Revenue Fund Group	13,827	21,376	22,849	15,232	(33.3)	16,105	5.7	16,095	(.1)
State Special Revenue Fund Group	11,471	9,117	12,561	15,078	20.0	13,591	(9.9)	13,591	.0
Clean Ohio Fund Group	32	62	57	149	163.3	149	.0	149	.0
TOTAL	**44,883**	**50,788**	**54,574**	**50,926**	**(6.7)**	**49,915**	**(2.0)**	**49,805**	**(.2)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	27,436	29,106	31,305	34,329	9.7	34,320	.0	35,586	3.7
Purchased Services	1,132	1,273	1,412	1,469	4.0	1,094	(25.5)	1,143	4.5
Maintenance	8,574	17,303	17,254	12,260	(28.9)	10,995	(10.3)	9,824	(10.6)
Equipment	1,394	809	1,657	1,947	17.5	773	(60.3)	518	(33.0)
Subsidy	886	430	458	358	(21.8)	483	34.9	483	.0
Capital Improvements	1,928	1,472	1,756	111	(93.7)	2,000	1,709.4	2,000	.0
Transfer & Other	3,533	393	731	452	(38.1)	250	(44.7)	250	.0
TOTAL	**44,883**	**50,788**	**54,574**	**50,926**	**(6.7)**	**49,915**	**(2.0)**	**49,805**	**(.2)**

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 and Agricultural Terrorism Program.

Program 01.01: County Agriculture Society

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 of 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.

The Executive Recommendation will:

- Provide funding to reimburse agricultural societies for premiums and cash awarded to junior fair participants that exhibit at county and independent fairs in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-501	County Agricultural Societies	483,226	483,226
TOTAL FOR PROGRAM				**483,226**	**483,226**

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.

The Executive Recommendation will:

- Support the granting of low-interest loans to Ohio farmers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	336	700-617	Ohio Farm Loan Revolving Fund	44,679	44,679
TOTAL FOR PROGRAM				**44,679**	**44,679**

Program 01.03: Farmland Preservation

This program assists in maintaining productive farmland. It also educates the general public on protecting farmland from conversion to non-agricultural use. The program also administers the Clean Ohio Fund's Agricultural Easement Purchase Program and assists local officials with farmland protection efforts.

The Executive Recommendation will:

- Fund continuing efforts to maintain farmlands; and
- Administer the Clean Ohio Agricultural Easement Purchase Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-409	Farmland Preservation	241,573	241,573
FED	3AB	700-641	Agricultural Easement	2,000,000	2,000,000
CLF	057	700-632	Clean Ohio Agricultural Easement	149,000	149,000
TOTAL FOR PROGRAM				**2,390,573**	**2,390,573**

Program 01.04: UR Safety and Agricultural Terrorism Security

This program coordinates and provides recommendations to department divisions and local, state, federal, and industry partners concerning matters of Homeland Security, food supply defense, bio-security, agro terrorism, and radiological events. The office develops, coordinates, and implements agency-wide continuity of operations plans, infrastructure protection and security, emergency preparedness and response, planning, and training exercises. The Agro Bio-Security Office represents and advises the director in matters concerning the Utility Radiological Safety Board (URSB), Ohio Homeland Security Advisory Council (OHSAC), State of Ohio Security Task Force (SOSTF), State Emergency Operations Center (EOC), and the Strategic Analysis and Information Center (SAIC).

The Executive Recommendation will:

- Continue preparedness efforts to protect Ohio's food chain in the case of a release at a nuclear power plant or acts of agro-terrorism.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 provides inspection of amusement rides to protect those who visit amusement parks, fairs and carnivals. Amusement rides inspected include permanent park rides, mobile carnival rides, inflatable bounce structures, water park rides, and climbing walls.

Program 02.01: Amusement Ride Safety

This program is responsible for inspecting over 2,500 permanent and portable amusement rides annually. It also licenses and regulates games and sideshows at the state, county, and independent fairs and investigates ride accidents.

The Executive Recommendation will:

- Support the current operation of the inspection program to ensure that the public is protected; and
- Support ten staff, including eight ride inspectors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	578	700-620	Ride Inspection Fees	1,000,000	1,000,001
TOTAL FOR PROGRAM				**1,000,000**	**1,000,001**

PROGRAM SERIES 03: Dairy Inspection

This program series protects consumers by ensuring that dairy and food products are produced and processed following established sanitary standards and safe conditions.

Program 03.01: Dairy Inspection

The program provides registered sanitarians to inspect farm dairy operations, dairy processing, and manufacturing facilities. Sanitarians verify every stage of milk processing, from the source to the distribution facility, for proper sanitation and processing practices. Inspection standards are set to meet or exceed standards of the United States Department of Health and Human Services, the United States Food and Drug Administration, and the United States Department of Agriculture. The program licenses and inspects over 3,600 milk producers including tank trucks and other transporters, processors, and transfer and receiving stations.

The Executive Recommendation will:

- Support inspection and licensing activities at the current level; and
- Support 24 staff members.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-403	Dairy Division	1,304,504	1,304,504
SSR	4R2	700-637	Dairy Industry Inspection	1,500,000	1,500,000
TOTAL FOR PROGRAM				**2,804,504**	**2,804,504**

PROGRAM SERIES 04: Food Safety

This program series ensures that consumers are provided foods, over-the-counter drugs, dietary supplements, and cosmetics that are safe, unadulterated, properly labeled, and honestly presented through regulatory inspections and the evaluation and approval of local health departments' retail food safety establishment inspection programs.

Program 04.01: Food and Drug Inspection

This program ensures that all food manufacturing firms (bakeries, canneries, snack food, and candy manufactures, egg processors, soft drink and bottle water producers, seafood processors, shellfish re-packers and re-shippers and food warehouses including fruit and vegetable distributors) are inspected for compliance with sanitation standards. This program also conducts regulatory inspections at farm markets (sole proprietors), farmers' markets (multiple vendors), farm product auctions and retail merchants selling over-the-counter drugs, cosmetics and medical devices. The program also evaluates and audits the administrative controls of 135 local health departments approved to inspect retail food establishments.

The Executive Recommendation will:

- Support the regulation of food processing plants, wholesale storage and distribution sites, and retail facilities that produce, process, label, store, distribute, and sell food products;
- Allow 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; and
- Fund the monitoring of wholesale operations to ensure proper handling of over-the-counter drugs, dietary supplements, and cosmetics.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	700-407	Food Safety	865,100	865,100
SSR	4P7	700-610	Food Safety Inspection	858,096	858,096
TOTAL FOR PROGRAM				**1,723,196**	**1,723,196**

PROGRAM SERIES 05: Agriculture Market Development

This program series promotes Ohio agriculture and food products both domestically and overseas.

Program 05.01: International and Domestic Marketing

This program provides marketing services to Ohio's food and agricultural industry in order to promote and provide a competitive advantage for Ohio-based products that are marketed internationally and nationally. Program staff members 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.

The Executive Recommendation will:

- Continue the support of Ohio's product marketing in domestic and international markets; and
- Support a staff of seven staff members.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	700-411	Int'l Trade & Market Development	617,524	517,524
SSR	4T7	700-613	Int'l Trade & Market Dev.	15,000	15,000
TOTAL FOR PROGRAM				**632,524**	**532,524**

Program 05.02: Commodity Marketing

This program oversees six marketing programs including: apples, small fruits and vegetables, beef, corn, eggs, and sheep and wool. Commodity groups assess producers and forward the proceeds to the program. The funding is then deposited into the Agriculture Commodity Marketing Program and distributed to the marketing committees.

The Executive Recommendation will:

- Allow for the distribution of collected assessments and the provision of oversight to marketing committees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	494	700-612	Agr. Commodity Marketing Program	250,000	250,000
TOTAL FOR PROGRAM				**250,000**	**250,000**

Program 05.03: Ohio Proud Marketing

This 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* vehicle that is used to display information to consumers. The program also funds advertising such as newspaper ads and billboards.

The Executive Recommendation will:

- Promote the sale of agricultural products raised, grown, or processed in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-404	Ohio Proud	207,895	207,895
TOTAL FOR PROGRAM				**207,895**	**207,895**

Program 05.04: 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. Currently, there are approximately 80 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.

The Executive Recommendation will:

- Support marketing initiatives to promote Ohio's wine and grape growing industry; and
- Fund research on grape disease management and pest control.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	496	700-626	Ohio Grape Industries	850,000	849,999
TOTAL FOR PROGRAM				**850,000**	**849,999**

Program 05.05: Non-Food and Bio Fuels Promotion

This program provides promotion and furtherance of the bio fuel industry in Ohio and is a member of ad-hoc groups such as the Governor's Bio Fuel task force and the 25x25 steering committee. The Governor's ethanol coalition involves 35 states with an interest in renewable bio fuel development. The coalition conducts monthly conference calls to update members on bio fuel legislation and marketing. The department issues tax credit certification of bio

fuel facilities financed by farmer investors. The program maintains an information website providing information on ethanol and biodiesel fuel production. House Bill 245 authorizes the department to participate in the review and approval of applicants for financial assistance for new or refitted alternative fuel retail or distribution facilities.

PROGRAM SERIES 06: Plant Industry

This program series provides regulation and safeguarding of plant products and the control of plant pests.

Program 06.01: 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, 2) Homeland Security, 3) Cooperative Forestry Assistance, 4) Consolidated Pesticide Enforcement Agreement (United States Environmental Protection Agency), 5) Consolidated Pesticide Coop, 6) Indicated Feed, and 7) Emerald Ash Borer.

The Plant Pest Control Program inspects and certifies or 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 which regulates 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 provides inspection of seed labeling procedures and records, and the sampling and testing of seed lots for quality assurance.

The Executive Recommendation will:

- Provide 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;
- Support the inspection of 20,000 bee colonies in the state to ensure health and a disease-free status;
- Fund 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
- Allow for the collection and testing of approximately 3,000 seed samples each year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	700-410	Plant Industry	50,000	50,000
TOTAL FOR PROGRAM				**50,000**	**50,000**

Program 06.02: Invasive Species

This program seeks to minimize the impact of invasive species such as the Gypsy Moth on the natural resources and citizens of Ohio. Two components of this program are suppression attempts and the Slow-the-Spread Program, which provides detection, monitoring, and eradication activities in areas where the invasive species is not yet established.

The Executive Recommendation will:

- Fund continuing suppression efforts and activities to slow the spread of the Gypsy Moth and Emerald Ash Borer.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-413	Gypsy Moth Prevention	200,000	200,000
FED	3R2	700-614	Federal Plant Industry	4,800,000	4,800,000
TOTAL FOR PROGRAM				**5,000,000**	**5,000,000**

Program 06.03: Feed, Fertilizer, and Lime Inspection

This program protects consumers who purchase feeds, fertilizers, and liming materials by assuring that the products contain the amount of nutrients and/or minerals listed on the products' labels. This is accomplished 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).

The Executive Recommendation will:

- Provide for the inspection and testing of feed, fertilizer, and lime; and
- Fund safety inspections of ammonia tanks.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4C9	700-605	Feed,Fertilizer,Seed,& Lime Insp	1,850,000	1,850,000
TOTAL FOR PROGRAM				**1,850,000**	**1,850,000**

Program 06.04: Grain Warehouse Oversight and Indemnity Fund

This program consists of three sub-programs: grain, feed, and seed. These programs license and regulate grain elevators and dealers, assure the accuracy of labels on all agricultural, vegetable, flower and lawn seeds; and monitor animal feed and pet food content claims concerning protein, fat, vitamin, minerals, and antibiotics. Samples are collected by field staff for chemical analysis in the department's laboratory. This grain program supports the grain indemnity fund which protects grain depositor interest in the event that a licensed facility is declared financially insolvent. The cash for the indemnity fund is generated with a one-half cent per bushel deduction from grain delivered to licensed elevators. To date, over 1,302 depositors have been reimbursed $8,545,000 from the indemnity fund. Indemnity fund claims are approved by the Agricultural Commodity Advisory Commission. The feed program registers all commercial feed manufactures to ensure that feed products are safe and that content label claims are accurate.

The Executive Recommendation will:

- Fund the licensure and monitoring of 245 grain warehouse companies and provide fiscal relief for farmers harmed by elevators that become insolvent.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	497	700-627	Commodity Handlers Regulatory Prgrm	500,000	500,000
TOTAL FOR PROGRAM				**500,000**	**500,000**

Program 06.05: Pesticide Regulation

This program ensures that only approved pesticides are used in Ohio by overseeing the application, labeling of products, testing, and licensing of pesticides and pesticide applicators in Ohio. The program is also responsible for investigating over 300 complaints annually of misuse of pesticides.

The Executive Recommendation will:

- Fund the inspection of pesticide manufacturing facilities and the collection of sample products for analysis of label claims;
- Allow for the licensure of all commercial pesticide dealers, pesticide applicators, and pesticide products; and
- Investigate complaints pertaining to the misuse of pesticides.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	669	700-635	Pesticide Program	2,800,000	2,800,000
TOTAL FOR PROGRAM				**2,800,000**	**2,800,000**

PROGRAM SERIES 07: Weights and Measures

This program series protects Ohio businesses and consumers through the administration and enforcement of weights and measures laws of Ohio. The series provides training for county and city weights and measures officials to test devices ranging from fuel meters and retail store scanners to vehicle and livestock scales for consistent measuring standards.

Program 07.01: Weights and Measures

This program administers and enforces all weights and measures laws of Ohio. The 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 Ohio. The metrology laboratory performs calibration services for over 350 Ohio companies and other Ohio government agencies annually. The program's major responsibility is to inspect, test, and seal each commercial weighing and measuring device used in commerce to ensure that measuring tools for pounds, kilograms, gallons, liters, feet, meters, and other tools provide accurate measurements. The program has consumer package testing and oversight of commodity sales responsibilities. The program trains and certifies over 140 state, county, and city inspectors and provides local jurisdiction support for 91 county and city weights and measures programs throughout the state. Ohio administers one of only four National Type Evaluation Program (NTEP) laboratories in the nation, which tests and evaluates new scale designs and technology.

The Executive Recommendation will:

- Provide for the inspection, testing, and sealing of each commercial weighting and measuring device as required by statute; and
- Support training for county and municipal inspectors and service technicians that work for private scale and meter service companies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	700-412	Weights and Measures	1,300,000	1,300,000
SSR	5H2	700-608	Metrology Lab and Scale Certification	427,526	427,526
TOTAL FOR PROGRAM				**1,727,526**	**1,727,526**

PROGRAM SERIES 08: Animal Industry

This program series performs many activities including tampering and exhibition testing, tissue and drug residue investigation, Ohio Egg Quality Assurance Program auditing and inspecting, and disease control activities.

Program 08.01: Animal Disease Control

This program strives to maintain a disease-free status for Ohio's flocks and herds. It 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 program

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 program 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. Regulatory disease control field staff consists of veterinarians and livestock inspectors. This program enforces, inspects, and monitors livestock dealers, auction markets, concentration yards, weighers, renderers, collectors, and garbage feeders.

The Executive Recommendation will:

- Fund the enforcement, inspection, and monitoring of livestock dealers, auction markets, concentration yards, weighers, renderers, collectors, and garbage feeders;
- Allow for the maintenance of a disease-free status for Ohio's flocks and herds;
- Support the protection of livestock and poultry from emerging, foreign, and re-emerging diseases;
- Provide protection to consumers from tissue and milk residues; and
- Fund animal disease diagnostic laboratory services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	700-401	Animal Disease Control	3,574,506	3,574,506
SSR	652	700-634	Animal and Consumer Analytical Lab	653,718	653,718
TOTAL FOR PROGRAM				**4,228,224**	**4,228,224**

Program 08.02: Poultry Inspection

This program develops testing methods and disease control initiatives to monitor Ohio's poultry industry. Ohio ranks second in the nation in table egg production and is one of only nine 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 200,000 tests per year on poultry.

The Executive Recommendation will:

- Support egg safety initiatives, including the Ohio Egg Quality Assurance Program to assess, control, and reduce the threat of *Salmonella Enteritidis* in Ohio eggs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	700-415	Poultry Inspection	325,000	325,000
TOTAL FOR PROGRAM				**325,000**	**325,000**

Program 08.03: 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 Executive Recommendation will:

- Continue 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 2008	RECOMMENDED FY 2009
GRF	GRF	700-424	Livestock Testing & Inspections	115,946	115,946
TOTAL FOR PROGRAM				**115,946**	**115,946**

PROGRAM SERIES 09: 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 09.01: Meat Inspection

This program ensures the safety of meat and poultry products that are produced and processed in Ohio through regulatory means. 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.

The Executive Recommendation will:

- Support inspections of meat processing facilities to ensure the quality of meat and poultry products.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-499	Meat Inspection Prgrm- State Share	4,696,889	4,696,889
FED	326	700-618	Meat Inspection Prgrm- Fed Share	4,960,000	4,950,000
SSR	4T6	700-611	Poultry and Meat Inspection	47,294	47,294
TOTAL FOR PROGRAM				**9,704,183**	**9,694,183**

PROGRAM SERIES 10: Consumer Analytical Laboratory

This program series 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 10.01: Food and Product Testing

This program provides chemical analysis and microbiological surveillance testing for food, livestock and poultry feed, and fertilizer to assure product safety for human consumption of food products and verify the accuracy of product labeling of feed and fertilizer to protect consumers and agricultural users. Over 23,000 samples are processed each year including meat, poultry and processed foods, dairy products, livestock feed, fertilizer and pesticides. The Analytical Toxicology Laboratory performs equine testing on samples collected by the Ohio Racing Commission at seven pari-mutual commercial race tracks and 94 county and independent fairs. Forensic toxicological analyses are performed to detect the presence of performance enhancing drugs and chemicals in equine and livestock samples. The laboratory is a member of the FDA/USDA Food Emergency Response Network (FERN). Highly pathogenic samples can be processed in a bio-level III laboratory facility certified by the Center for Disease Control (CDC). The laboratory has Select Agent Registration licensing by the CDC for processing dangerous samples. The laboratory is certified by the FDA and U.S. EPA for food and water testing and is moving forward to obtain ISO 17025 standards.

The Executive Recommendation will:

- Support laboratory testing and analysis of food, animal feed, and fertilizer samples; and
- Support testing of equine and livestock samples.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-406	Consumer Analytical Lab	953,906	953,906
SSR	652	700-634	Animal and Consumer Analytical Lab	2,346,282	2,346,282
TOTAL FOR PROGRAM				**3,300,188**	**3,300,188**

PROGRAM SERIES 11: 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 11.01: 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 issues permits and certificates for large livestock facilities and establishes building standards for new facilities. The program's standards benefit both livestock producers as well as the rural and urban neighbors of these facilities.

The Executive Recommendation will:

- Provide monitoring of large livestock operations; and
- Provide funding for the Concentrated Animal Feeding Facility Advisory Committee.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-418	Livestock Regulation Program	1,428,496	1,428,496
SSR	5L8	700-604	Livestock Management Program	30,000	30,000
TOTAL FOR PROGRAM				**1,458,496**	**1,458,496**

PROGRAM SERIES 12: Auctioneers Licensing

This program series ensures that auctioneers are properly trained, progress through an apprenticeship program, and meet testing requirements prior to receiving an auctioneer's license.

Program 12.01: Auctioneer Licensing and Indemnity Fund

This program administers the auctioneer operating fund, the auction education fund, and the auctioneer recovery fund. Auctioneer license fees fund the auctioneer program. The auction education fund sponsors continuing education and professional development programs for auctioneers and the public. Education funding proposals are submitted to the Ohio Auctioneer Commission for review. The auction recovery fund is an indemnity fund created to protect consumers from actual and direct losses suffered by a consumer as a result of a licensed auctioneer violating Ohio auction law.

The Executive Recommendation will:

- Regulate and license 3,300 auctioneers; and
- Investigate consumer complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4D2	700-609	Auction Education	24,601	24,601
SSR	5B8	700-629	Auctioneers	365,390	365,390
TOTAL FOR PROGRAM				**389,991**	**389,991**

PROGRAM SERIES 13: Program Management

This program series includes the director's office, fiscal services, legal services, building and grounds maintenance, and human resources management as well as specialized functions including enforcement of all of the agency's laws and rules as well as a variety of small general agricultural programs.

Program 13.01: Program Management

This program is the backbone of the Department of Agriculture. Run by the director's office, this program provides all other programs and programs series with coordination, policy oversight, communications, legal, financial, technological, and personnel support. Included in this program are the director's office, business management, human resources, enforcement, laboratory and building maintenance, data processing, legal, and general agricultural functions including rural development partnership programs.

The Executive Recommendation will:

- Provide support services and executive management to all Department of Agriculture programs and facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	700-321	Operating Expenses	2,605,330	2,605,330
GSF	5DA	700-644	Laboratory Administration Support	1,100,000	1,100,000
FED	3J4	700-607	Indirect Cost	600,000	600,000
FED	382	700-601	Cooperative Contracts	3,700,000	3,700,000
TOTAL FOR PROGRAM				**8,005,330**	**8,005,330**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 700-636, Ohio Proud Marketing, is merged into 700-404, Ohio Proud, to consolidate program activities.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
GRF	700-404	Ohio Proud	223,695	207,895	-7.1%	207,895	0.0%
4R0	700-636	Ohio Proud Marketing	-	-	-	-	-

LINE ITEM SUMMARY - Agriculture

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	700-321	Operating Expenses	2,744,543	2,605,056	2,612,981	2,605,330	2,605,330	.0	2,605,330	.0
GRF	700-401	Animal Disease Control	3,676,789	3,932,354	3,585,521	3,574,506	3,574,506	.0	3,574,506	.0
GRF	700-402	Amusement Ride Safety	220,178	294,373	0	0	0	.0	0	.0
GRF	700-403	Dairy Division	1,424,209	1,438,502	1,305,561	1,304,504	1,304,504	.0	1,304,504	.0
GRF	700-404	Ohio Proud	183,069	190,891	163,218	185,395	207,895	**	207,895	**
GRF	700-405	Animal Damage Control	42,830	72,826	75,559	60,000	0	(100.0)	0	.0
GRF	700-406	Consumer Analytical Lab	767,207	851,188	817,595	819,907	953,906	16.3	953,906	.0
GRF	700-407	Food Safety	727,923	946,835	938,190	939,099	865,100	(7.9)	865,100	.0
GRF	700-409	Farmland Preservation	266,286	226,578	239,225	241,573	241,573	.0	241,573	.0
GRF	700-410	Plant Industry	1,097,897	1,055,844	298,032	50,000	50,000	.0	50,000	.0
GRF	700-411	Int'l Trade & Market Development	551,735	544,682	610,777	517,524	617,524	19.3	517,524	(16.2)
GRF	700-412	Weights and Measures	859,089	877,076	1,095,707	1,300,000	1,300,000	.0	1,300,000	.0
GRF	700-413	Gypsy Moth Prevention	413,663	609,545	187,324	200,000	200,000	.0	200,000	.0
GRF	700-414	Conc. Animal Feeding Fac. Adv. Comm	1,521	2,199	12,922	0	0	.0	0	.0
GRF	700-415	Poultry Inspection	259,760	249,494	333,878	325,000	325,000	.0	325,000	.0
GRF	700-418	Livestock Regulation Program	1,198,513	1,238,234	1,412,230	1,428,496	1,428,496	.0	1,428,496	.0
GRF	700-422	Emergency Prepare Supply & Equip	0	0	0	644,000	0	(100.0)	0	.0
GRF	700-424	Livestock Testing & Inspections	114,683	116,249	122,008	115,947	115,946	.0	115,946	.0
GRF	700-499	Meat Inspection Prgrm- State Share	4,622,817	4,625,243	4,766,964	4,696,889	4,696,889	.0	4,696,889	.0
GRF	700-501	County Agricultural Societies	380,787	354,374	354,379	358,226	483,226	34.9	483,226	.0
TOTAL General Revenue Fund			**19,553,499**	**20,231,543**	**18,932,071**	**19,366,396**	**18,969,895**	**(2.0)**	**18,869,895**	**(.5)**
5DA	700-644	Laboratory Administration Support	0	0	174,599	1,100,000	1,100,000	.0	1,100,000	.0
TOTAL General Services Fund Group			**0**	**0**	**174,599**	**1,100,000**	**1,100,000**	**.0**	**1,100,000**	**.0**
3AB	700-641	Agricultural Easement	1,927,736	1,413,591	1,511,510	0	2,000,000	.0	2,000,000	.0
3J4	700-607	Indirect Cost	1,220,180	1,755,635	1,632,698	800,000	600,000	(25.0)	600,000	.0
3R2	700-614	Federal Plant Industry	2,324,784	10,649,869	10,705,257	4,800,000	4,800,000	.0	4,800,000	.0
3X6	700-639	Federal Grants	0	3,497	0	0	0	.0	0	.0
3X7	700-640	Specialty Crops Support	479,673	54,421	0	0	0	.0	0	.0
326	700-618	Meat Inspection Prgrm- Fed Share	4,455,061	4,331,940	5,274,142	5,201,291	4,960,000	(4.6)	4,950,000	(.2)
336	700-617	Ohio Farm Loan Revolving Fund	61,560	72,531	69,402	130,979	44,679	(65.9)	44,679	.0
382	700-601	Cooperative Contracts	3,357,722	3,094,654	3,656,486	4,300,000	3,700,000	(14.0)	3,700,000	.0
TOTAL Fed Special Revenue Fund Group			**13,826,716**	**21,376,138**	**22,849,495**	**15,232,270**	**16,104,679**	**5.7**	**16,094,679**	**(.1)**
4C9	700-605	Feed,Fertilizer,Seed,& Lime Insp	887,462	890,942	1,647,465	1,891,395	1,850,000	(2.2)	1,850,000	.0
4D2	700-609	Auction Education	23,484	28,040	20,406	24,601	24,601	.0	24,601	.0
4E4	700-606	Utility Radiological Safety	72,543	69,858	69,191	73,059	73,059	.0	73,059	.0
4P7	700-610	Food Safety Inspection	547,556	795,023	954,728	858,096	858,096	.0	858,096	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Agriculture

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4R0	700-636	Ohio Proud Marketing	21,691	19,007	10,054	38,300	0	**	0	**
4R2	700-637	Dairy Industry Inspection	1,068,104	1,251,299	1,457,579	1,621,460	1,500,000	(7.5)	1,500,000	.0
4T6	700-611	Poultry and Meat Inspection	42,386	13,112	0	137,294	47,294	(65.6)	47,294	.0
4T7	700-613	Int'l Trade & Market Dev.	42,909	18,201	18,470	54,000	15,000	(72.2)	15,000	.0
4V5	700-615	Animal Industry Lab Fees	507,993	653,366	30,499	0	0	.0	0	.0
490	700-623	Agro Ohio Fund	0	1,268	26,352	0	0	.0	0	.0
494	700-612	Agr. Commodity Marketing Program	210,791	220,300	221,434	270,220	250,000	(7.5)	250,000	.0
496	700-626	Ohio Grape Industries	890,672	831,146	1,304,094	1,071,055	850,000	(20.6)	849,999	.0
497	700-627	Commodity Handlers Regulatory Prgrm	476,641	418,131	283,819	529,978	500,000	(5.7)	500,000	.0
498	700-628	Agr. Commodity Indemnification	3,238,153	36,774	0	0	0	.0	0	.0
5B8	700-629	Auctioneers	255,335	275,488	246,354	365,390	365,390	.0	365,390	.0
5H2	700-608	Metrology Lab and Scale Certificatn	90,599	128,355	177,104	362,526	427,526	17.9	427,526	.0
5L8	700-604	Livestock Management Program	0	0	0	30,000	30,000	.0	30,000	.0
5U1	700-624	Auction Recovery Fund	0	847	12,774	0	0	.0	0	.0
5Z4	700-642	Seed Program	0	178,499	0	0	0	.0	0	.0
578	700-620	Ride Inspection Fees	404,665	492,205	805,846	1,115,435	1,000,000	(10.3)	1,000,001	.0
579	700-630	Scale Certification	161,380	169,982	0	0	0	.0	0	.0
588	700-633	Brand Registration	0	0	3,955	0	0	.0	0	.0
652	700-634	Animal and Consumer Analytical Lab	926,850	872,963	2,488,224	3,281,232	3,000,000	(8.6)	3,000,000	.0
669	700-635	Pesticide Program	1,602,115	1,752,629	2,782,427	3,354,448	2,800,000	(16.5)	2,800,000	.0
TOTAL State Special Revenue Fund Group			**11,471,329**	**9,117,435**	**12,560,775**	**15,078,489**	**13,590,966**	**(9.9)**	**13,590,966**	**.0**
057	700-632	Clean Ohio Agricultural Easement	31,698	62,425	56,587	149,000	149,000	.0	149,000	.0
TOTAL Clean Ohio Fund Group			**31,698**	**62,425**	**56,587**	**149,000**	**149,000**	**.0**	**149,000**	**.0**
TOTAL Department of Agriculture			**44,883,242**	**50,787,541**	**54,573,527**	**50,926,155**	**49,914,540**	**(2.0)**	**49,804,540**	**(.2)**

**** Please see the Appropriation Line Item analysis for further detail.**

Role and Overview

The Ohio Air Quality Development Authority 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 ten with an annual budget of approximately $18.7 million. The authority assists businesses in meeting environmental mandates by financing the purchase, construction, or installation of air quality improvement 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 federal Clean Air Act Amendments of 1990. The authority also operates the Ohio Coal Development Office, whose mission is to encourage research, development, and deployment of clean coal technologies. Additional information regarding the Ohio Air Quality Development Authority is available at http://www.ohioairquality.org/.

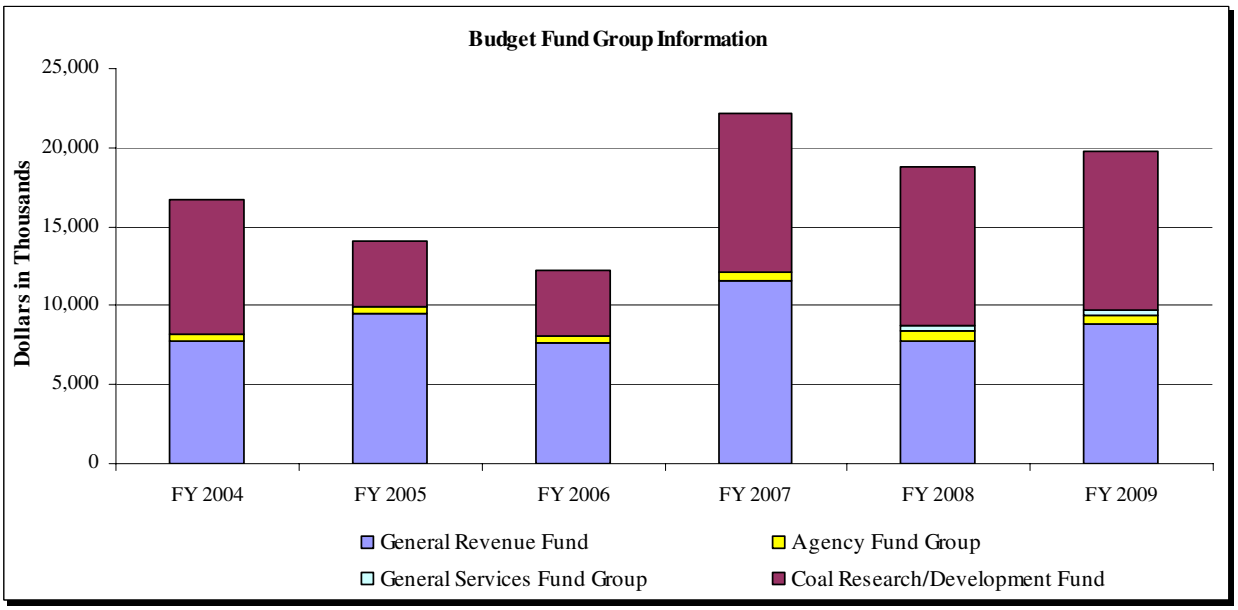
Turnaround Ohio Initiatives

- Support the duties of the Governor's Energy Advisor to create a coordinated and comprehensive state energy strategy.
- Encourage the development and deployment of advanced energy technologies to create jobs and protect the environment.

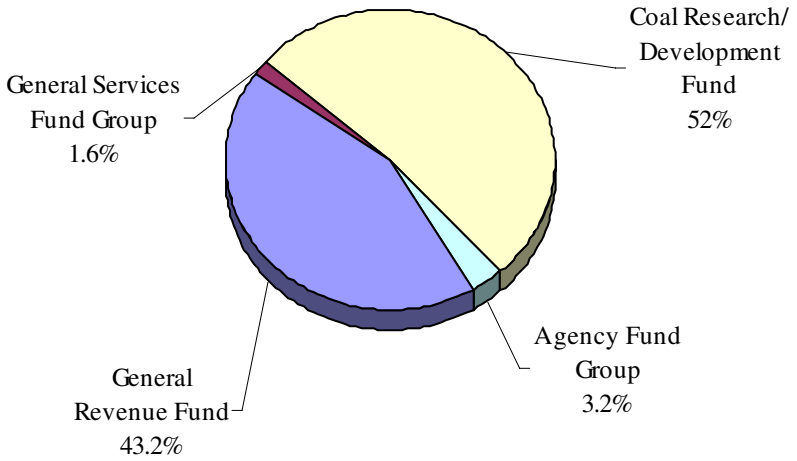
Agency Priorities

- Provide financing assistance for public and private investments in air quality improvements.
- Develop and deploy clean coal technologies.
- Assist small businesses to meet mandates established by air quality regulations.

Summary of Budget History and Recommendations

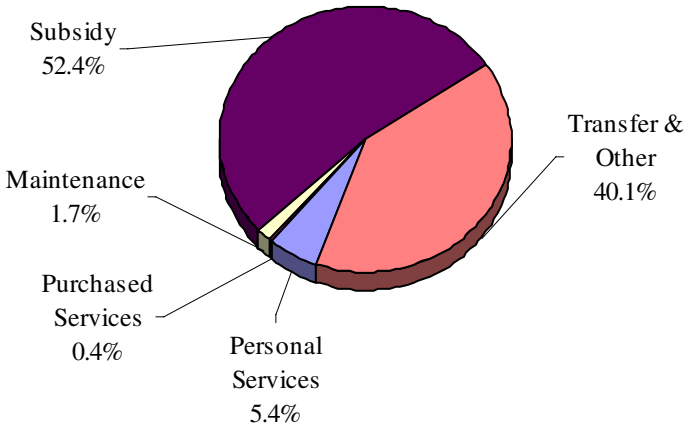


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	7,701	9,517	7,596	11,555	52.1	7,803	(32.5)	8,805	12.8
General Services Fund Group	0	0	0	0	.0	307	.0	307	.0
Coal Research/Development Fund	8,520	4,072	4,182	10,000	139.1	10,000	.0	10,000	.0
Agency Fund Group	445	450	444	599	34.9	613	2.4	629	2.6
TOTAL	**16,666**	**14,040**	**12,222**	**22,154**	**81.3**	**18,723**	**(15.5)**	**19,742**	**5.4**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	670	686	666	742	11.4	1,001	34.9	1,094	9.4
Purchased Services	13	32	73	69	(5.1)	69	.0	69	.0
Maintenance	235	157	252	291	15.7	350	20.3	315	(10.1)
Equipment	4	0	1	0	(100.0)	0	.0	0	.0
Subsidy	8,551	4,120	4,195	12,071	187.8	10,071	(16.6)	10,071	.0
Transfer & Other	7,193	9,046	7,035	8,981	27.6	7,232	(19.5)	8,193	13.3
TOTAL	**16,666**	**14,040**	**12,222**	**22,154**	**81.3**	**18,723**	**(15.5)**	**19,742**	**5.4**

PROGRAM SERIES 01: Air Quality Development Authority

This program series combines financing, technical assistance, and research and development support to encourage investment resulting in better air quality. The effort makes environmental protection and economic development mutually compatible and beneficial.

Program 01.01: Project 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.

The Executive Recommendation will:

- Provide support for the administration and management of $1.7 billion in outstanding debt;
- Educate potential client base about the program;
- Assist in developing eligible projects and coordinating the application process; and
- Oversee issuance of new project revenue bonds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	570	898-601	Operating Expenses	255,000	264,000
TOTAL FOR PROGRAM				**255,000**	**264,000**

Program 01.02: Clean Air Resource Center

This 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 the Small Business Ombudsman for Clean Air.

The Executive Recommendation will:

- Educate small businesses about the requirements of the Clean Air Act;
- Provide technical advice on rules, regulations, and compliance options such as new technologies and pollution prevention;
- Analyze the financing needs of small businesses as they meet regulatory challenges; and
- Provide financing assistance for small business investment necessary to comply with the Clean Air Act, ranging from new management systems to process changes to new or modified equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	4Z9	898-602	Small Business Ombudsman	287,146	294,290
AGY	5A0	898-603	Small Business Assistance	71,087	71,087
TOTAL FOR PROGRAM				**358,233**	**365,377**

Program 01.03: Ohio Coal Development Office (OCDO)

This program encourages research, development, and deployment of clean coal technologies through awarding grants and loans. Since coal is a prominent Ohio energy source, research is geared toward economic development, environmentally sound coal usage, and sustainability of coal use as a clean energy source. OCDO also supports the Ohio Coal Research Consortium, a network of Ohio universities conducting basic research in the clean coal technology arena.

The Executive Recommendation will:

- Award and administer grants to assist the development and deployment of technologies which will make coal an economically and environmentally responsible energy source, especially Ohio coal;
- Provide technical, administrative, and management assistance to grantees;
- Monitor technological advances in the field and strategic policies developed by federal agencies and corporations;
- Work with its Technical Advisory Committee to determine program direction, identify R&D priorities, develop program solicitations, review proposals, and award grants; and
- Support the Ohio Coal Research Consortium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	898-402	Coal Development Office	570,692	612,692
GRF	GRF	898-901	Coal R&D Gen Obligat Debt Srvc	7,232,400	8,192,500
046	046	898-604	Coal Research & Development Fnd	10,000,000	10,000,000
TOTAL FOR PROGRAM				**17,803,092**	**18,805,192**

PROGRAM SERIES 02: Governor's Energy Advisor

This program series implements Executive Order 2007-02S.

Program 02.01: Coordination of State Agency Energy Programs

The program works with delegated personnel from each state agency to identify, categorize, and coordinate all programs that have an impact on state energy policy.

The Executive Recommendation will:

- Identify all programs with an impact on energy issues;
- Coordinate and target implementation of those programs to accomplish established energy policy objectives;
- Work with stakeholders across the state to guarantee that all interests are understood and considered; and
- Develop a comprehensive state energy strategy.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5EG	898-608	Energy Strategy Development	230,250	230,250
TOTAL FOR PROGRAM				**230,250**	**230,250**

Program 02.02: Energy Leadership by Example

The program works with delegated personnel from each state agency to achieve targeted reductions in energy consumption and to develop a parallel program in state institutions of higher education.

The Executive Recommendation will:

- Develop a common measurement tool to ensure that all state agencies compute and track energy consumption in a consistent manner that allows "apple to apples" comparisons;
- Guide agencies in the use of that tool to develop plans to reduce energy consumption by 5 percent in the first year of the biennium and by a total of 15 percent within four state fiscal years;
- Develop and achieve numerical goals for alternative fuel vehicles in the state fleet; and
- Work with colleges and universities to design and implement the Governor's Higher Education Energy Challenge using teams of staff, faculty, students, and administrators to design innovative strategies for campus energy efficiency and conservation.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5EG	898-608	Energy Strategy Development	76,750	76,750
TOTAL FOR PROGRAM				**76,750**	**76,750**

LINE ITEM SUMMARY - Air Quality Development

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	898-401	Future Gen Assistance	0	0	0	2,000,000	0	(100.0)	0	.0
GRF	898-402	Coal Development Office	507,573	470,757	560,032	573,814	570,692	(.5)	612,692	7.4
GRF	898-901	Coal R&D Gen Obligat Debt Srvc	7,192,980	9,046,075	7,035,492	8,980,800	7,232,400	(19.5)	8,192,500	13.3
TOTAL General Revenue Fund			**7,700,553**	**9,516,832**	**7,595,524**	**11,554,614**	**7,803,092**	**(32.5)**	**8,805,192**	**12.8**
5EG	898-608	Energy Strategy Development	0	0	0	0	307,000	.0	307,000	.0
TOTAL General Services Fund Group			**0**	**0**	**0**	**0**	**307,000**	**.0**	**307,000**	**.0**
046	898-604	Coal Research & Development Fnd	8,520,120	4,072,448	4,182,174	10,000,000	10,000,000	.0	10,000,000	.0
TOTAL Coal Research/Development Fund			**8,520,120**	**4,072,448**	**4,182,174**	**10,000,000**	**10,000,000**	**.0**	**10,000,000**	**.0**
4Z9	898-602	Small Business Ombudsman	194,006	188,144	200,216	264,196	287,146	8.7	294,290	2.5
5A0	898-603	Small Business Assistance	28,495	47,459	12,568	71,087	71,087	.0	71,087	.0
570	898-601	Operating Expenses	222,816	214,851	231,145	263,693	255,000	(3.3)	264,000	3.5
TOTAL Agency Fund Group			**445,317**	**450,454**	**443,929**	**598,976**	**613,233**	**2.4**	**629,377**	**2.6**
TOTAL Air Quality Development			**16,665,990**	**14,039,734**	**12,221,627**	**22,153,590**	**18,723,325**	**(15.5)**	**19,741,569**	**5.4**

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 full continuum of care for Ohio citizens.

The director of ODADAS, who is appointed by the Governor, is supported by 110 staff members and manages an annual budget of approximately $188 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 over 1,000 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. The department distributes nearly half of its subsidy funds to county boards for local service priorities and the remainder for specific alcohol and other drug programs across the state. The department also certifies all alcohol and other drug addiction treatment programs and driver intervention programs. In addition, ODADAS operates a therapeutic community treatment program at the Pickaway Correctional Institution

Additional information regarding the Department of Alcohol and Drug Addiction Services is available at http://www.odadas.state.oh.us.

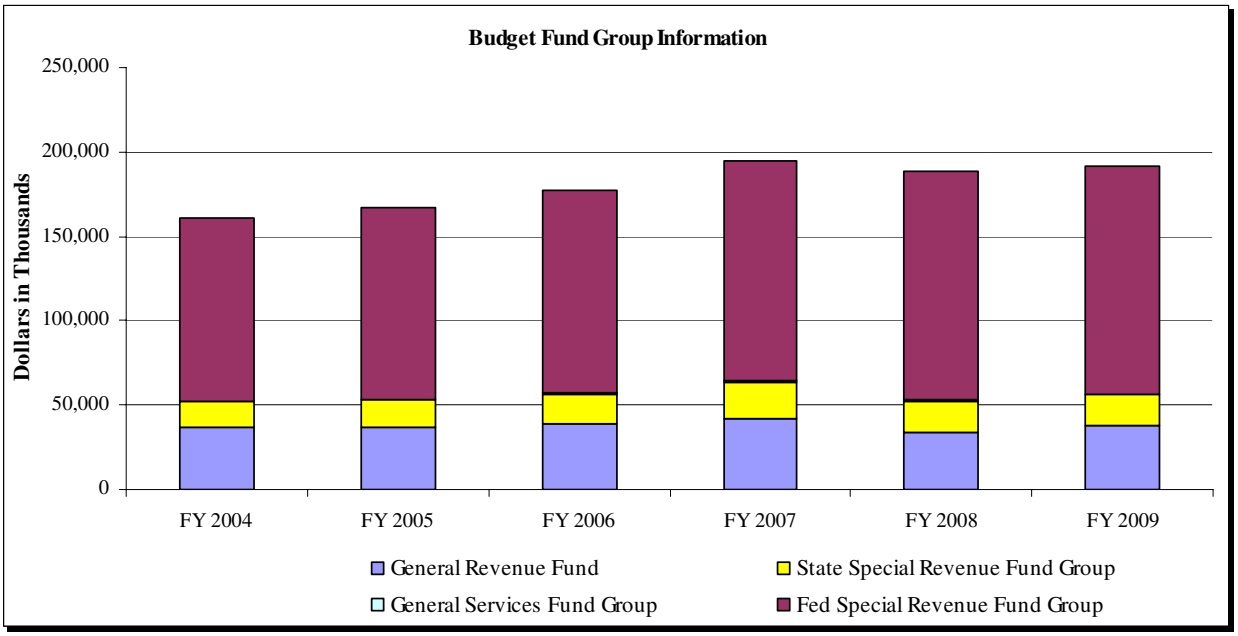
Turnaround Ohio Initiatives

- Continue to establish collaborative partnerships to integrate various efforts at the state, county, and community levels to provide the most effective, efficient, and sustainable way to provide alcohol and other drug addiction services.
- Provide quality professional development opportunities for Ohio's alcohol and other drug addiction prevention, treatment, and recovery support services personnel to ensure a qualified, professional workforce into the future.
- Enhance web-based data collection and reporting applications to reduce administrative costs and provide “real time” availability of data through e-business applications.

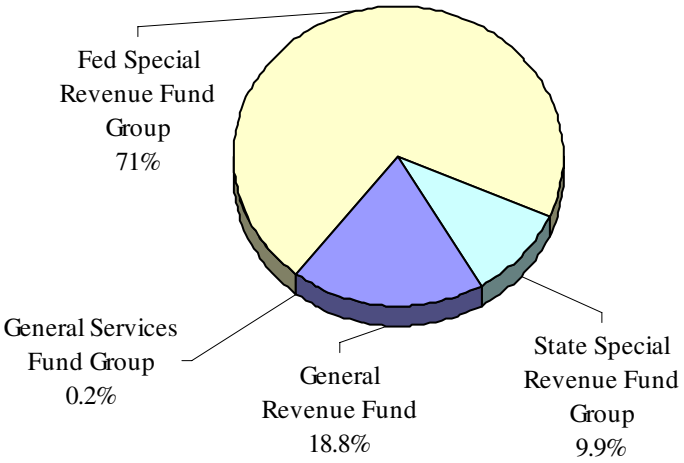
Agency Priorities

- Provide a full continuum of health care opportunities for Ohioans suffering from alcohol and other drug abuse or addiction.
- Reduce stigma of addiction and recognize it as a legitimate health care issue with an appropriate and necessary continuum of care.
- Provide statewide leadership for alcohol and other drug addiction prevention, treatment, and recovery support services.
- Make available alcohol and other drug addiction prevention, treatment recovery support services for the health, safety, and productivity of all Ohioans.
- Ensure that prevention, treatment, and recovery support services are accessible and affordable, individual and community-centered, culturally, linguistically, and gender appropriate, and responsive to individual and family needs and differences.
- Demonstrate improved quality, capacity, and effectiveness outcomes for alcohol and other drug prevention, treatment, and recovery support services through better use of data, evidence-based practices, and application of continuous quality improvement practices.

Summary of Budget History and Recommendations

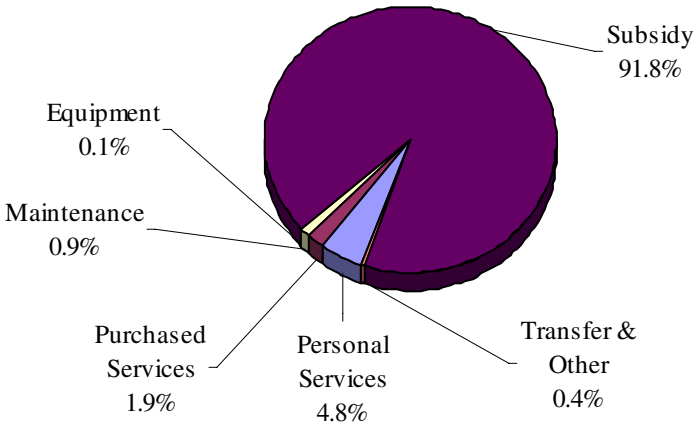


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	37,214	36,797	38,620	41,675	7.9	33,785	(18.9)	37,590	11.3
General Services Fund Group	317	281	830	1,485	79.0	285	(80.8)	285	.0
Fed Special Revenue Fund Group	108,543	113,658	119,559	130,093	8.8	135,093	3.8	135,093	.0
State Special Revenue Fund Group	15,133	16,704	17,978	21,383	18.9	18,883	(11.7)	18,883	.0
TOTAL	**161,206**	**167,439**	**176,987**	**194,635**	**10.0**	**188,046**	**(3.4)**	**191,851**	**2.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	7,334	7,590	7,152	7,789	8.9	8,899	14.3	9,469	6.4
Purchased Services	1,249	1,486	1,046	3,250	210.6	3,742	15.1	3,538	(5.5)
Maintenance	1,462	1,610	1,610	2,005	24.5	1,987	(.9)	1,604	(19.3)
Equipment	159	189	229	195	(14.8)	185	(5.2)	203	9.8
Subsidy	149,637	155,039	165,238	179,674	8.7	172,426	(4.0)	176,231	2.2
Transfer & Other	1,365	1,526	1,712	1,722	.6	806	(53.2)	806	.0
TOTAL	**161,206**	**167,439**	**176,987**	**194,635**	**10.0**	**188,046**	**(3.4)**	**191,851**	**2.0**

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 and provides resources and consultation to ADAMHS/ADAS boards and community agencies. 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 proven prevention strategies that 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 impact environmental risk factors related to alcohol, tobacco, and other drugs in Ohio communities.

Program 01.01: Local ADAMHS/ADAS Boards - Prevention

Prevention funds are allocated for this program based on a per capita/needs basis to local ADAMHS/ADAS boards to provide funding to area agencies for the development of prevention programs in their communities. This program also houses the State Incentive Project that focuses on enhancing the statewide prevention plan and implements evidence based prevention programs.

The Executive Recommendation will:

- Fund programming to prevent alcohol, tobacco, and other drug use;
- Provide $500,000 in fiscal year 2009 to replace funding traditionally appropriated in the Tobacco Budget bill to help parolees transition from the criminal justice system to the community through the Circle of Recovery program;
- Use federal Temporary Assistance for Needy Families (TANF) funding for prevention services for eligible children and families; and
- Fund prevention activities to raise public awareness of the harmful effects of alcohol, tobacco, and other drug use.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	038-404	Prevention Services	88,017	588,017
FED	3CK	038-625	TANF	775,000	775,000
FED	3G4	038-614	Substance Abuse Block Grant	12,160,833	12,160,833
FED	3H8	038-609	Demonstration Grants	2,475,000	2,475,000
TOTAL FOR PROGRAM				**15,498,850**	**15,998,850**

Program 01.02: Statewide Prevention Services

This program supports two 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 Executive Recommendation will:

- Fund the Ohio Resources Network and Safe Drug-Free Schools and Communities; and
- Fund the Urban Minority Alcoholism and Drug Abuse Outreach programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3G4	038-614	Substance Abuse Block Grant	3,309,334	3,309,334
TOTAL FOR PROGRAM				**3,309,334**	**3,309,334**

Program 01.03: School and Community Services

This program area 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 to 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."

The Executive Recommendation will:

- Fund the Prevention at Work Program;
- Fund Safe and Drug-Free Schools and Community Programs;
- Fund Drug Free Community Coalitions;
- Fund community prevention programs;
- Fund higher education high-risk drinking initiatives; and
- Fund underage drinking prevention programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	038-404	Prevention Services	159,110	159,110
FED	3G3	038-603	Drug Free Schools	2,419,554	2,419,554
FED	3G4	038-614	Substance Abuse Block Grant	2,825,120	2,825,120
FED	3H8	038-609	Demonstration Grants	343,400	343,400
SSR	475	038-621	Statewide Treatment and Prevention	140,343	140,343
TOTAL FOR PROGRAM				**5,887,527**	**5,887,527**

Program 01.04: Youth and Family Services

This program area supports prevention efforts aimed at youth and families. The Youth-Led Prevention 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 Engagement Program provides parents with information to help parents talk to their children about alcohol, tobacco, and other drug use.

The Executive Recommendation will:

- Fund the Youth-Led Prevention Program; and
- Fund the Parent Engagement Program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	038-404	Prevention Services	805,000	805,000
FED	3G4	038-614	Substance Abuse Block Grant	1,455,163	1,455,163
SSR	475	038-621	Statewide Treatment and Prevention	250,444	250,444
TOTAL FOR PROGRAM				**2,510,607**	**2,510,607**

PROGRAM SERIES 02: Treatment and Recovery Services

Under this program series, 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.

Program 02.01: Local ADAMHS/ADAS Boards - Treatment

This program supports treatment programs for those abusing alcohol and/or other drugs by distributing subsidy funds to ADAMHS/ADAS boards to 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.

The Executive Recommendation will:

- Fund allocations to 50 ADAMHS/ADAS boards across the state to purchase treatment services from local providers;
- Provide $3 million in fiscal year 2009 to replace funding traditionally appropriated through the Tobacco Budget Bill for the juvenile aftercare program which provides community-based alcohol and other drug treatment to parolees from the Department of Youth Services;
- Use federal Temporary Assistance for Needy Families (TANF) funding for treatment services for eligible children and families; and
- Match federal Medicaid funding for prevention and treatment services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	038-401	Treatment Services	17,776,133	20,776,133
FED	3CK	038-625	TANF	4,225,000	4,225,000
FED	3G4	038-614	Substance Abuse Block Grant	31,491,231	31,491,231
SSR	475	038-621	Statewide Treatment and Prevention	7,184,287	7,184,287
TOTAL FOR PROGRAM				**60,676,651**	**63,676,651**

Program 02.02: Women's Services Special Grants

This program funds a statewide network of 90 gender and culturally specific outpatient and residential treatment programs for alcohol and other drug addicted pregnant women, women with dependent children, and female adolescents. Treatment services supported with these funds include detoxification, outpatient, and residential treatment, along with a comprehensive array of support services including housing, childcare, transportation, and case management.

The Executive Recommendation will:

- Fund 90 programs targeted towards women in the areas of alcohol and drug addiction outpatient and residential treatment programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3G4	038-614	Substance Abuse Block Grant	13,661,220	13,661,220
SSR	475	038-621	Statewide Treatment and Prevention	2,299,676	2,299,676
TOTAL FOR PROGRAM				**15,960,896**	**15,960,896**

Program 02.03: Family and Adolescent Treatment

This program area supports a statewide network for alcohol and other drug abusing youth that provides a comprehensive continuum of care including intervention, outpatient, residential treatment, and aftercare services. 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.

The Executive Recommendation will:

- Fund timely access and quality treatment services for adolescents and their families; and
- Fund priority services for families involved in the child welfare system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	038-401	Treatment Services	8,200,000	8,200,000
FED	3G4	038-614	Substance Abuse Block Grant	259,245	259,245
SSR	475	038-621	Statewide Treatment and Prevention	598,664	598,664
TOTAL FOR PROGRAM				**9,057,909**	**9,057,909**

Program 02.04: Criminal Justice Services

This program series supports 23 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, to share information and transform substance-abusing offenders into drug-free and crime-free citizens.

The Executive Recommendation will:

- Fund 23 drug courts serving 2,800 offenders;
- Fund 18 Treatment Alternatives to Street Crime programs serving 10,500 people;
- Fund six Therapeutic Communities serving 1,200 people; and
- Fund the Second Chance Program serving 250 people.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	038-401	Treatment Services	3,869,958	3,869,958
FED	3G4	038-614	Substance Abuse Block Grant	3,730,001	3,730,001
FED	3H8	038-609	Demonstration Grants	2,084,816	2,084,816
SSR	475	038-621	Statewide Treatment and Prevention	1,171,589	1,171,589
TOTAL FOR PROGRAM				**10,856,364**	**10,856,364**

Program 02.05: Medicaid

This 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.

The Executive Recommendation will:

- Provide Medicaid eligible services to over 34,000 Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	038-401	Treatment Services	87,154	87,154
FED	3J8	038-610	Medicaid	46,000,000	46,000,000
SSR	475	038-621	Statewide Treatment and Prevention	533,634	533,634
TOTAL FOR PROGRAM				**46,620,788**	**46,620,788**

Program 02.06: Special Populations

This 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.

The Executive Recommendation will:

- 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; and
- Fund treatment services 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 2008	RECOMMENDED FY 2009
GRF	GRF	038-401	Treatment Services	1,373,018	1,373,018
FED	3G4	038-614	Substance Abuse Block Grant	523,528	523,528
SSR	475	038-621	Statewide Treatment and Prevention	475,790	475,790
SSR	5BR	038-406	Tobacco Use Prev. & Control Program	186,800	186,800
TOTAL FOR PROGRAM				**2,559,136**	**2,559,136**

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.

The Executive Recommendation will:

- Fund five 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 2008	RECOMMENDED FY 2009
GSF	5T9	038-616	Problem Gambling Services	275,000	275,000
TOTAL FOR PROGRAM				**275,000**	**275,000**

PROGRAM SERIES 03: Planning, Outcomes, and Research

This program series is responsible for coordinating and managing the Synar, or Tobacco Law Compliance Program, as required by federal law. 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

The purpose of this program is to decrease youth access to tobacco. As a requirement of the federal Substance Abuse Prevention and Treatment Block Grant 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. Compliance with this requirement is determined through unannounced inspections of retailers that sell tobacco products.

The Executive Recommendation will:

- Provide funding for over 500 tobacco compliance checks to comply with the federal requirement to decrease youth access to tobacco products, a requirement of the SAPT Block Grant with monetary penalties for non-compliance; and
- Fund the Tobacco Law Compliance Program that conducts unannounced compliance checks of tobacco retailers to prevent illegal sales to minors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3G4	038-614	Substance Abuse Block Grant	215,000	215,000
SSR	475	038-621	Statewide Treatment and Prevention	85,000	85,000
TOTAL FOR PROGRAM				**300,000**	**300,000**

PROGRAM SERIES 04: Quality Improvement

This program series sets the standards for alcohol and drug treatment, methadone, and driver intervention programs for prevention and treatment providers and conducts on-site reviews to assess compliance with the certification and licensure requirements.

Program 04.01: Certification

This program area 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 investigating complaints received from clients, staff, and providers and providing technical assistance and training as part of the certification and licensure site visit.

The Executive Recommendation will:

- Fund the certification and licensure of approximately 590 alcohol and drug treatment, methadone, and driver intervention programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3G4	038-614	Substance Abuse Block Grant	734,304	784,596
SSR	475	038-621	Statewide Treatment and Prevention	73,000	74,000
TOTAL FOR PROGRAM				**807,304**	**858,596**

PROGRAM SERIES 05: Program Management

This program series is responsible for funding the administrative functions of the department.

Program 05.01: Program Management

This program management area 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 Director's Office, and the Divisions of Legal Services, Management Information Services, Fiscal Services, Human Resources, Prevention Services, Treatment and Recovery Services, and Planning, Outcomes, and Research.

The Executive Recommendation will:

- Fund the core administrative functions needed to support the department's mission and statutory responsibilities; and
- Provide $305,000 in fiscal year 2009 to be used to address system reform initiatives identified in an approved department plan following a performance review by the Office of Budget and Management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	038-321	Operating Expenses	1,071,861	1,071,861
GRF	GRF	038-401	Treatment Services	354,800	354,800
GRF	GRF	038-501	System Reform	0	305,000
GSF	5T9	038-616	Problem Gambling Services	10,000	10,000
FED	3G3	038-603	Drug Free Schools	1,080,446	1,080,446
FED	3G4	038-614	Substance Abuse Block Grant	2,635,021	2,584,729
FED	3H8	038-609	Demonstration Grants	2,189,859	2,189,859
FED	3N8	038-611	Administrative Reimbursement	500,000	500,000
SSR	475	038-621	Statewide Treatment and Prevention	5,187,573	5,186,573
SSR	5BR	038-406	Tobacco Use Prev. & Control Program	18,200	18,200
SSR	5DH	038-620	Fetal Alcohol Spectrum Disorder	327,500	327,500
SSR	689	038-604	Education and Conferences	350,000	350,000
TOTAL FOR PROGRAM				**13,725,260**	**13,978,968**

LINE ITEM SUMMARY - Alcohol and Drug Addiction Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	038-321	Operating Expenses	1,152,281	1,120,257	1,120,285	1,128,275	1,071,861	(5.0)	1,071,861	.0
GRF	038-401	Treatment Services	35,066,985	34,675,796	36,528,423	39,494,113	31,661,063	(19.8)	34,661,063	9.5
GRF	038-404	Prevention Services	994,857	1,000,731	971,731	1,052,127	1,052,127	.0	1,552,127	47.5
GRF	038-501	System Reform	0	0	0	0	0	.0	305,000	.0
TOTAL General Revenue Fund			**37,214,123**	**36,796,784**	**38,620,439**	**41,674,515**	**33,785,051**	**(18.9)**	**37,590,051**	**11.3**
5B7	038-629	TANF Transfer-Treatment	1,370	0	0	0	0	.0	0	.0
5DG	038-622	Recovery Assistance	0	0	548,910	1,200,000	0	(100.0)	0	.0
5E8	038-630	TANF Transfer-Mentoring	58,502	0	0	0	0	.0	0	.0
5T9	038-616	Problem Gambling Services	256,818	280,636	280,602	285,000	285,000	.0	285,000	.0
TOTAL General Services Fund Group			**316,690**	**280,636**	**829,512**	**1,485,000**	**285,000**	**(80.8)**	**285,000**	**.0**
3CK	038-625	TANF	0	0	0	0	5,000,000	.0	5,000,000	.0
3G3	038-603	Drug Free Schools	3,200,471	2,974,453	3,316,023	3,500,000	3,500,000	.0	3,500,000	.0
3G4	038-614	Substance Abuse Block Grant	71,190,422	69,779,896	72,708,900	73,000,000	73,000,000	.0	73,000,000	.0
3H8	038-609	Demonstration Grants	4,112,095	4,607,470	4,607,830	7,093,075	7,093,075	.0	7,093,075	.0
3J8	038-610	Medicaid	29,591,090	35,784,069	38,452,959	46,000,000	46,000,000	.0	46,000,000	.0
3N8	038-611	Administrative Reimbursement	448,674	512,075	473,351	500,000	500,000	.0	500,000	.0
TOTAL Fed Special Revenue Fund Group			**108,542,752**	**113,657,963**	**119,559,063**	**130,093,075**	**135,093,075**	**3.8**	**135,093,075**	**.0**
475	038-621	Statewide Treatment and Prevention	14,552,980	16,534,289	17,588,428	18,000,001	18,000,000	.0	18,000,000	.0
5BR	038-406	Tobacco Use Prev. & Control Program	0	0	285,600	205,000	205,000	.0	205,000	.0
5DH	038-620	Fetal Alcohol Spectrum Disorder	0	0	0	327,500	327,500	.0	327,500	.0
5DV	038-624	Crim. Justice Prevent/Trtmt Collab	0	0	0	2,500,000	0	(100.0)	0	.0
5P1	038-615	Credentialing	362,426	9,265	0	0	0	.0	0	.0
689	038-604	Education and Conferences	217,188	160,362	103,610	350,000	350,000	.0	350,000	.0
TOTAL State Special Revenue Fund Group			**15,132,594**	**16,703,916**	**17,977,638**	**21,382,501**	**18,882,500**	**(11.7)**	**18,882,500**	**.0**
TOTAL Dept of Alcohol & Drug Add Svc			**161,206,159**	**167,439,299**	**176,986,652**	**194,635,091**	**188,045,626**	**(3.4)**	**191,850,626**	**2.0**

Board of Examiners of Architects and Landscape Architects

Role and Overview

The Ohio State Boards of Examiners of Architects and Landscape Architects (ARC) are two boards operating together with a combined budget and a staff of four. ARC is responsible for examining and licensing architects and landscape architects and for regulating the practice in Ohio. Approximately 9,000 licensed professionals and firms are served by ARC.

Additional information about the Architect Board is available at: http://www.arc.ohio.gov/

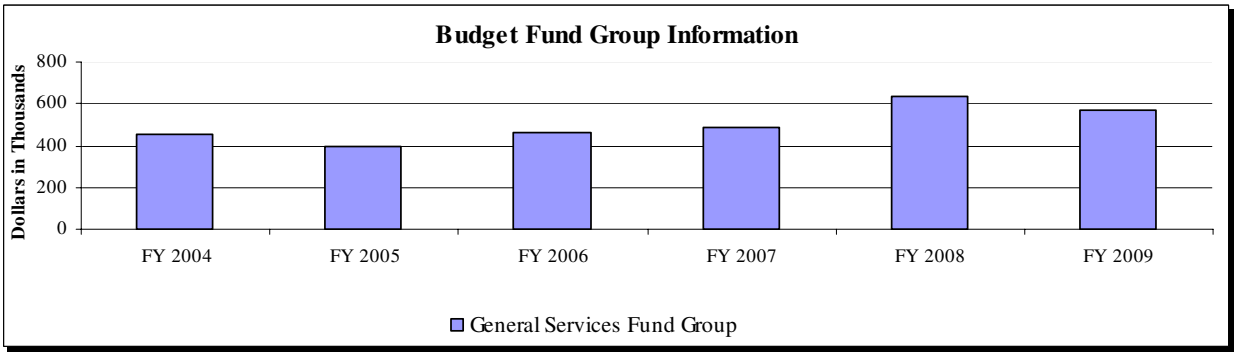
Turnaround Ohio Initiatives

- Connect the profession with Ohio's four schools of architecture and landscape architecture through improved relationships and communication.
- Operate the boards with a high level of transparency, responsiveness, and accountability to Ohio citizens.

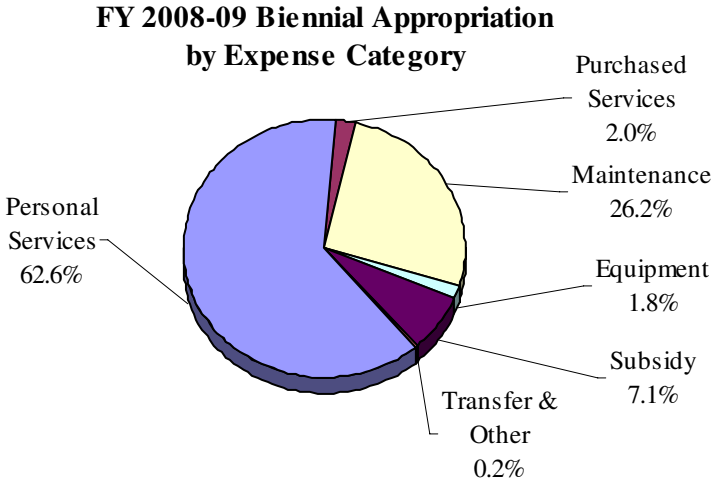
Agency Priorities

- Create an education assistance program to provide financial assistance to students enrolled in professional degree programs to enroll in the intern development program.
- Digitize board licensing files in order to ensure their security and continuity of agency functions.
- Work with collateral organizations to encourage graduates of Ohio's professional degree programs to remain in Ohio after graduation.
- Ensure statutes and rules are current and responsive to the ever-changing needs of the profession.
- Work to minimize barriers to reciprocal licensure and make it easier to do business in the State of Ohio.
- Enhance the boards' websites to facilitate ease of access by the public and licensees.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	450	399	458	489	6.8	638	30.4	565	(11.4)
TOTAL	**450**	**399**	**458**	**489**	**6.8**	**638**	**30.4**	**565**	**(11.4)**



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	296	286	309	347	12.3	363	4.7	390	7.3
Purchased Services	8	4	4	3	(17.5)	13	349.0	11	(18.3)
Maintenance	134	108	137	136	(1.1)	198	45.5	117	(40.7)
Equipment	11	1	7	2	(70.7)	14	585.0	8	(38.7)
Subsidy	0	0	0	0	.0	48	.0	38	(22.5)
Transfer & Other	1	0	1	2	1.7	2	.0	1	(33.3)
TOTAL	**450**	**399**	**458**	**489**	**6.8**	**638**	**30.4**	**565**	**(11.4)**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the architect and landscape architect professions.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Boards of Examiners of Architects and Landscape Architects.

The Executive Recommendation will:

- Support the operations of the boards and staff;
- Provide resources for seminars and school visits to reach over 1,000 students each year;
- Initiate the electronic scanning and filing of all records; and
- Allow ARC to provide enrollment fees for students in the Intern Development Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GSF	4K9	891-609	Operating Expenses	638,110	565,141
TOTAL FOR PROGRAM				**638,110**	**565,141**

LINE ITEM SUMMARY - Architects

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	891-609	Operating Expenses	450,337	399,377	458,119	489,197	638,110	30.4	565,141	(11.4)
TOTAL General Services Fund Group			**450,337**	**399,377**	**458,119**	**489,197**	**638,110**	**30.4**	**565,141**	**(11.4)**
TOTAL BD OF EXAMINERS OF ARCHITECTS			**450,337**	**399,377**	**458,119**	**489,197**	**638,110**	**30.4**	**565,141**	**(11.4)**

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. OAC also manages the Riffe Gallery featuring exhibitions 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 31 employees report to the executive director. The council's budget is approximately $12.7 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 $9.4 million is projected to be spent on grants, representing 74.0 percent of the OAC budget.

Additional information regarding the Ohio Arts Council can be found at http://www.oac.state.oh.us/.

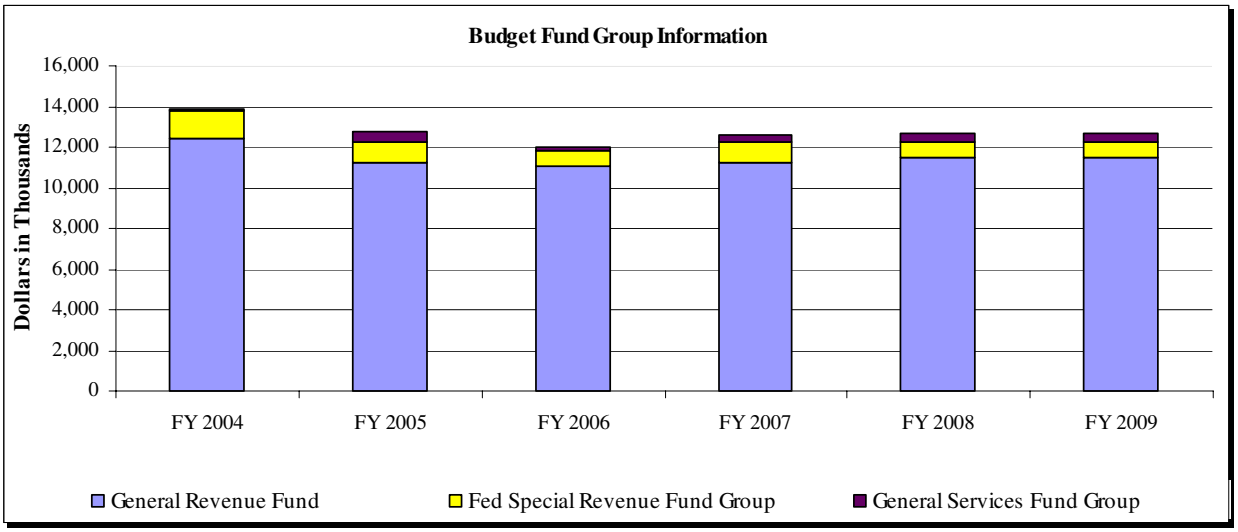
Turnaround Ohio Initiatives

- Promote economic development through grant and other arts programs that support Ohio's artists and arts organizations.
- Encourage the educational success of Ohio's children through increased access to the arts and through the Ohio Arts Council's education-related arts programs.

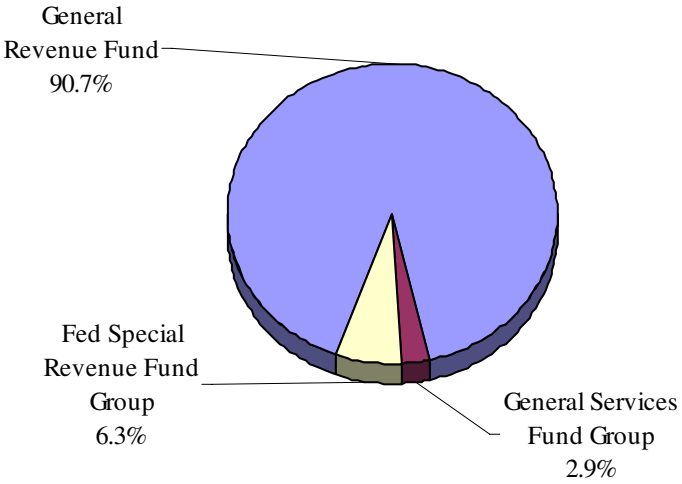
Agency Priorities

- Operate the Ohio Arts Council with a high level of integrity, customer service, efficiency, and transparency.
- Provide financial support for the arts through grant programs.
- Cultivate learning and artistic development through arts services.
- Continue to emphasize accountability, evaluation, and assessment through all grant programs, services, and professional development resources.
- Manage and maintain the Riffe Gallery.
- Administer the Percent for Arts program for state-funded capital projects.
- Strengthen existing partnerships with the Ohio Department of Education, the Ohio Department of Development's Division of Travel and Tourism, and the travel industry of Ohio through an agenda focused on the creative economy and education.

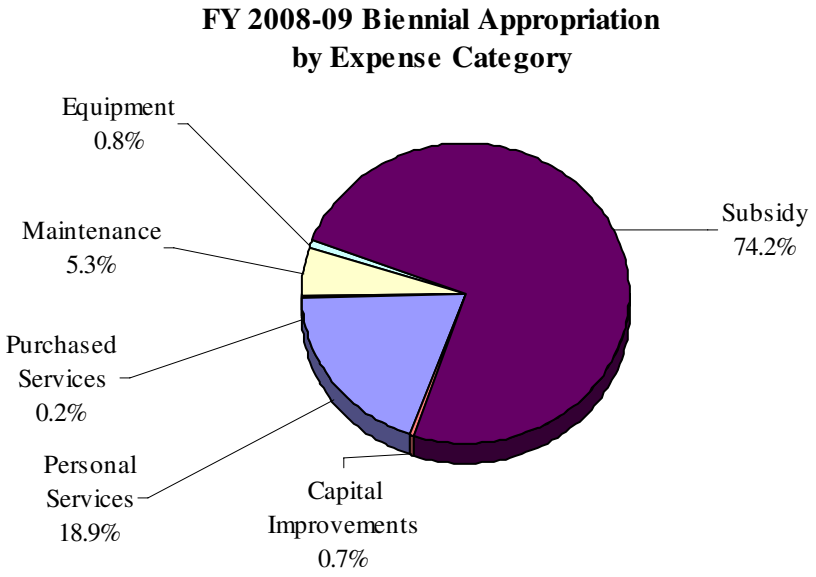
Summary of Budget History and Recommendations



FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	12,403	11,274	11,095	11,238	1.3	11,488	2.2	11,488	.0
General Services Fund Group	123	498	144	386	167.9	371	(3.9)	371	.0
Fed Special Revenue Fund Group	1,346	962	773	1,000	29.4	800	(20.0)	800	.0
TOTAL	**13,873**	**12,735**	**12,012**	**12,625**	**5.1**	**12,660**	**.3**	**12,660**	**.0**



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	2,665	2,507	2,396	2,393	(.1)	2,389	(.2)	2,389	.0
Purchased Services	43	44	35	30	(13.9)	29	(4.4)	29	.0
Maintenance	530	539	544	586	7.8	669	14.1	669	.0
Equipment	228	2	15	80	447.5	98	22.6	98	.0
Subsidy	10,353	9,573	9,008	9,495	5.4	9,388	(1.1)	9,388	.0
Capital Improvements	55	69	15	40	163.0	86	115.9	86	.0
TOTAL	**13,873**	**12,735**	**12,012**	**12,625**	**5.1**	**12,660**	**.3**	**12,660**	**.0**

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 grants. Grant money strengthens Ohio communities culturally, educationally, and economically by directly funding artists, arts organizations, schools, and other entities involved in cultural programming to keep creative enterprises flourishing and by making the arts readily available to communities throughout Ohio. Funding categories include Arts Learning, Individual Creativity, Arts Access, Arts Innovation, Capacity Building, Sustainability, and International Partnership. Grants are distributed to both organizations and individuals through an application and open panel review process.

The Executive Recommendation will:

- Provide approximately 660 grants per fiscal year to a diverse range of individuals and organizations, including community festivals, local arts centers and agencies, symphonic and jazz orchestras, music ensembles, dance companies, museums, literary organizations, small presses, primary and secondary schools, youth-based community organizations, public arts programs at colleges and universities, and vocal and theatre groups;
- Support approximately 17 million arts experiences for citizens in each fiscal year;
- Support the artistic development of young people and their teachers; and
- Strengthen Ohio's cultural and artistic resources.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	370-502	State Program Subsidies	9,147,480	9,147,480
TOTAL FOR PROGRAM				**9,147,480**	**9,147,480**

Program 01.02: Arts Services

This program offers services and programs that are designed to strengthen the organizations which receive funding. Such programs and services include support for the Ohio Online Visual Artist Registry; ArtsinOhio.com, a free, statewide online calendar of events; Ohio Arts Festivals and Competitions Directory; arts policy research; the Ohio River Border Initiative (ORBI), a partnership with West Virginia to support Appalachian arts and crafts; and international cultural and educational exchanges for the state's artists, arts education, and arts administration professionals. This program also supports the administrative expenses of the Ohio Arts Council, including wages, rent, printing, and technology upkeep.

The Executive Recommendation will:

- Fund wages and benefits for 31 employees, including all arts programming and administrative staff;
- Support building rental, communication, information technology, and operating costs; and
- Maintain support for arts education in schools and communities, and strengthen services, including policy research, online artist registry and directories, and regional cooperative efforts to promote, support, and strengthen Ohio's arts and culture.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	370-100	Personal Services	1,626,062	1,626,062
GRF	GRF	370-200	Maintenance	399,746	399,746
GRF	GRF	370-300	Equipment	80,700	80,700
GSF	460	370-602	Mgmt Expenses and Donations	285,000	285,000
FED	314	370-601	Federal Support	800,000	800,000
TOTAL FOR PROGRAM				**3,191,508**	**3,191,508**

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. Approximately 11,000 people visit the Riffe Gallery each year.

The Executive Recommendation will:

- Provide four to six exhibitions per year of varying themes with related educational programming for the general public, with particular attention paid to school children and families;
- Support contracted services for exhibition staff, curators, and gallery sitters;

- Fund routine maintenance between exhibitions and the promotion of each exhibition and its community programming for citizens of all ages; and
- Promote Ohio's artistic resources through the development of an online registry of exhibitions with images, interviews, and artist statements to benefit young people, educators, and the general public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	370-100	Personal Services	172,173	172,173
GRF	GRF	370-200	Maintenance	60,000	60,000
GRF	GRF	370-300	Equipment	2,000	2,000
TOTAL FOR PROGRAM				**234,173**	**234,173**

PROGRAM SERIES 02: Percent for Arts

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 Arts

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 state capital appropriations of more than $4 million. These administrative costs, and the cost of the artwork, are funded directly through the agency/university capital budget in that one percent of the appropriation for projects is to be used for this purpose.

The Executive Recommendation will:

- Support administrative costs associated with the acquisition, commissioning, and installation of artwork in public buildings;
- Administer the Percent for Arts Program for agencies or universities with eligible capital projects; and
- Serve the general public and state and university workers in providing visual artwork for their enjoyment and education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	370-100	Personal Services	1,896,848	1,892,879	1,798,235	1,798,235	1,798,235	.0	1,798,235	.0
GRF	370-200	Maintenance	489,060	483,943	459,745	459,746	459,746	.0	459,746	.0
GRF	370-300	Equipment	227,788	0	4,700	4,700	82,700	1659.6	82,700	.0
GRF	370-502	State Program Subsidies	9,789,435	8,897,651	8,832,125	8,975,480	9,147,480	1.9	9,147,480	.0
TOTAL General Revenue Fund			**12,403,131**	**11,274,473**	**11,094,805**	**11,238,161**	**11,488,161**	**2.2**	**11,488,161**	**.0**
4B7	370-603	Percent For Art Acquisitions	54,800	68,826	45,938	86,366	86,366	.0	86,366	.0
460	370-602	Mgmt Expenses and Donations	68,697	429,325	98,284	300,000	285,000	(5.0)	285,000	.0
TOTAL General Services Fund Group			**123,497**	**498,151**	**144,222**	**386,366**	**371,366**	**(3.9)**	**371,366**	**.0**
314	370-601	Federal Support	1,346,153	961,965	773,094	1,000,000	800,000	(20.0)	800,000	.0
TOTAL Fed Special Revenue Fund Group			**1,346,153**	**961,965**	**773,094**	**1,000,000**	**800,000**	**(20.0)**	**800,000**	**.0**
TOTAL Arts Council			**13,872,781**	**12,734,589**	**12,012,121**	**12,624,527**	**12,659,527**	**.3**	**12,659,527**	**.0**

Role and Overview

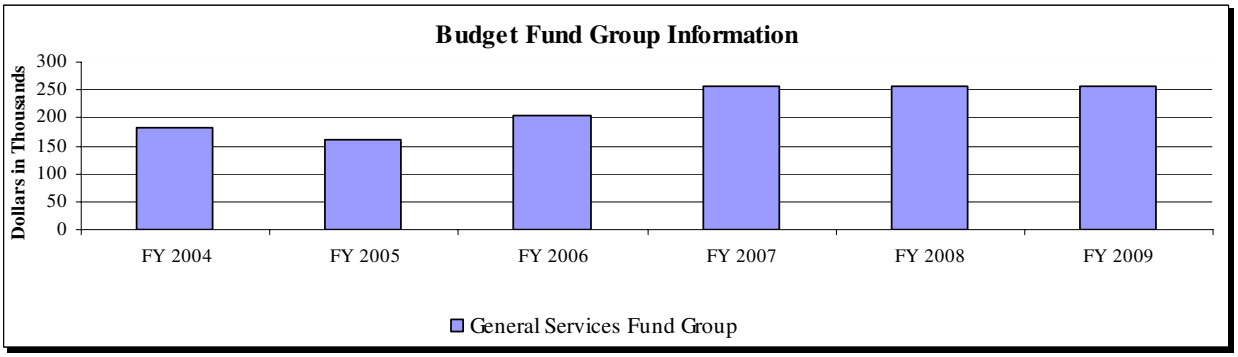
The Athletic Commission (ACO) was established to regulate boxing, mixed martial arts, wrestling, kickboxing, karate, tough person contests, and athlete agents. The board monitors licensees to ensure compliance with the laws and rules of the state. The board's annual budget of approximately $256,000 supports two full-time employees in addition to five commissioners. ACO has approximately 1,550 licensees.

More information about the Athletic Commission is available at http://aco.ohio.gov/.

Agency Priorities

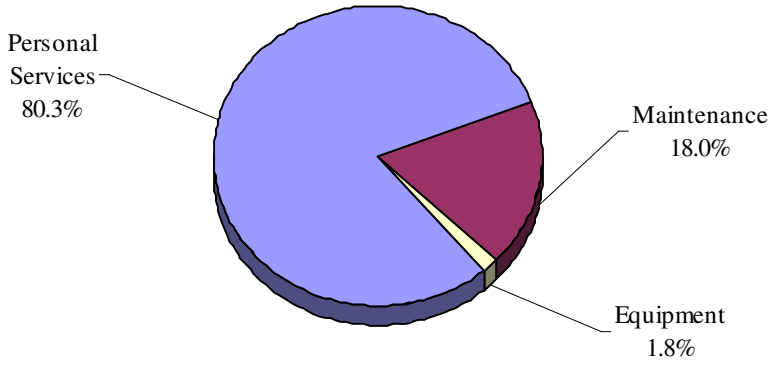
- Place all license forms on-line for all categories of licensing and bonding.
- Continually revise existing and introduce new safety measures and regulations for contestants participating in these sports.
- Set high standards for those competing in tough man and tough person contests by establishing an additional weight class and a senior division for contestants thirty-five years and older.
- Seek legislation to increase fines and penalties to deter serious violations of rules and regulations.
- Improve regulations for the safety of all who compete in the regulated sports.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	181	162	203	256	25.8	256	.0	256	.0
TOTAL	**181**	**162**	**203**	**256**	**25.8**	**256**	**.0**	**256**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	128	124	154	177	14.6	200	13.3	211	5.5
Purchased Services	9	7	1	4	174.9	0	(100.0)	0	.0
Maintenance	36	28	42	71	69.7	50	(30.1)	42	(14.9)
Equipment	8	2	6	4	(32.7)	6	50.0	3	(58.3)
Transfer & Other	0	1	0	0	.0	0	.0	0	.0
TOTAL	**181**	**162**	**203**	**256**	**25.8**	**256**	**.0**	**256**	**.0**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Athletic Commission.

The Executive Recommendation will:

- Regulate the enforcement of rules for boxing, kickboxing, karate, tough person, and mixed martial arts sporting events;
- Support licensing application and renewal of 1,550 licensees;
- Renew approximately 55 athlete agent licenses over the biennium;
- Increase screening for illicit drug use;
- Continue to improve on rules and regulations to make for a safer and more competitive environment for participating contestants; and
- Conduct officials' seminars.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	175-609	Operating Expenses	255,850	255,850
TOTAL FOR PROGRAM				**255,850**	**255,850**

LINE ITEM SUMMARY - Athletic Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	175-609	Operating Expenses	179,668	162,387	203,455	255,850	255,850	.0	255,850	.0
5R1	175-602	Athlete Agent Registration	1,740	0	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**181,408**	**162,387**	**203,455**	**255,850**	**255,850**	**.0**	**255,850**	**.0**
TOTAL OHIO ATHLETIC COMMISSION			**181,408**	**162,387**	**203,455**	**255,850**	**255,850**	**.0**	**255,850**	**.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. As the state's chief law officer, the Attorney General provides assistance to local and federal law enforcement agencies, as well as acts to protect the citizens of Ohio in a wide variety of areas, including consumer sales practice, predatory lending and environmental concerns.

The Attorney General is a constitutional officer elected to a four-year term. The Attorney General has a staff of about 1,387 employees and an annual budget of approximately $201 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 employees also provide legal counsel and representation, either directly or through the appointment of special counsel, to all state agencies and officers. The Attorney General issues formal legal opinions on questions submitted by elected officials and county prosecutors, and handles approximately 35,000 active legal cases annually with issues ranging from consumer fraud and criminal justice to environmental enforcement and constitutional challenges. The office collects funds owed to the state through its collections enforcement program and from other activities such as Medicaid and workers' compensation fraud programs and antitrust litigation.

Additional information regarding the Attorney General's office is available at http://www.ag.state.oh.us/default.asp.

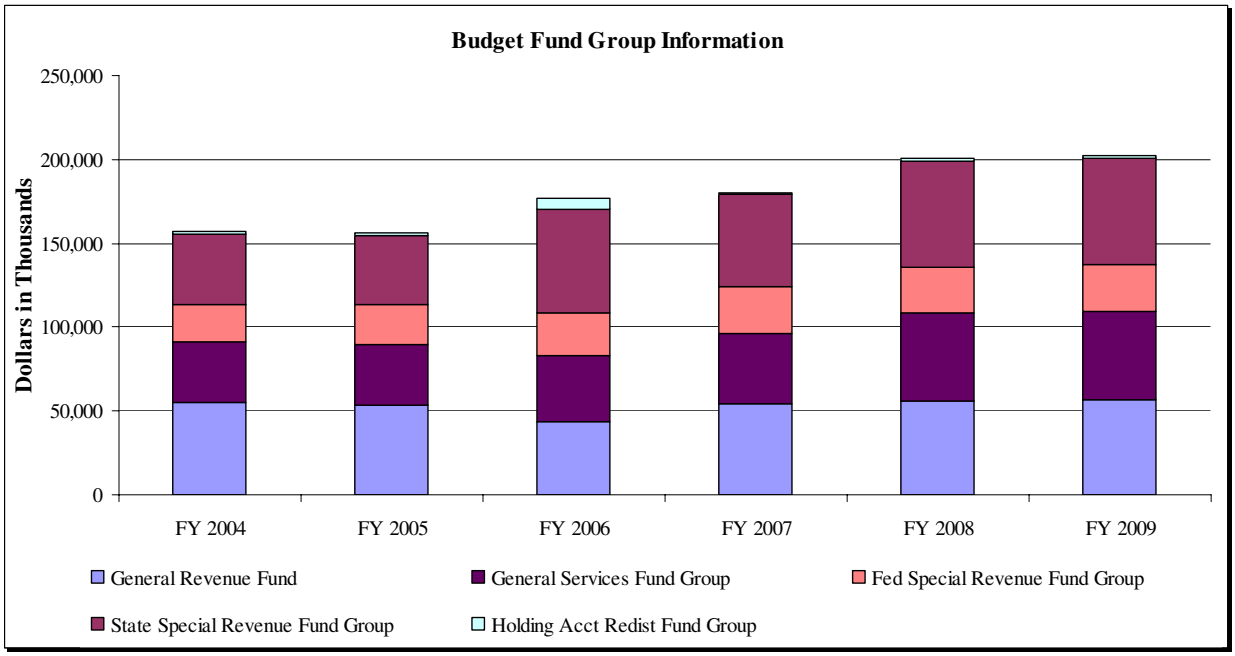
Turnaround Ohio Initiatives

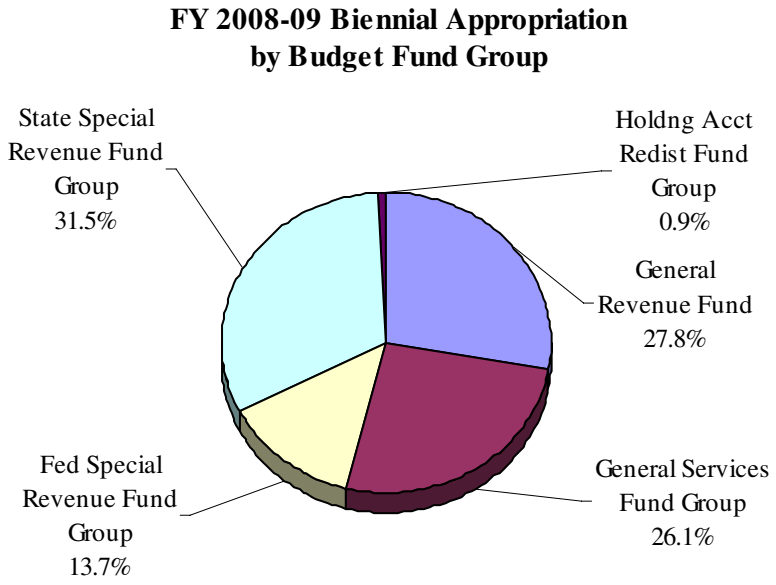
- Implement a transparent system for obtaining the best legal services for the State of Ohio.
- Provide services to local law enforcement through the enhanced use of technology.
- Operate the Office of Attorney General with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

- 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 in the public and the private sectors.
- Fulfill the mandates of the legislature.

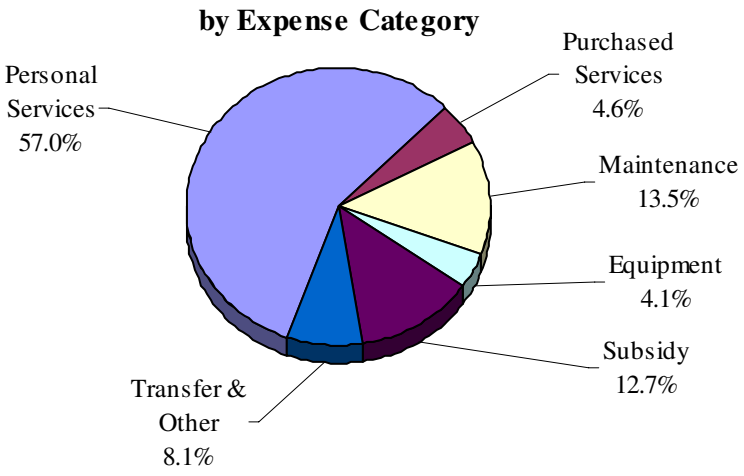
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	55,321	53,776	43,668	54,149	24.0	55,773	3.0	56,497	1.3
General Services Fund Group	36,034	36,016	39,121	42,433	8.5	52,664	24.1	52,809	.3
Fed Special Revenue Fund Group	22,433	23,808	25,589	27,643	8.0	27,262	(1.4)	27,844	2.1
State Special Revenue Fund Group	41,542	40,847	61,687	54,699	(11.3)	63,549	16.2	63,549	.0
Holdng Acct Redist Fund Group	1,559	2,000	7,074	842	(88.1)	1,776	111.0	1,776	.0
TOTAL	**156,889**	**156,446**	**177,138**	**179,766**	**1.5**	**201,024**	**11.8**	**202,475**	**.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	90,690	88,863	90,700	98,407	8.5	113,676	15.5	116,300	2.3
Purchased Services	3,331	4,747	8,212	8,579	4.5	9,370	9.2	9,142	(2.4)
Maintenance	22,736	22,945	25,288	26,616	5.3	27,391	2.9	27,146	(.9)
Equipment	5,432	6,722	4,575	5,303	15.9	8,712	64.3	7,956	(8.7)
Subsidy	20,749	19,322	25,852	26,983	4.4	25,602	(5.1)	25,659	.2
Capital Improvements	0	0	1	0	(100.0)	0	.0	0	.0
Transfer & Other	13,951	13,848	22,511	13,878	(38.3)	16,272	17.3	16,272	.0
TOTAL	**156,889**	**156,446**	**177,138**	**179,766**	**1.5**	**201,024**	**11.8**	**202,475**	**.7**

PROGRAM SERIES 01: Criminal Justice

This program series includes 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 the citizens of Ohio.

Program 01.01: Law Enforcement

The Law Enforcement Program encompasses all functions of the office charged with providing training, investigatory, and technical assistance services to the law enforcement community across the state, as well as those sections providing enforcement related activities, including the pursuit of Medicaid fraud. 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 sections for capital crimes and health care fraud. The Drug Abuse Resistance Enforcement (D.A.R.E.) Program and the legislatively mandated pay supplements for county sheriffs and county prosecutors are included in this program.

The Executive Recommendation will:

- Support 426 current staff positions assigned to law enforcement activities;
- Focus on activities in the area of reducing turnaround time and reducing backlogs for various crime scene and laboratory operations;
- Develop and expand the Ohio Law Enforcement Gateway, a secure website designed to provide law enforcement agencies and prosecutors access to a host of crime-fighting databases and to encourage sharing information between jurisdictions;
- Implement and administer an expanded continuing professional training program for Ohio's Peace Officers, as newly established in S.B. 281; and
- Increase emphasis on programs administered by the Bureau of Criminal Identification and Investigation that assist local law enforcement, ranging from DNA and crime lab analysis to internet juvenile crime prevention, undercover narcotics investigations, and detection of methamphetamine labs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	055-321	Operating Expenses	29,748,863	29,743,140
GRF	GRF	055-404	TOBACCO SETTLEMENT ENFORCEMENT	0	723,797
GRF	GRF	055-411	County Sheriffs Pay Supplement	813,117	842,134
GRF	GRF	055-415	County Prosecutors Pay Supplement	896,404	923,888
GSF	106	055-612	General Reimbursement	9,291,631	9,291,631
GSF	4Z2	055-609	BCI Asset Forfeiture/Cost Reimb	1,000,000	1,000,000
GSF	421	055-617	Police Officers' Trng Academy Fee	2,000,000	2,000,000
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	Attorney General Pass Through Funds	2,850,000	3,030,000
FED	3R6	055-613	Attorney General Federal Funds	4,870,000	5,115,000
FED	306	055-620	Medicaid Fraud Control	3,139,500	3,296,500
SSR	4L6	055-606	DARE	3,927,962	3,927,962
SSR	659	055-641	Sol/Haz Waste Bkgrnd Investigations	621,159	621,159
090	R42	055-601	Organized Crime Comm Distribution	25,025	25,025
TOTAL FOR PROGRAM				**59,297,031**	**60,653,606**

Program 01.02: Victims Services

This program encompasses all functions charged with 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 unreimbursed 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 and physical and sexual abuse cases, internet and computer crime investigations, and elder abuse cases.

The Executive Recommendation will:

- Enable the AGO to meet the requirements included in legislation regarding the Crime Victims Compensation Law;
- Maintain support to victim assistance programs in each Ohio county; and
- Enable the department to meet the DNA collection and testing requirements in H.B. 427.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	383	055-634	Crime Victims Assistance	16,000,000	16,000,000
SSR	402	055-616	Victims of Crime	34,000,000	34,000,000
TOTAL FOR PROGRAM				**50,000,000**	**50,000,000**

PROGRAM SERIES 02: Legal Services

This program series encompasses the broad provision of legal representation to the various clients of the Attorney General's Office. The series includes programs that defend the State of Ohio and its employees against claims, as well as programs that center on protecting citizens and businesses throughout the state.

Program 02.01: Citizen Protection

This program focuses on protecting the rights of citizens and businesses across the State of Ohio. Consumer protection programs work to educate, protect, and remedy cases where consumer rights have been violated by unscrupulous businesses. Environmental Enforcement strives to ensure Ohio's environmental protection laws are enforced and that business and agricultural communities comply with these laws. The Charitable Law Section, working in conjunction with the Ohio Lottery Commission, regulates charitable gaming in Ohio by licensing, auditing, and investigating gaming establishments, and ensures that organizations are following the laws and players are treated fairly. Antitrust works to foster competition in the marketplace by enforcing laws that prohibit collusive or anticompetitive business practices.

The Executive Recommendation will:

- Increase enforcement of consumer protection statutes and improve public education on consumer issues through the use of technological advancements as well as enhanced outreach initiatives;
- Expand efforts for the development of a near-paperless, web-based database that will allow Ohio's 20,000 charities and nearly 2,000 bingo license applicants the ability to apply, register, and pay required fees electronically; and
- Establish Ohio's first-ever Predatory Lending Task Force, which will aggressively act to protect seniors and other citizens vulnerable to corrupt financial practices.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	055-321	Operating Expenses	3,237,847	3,237,847
GSF	106	055-612	General Reimbursement	2,035,381	2,010,381
GSF	4Y7	055-608	Title Defect Recision	750,000	750,000
GSF	418	055-615	Charitable Foundations	6,919,850	7,064,978
GSF	420	055-603	Attorney General Antitrust	1,500,000	1,500,000
GSF	5A9	055-618	Telemarketing Fraud Enforcement	7,500	7,500
GSF	631	055-637	Consumer Protection Enforcement	2,500,000	2,500,000
SSR	419	055-623	Claims Section	8,350,046	8,350,046
090	R04	055-631	General Holdings	1,000,000	1,000,000
090	R05	055-632	Antitrust Settlements	1,000	1,000
090	R18	055-630	Consumer Frauds	750,000	750,000
TOTAL FOR PROGRAM				**27,051,624**	**27,171,752**

Program 02.02: State Agencies

This program provides legal representation to state officials and state agencies. Sixteen sections, including but not limited to, Workers' Compensation, Taxation, Education, Transportation, Civil Rights, Health and Human Services, Constitutional Offices, and Opinions, provide legal advice, contract review, and litigation support to ensure that both tax dollars and the interests of the state are protected. 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 Executive Recommendation will:

- Enable the Attorney General to hire and retain qualified legal staff to reduce the state's special counsel costs;
- Provide a transparent and effective system of outside counsel selection in cases where such counsel is warranted; and
- Continue the progress made in the area of collections resulting in increased revenue to the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	055-321	Operating Expenses	12,399,363	12,348,585
GSF	106	055-612	General Reimbursement	13,871,245	13,896,245
GSF	195	055-660	Workers' Compensation Section	8,002,720	8,002,720
FED	381	055-611	Civil Rights Legal Service	402,540	402,540
SSR	419	055-623	Claims Section	16,649,954	16,649,954
TOTAL FOR PROGRAM				**51,325,822**	**51,300,044**

PROGRAM SERIES 03: Program Management

This program series supports the functions of the Attorney General's Office.

Program 03.01: Program Management

This program provides support operations including information technology, finance, human resources, office services, facilities management, fleet management, library services, records retention, training, internal audit, and communications. This program serves primarily to benefit the overall programs and employees of the Attorney General's Office.

The Executive Recommendation will:

- Provide for existing service levels;
- Support 250 current staff positions; and
- Expand the Attorney General's ability to effectively leverage federal dollars.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	055-321	Operating Expenses	8,677,760	8,677,760
GSF	106	055-612	General Reimbursement	4,671,939	4,671,939
TOTAL FOR PROGRAM				**13,349,699**	**13,349,699**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

055-608, Title Defect Recision: Funding is increased to support enhanced efforts in the area of consumer protection, specifically under motor vehicle violations under ORC 1345.52. For additional information, please refer to Program 02.01, Citizen Protection.

055-631, General Holdings: Funding in this holding account is recovered moneys that are redistributed by settlement agreements and court orders. The increase reflects realistic expenditure projections. For additional information, please refer to Program 02.01, Citizen Protection.

055-633, Peace Officer Private Security: Funding is increased to support additional emphasis on the program that trains persons to qualify for special police positions, security guards, or other private employment in a police capacity, and the training program in basic firearms. For additional information, please refer to Program 01.01, Law Enforcement.

LINE ITEM SUMMARY - Attorney General

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	055-321	Operating Expenses	52,583,487	52,315,913	42,068,488	52,610,157	54,063,833	2.8	54,007,332	(.1)
GRF	055-404	TOBACCO SETTLEMENT ENFORCEMENT	0	0	0	0	0	.0	723,797	.0
GRF	055-406	Community Police Match/Assistance	1,310,209	362	0	0	0	.0	0	.0
GRF	055-411	County Sheriffs Pay Supplement	721,468	732,438	757,091	779,509	813,117	4.3	842,134	3.6
GRF	055-415	County Prosecutors Pay Supplement	705,701	727,413	841,950	759,222	896,404	18.1	923,888	3.1
TOTAL General Revenue Fund			**55,320,865**	**53,776,126**	**43,667,529**	**54,148,888**	**55,773,354**	**3.0**	**56,497,151**	**1.3**
106	055-612	General Reimbursement	18,676,980	18,717,224	20,766,821	21,370,195	29,870,196	39.8	29,870,196	.0
107	055-624	Employment Services	720,813	713,466	733,301	850,000	0	(100.0)	0	.0
195	055-660	Workers' Compensation Section	7,338,982	7,342,303	7,393,028	7,769,628	8,002,720	3.0	8,002,720	.0
4Y7	055-608	Title Defect Recision	235,148	170,175	253,941	250,000	750,000	**	750,000	.0
4Z2	055-609	BCI Asset Forfeiture/Cost Reimb	1,497,284	980,865	817,449	1,332,109	1,000,000	(24.9)	1,000,000	.0
418	055-615	Charitable Foundations	4,393,682	4,406,289	5,356,911	6,399,066	6,919,850	8.1	7,064,978	2.1
420	055-603	Attorney General Antitrust	381,238	925,812	1,127,456	1,346,449	1,500,000	11.4	1,500,000	.0
421	055-617	Police Officers' Trng Academy Fee	1,609,417	1,279,519	1,249,541	1,693,213	2,000,000	18.1	2,000,000	.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	95,961	96,226	45,189	26,125	98,370	**	98,370	.0
629	055-636	Corrupt Activity Invest/Prosecution	0	106,983	0	15,000	15,000	.0	15,000	.0
631	055-637	Consumer Protection Enforcement	1,084,552	1,277,262	1,377,686	1,373,832	2,500,000	82.0	2,500,000	.0
TOTAL General Services Fund Group			**36,034,057**	**36,016,124**	**39,121,323**	**42,433,117**	**52,663,636**	**24.1**	**52,808,764**	**.3**
3E5	055-638	Attorney General Pass Through Funds	1,896,466	2,316,713	4,197,919	1,981,102	2,850,000	43.9	3,030,000	6.3
3R6	055-613	Attorney General Federal Funds	3,029,163	5,871,345	4,348,985	3,842,097	4,870,000	26.8	5,115,000	5.0
306	055-620	Medicaid Fraud Control	2,595,631	2,529,519	2,823,659	2,990,000	3,139,500	5.0	3,296,500	5.0
381	055-611	Civil Rights Legal Service	372,491	381,151	388,343	390,815	402,540	3.0	402,540	.0
383	055-634	Crime Victims Assistance	14,539,053	12,708,886	13,830,247	18,439,313	16,000,000	(13.2)	16,000,000	.0
TOTAL Fed Special Revenue Fund Group			**22,432,804**	**23,807,614**	**25,589,153**	**27,643,327**	**27,262,040**	**(1.4)**	**27,844,040**	**2.1**
4L6	055-606	DARE	3,409,912	3,654,124	3,713,176	3,927,962	3,927,962	.0	3,927,962	.0
402	055-616	Victims of Crime	23,928,216	25,637,450	34,046,568	30,000,000	34,000,000	13.3	34,000,000	.0
419	055-623	Claims Section	13,760,778	11,162,520	23,522,240	20,149,955	25,000,000	24.1	25,000,000	.0
659	055-641	Sol/Haz Waste Bkgrnd Investigations	443,490	392,456	404,683	621,159	621,159	.0	621,159	.0
TOTAL State Special Revenue Fund Group			**41,542,396**	**40,846,550**	**61,686,667**	**54,699,076**	**63,549,121**	**16.2**	**63,549,121**	**.0**
R03	055-629	Bingo License Refunds	525	0	0	0	0	.0	0	.0
R04	055-631	General Holdings	1,346,307	1,429,551	5,509,277	275,000	1,000,000	**	1,000,000	.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 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
R18	055-630	Consumer Frauds	189,967	444,869	365,373	510,000	750,000	47.1	750,000	.0
R42	055-601	Organized Crime Comm Distribution	22,166	125,216	1,199,056	55,915	25,025	(55.2)	25,025	.0
TOTAL Holdng Acct Redist Fund Group			**1,558,965**	**1,999,636**	**7,073,706**	**841,915**	**1,776,025**	**111.0**	**1,776,025**	**.0**
TOTAL Attorney General			**156,889,087**	**156,446,050**	**177,138,378**	**179,766,323**	**201,024,176**	**11.8**	**202,475,101**	**.7**

Role and Overview

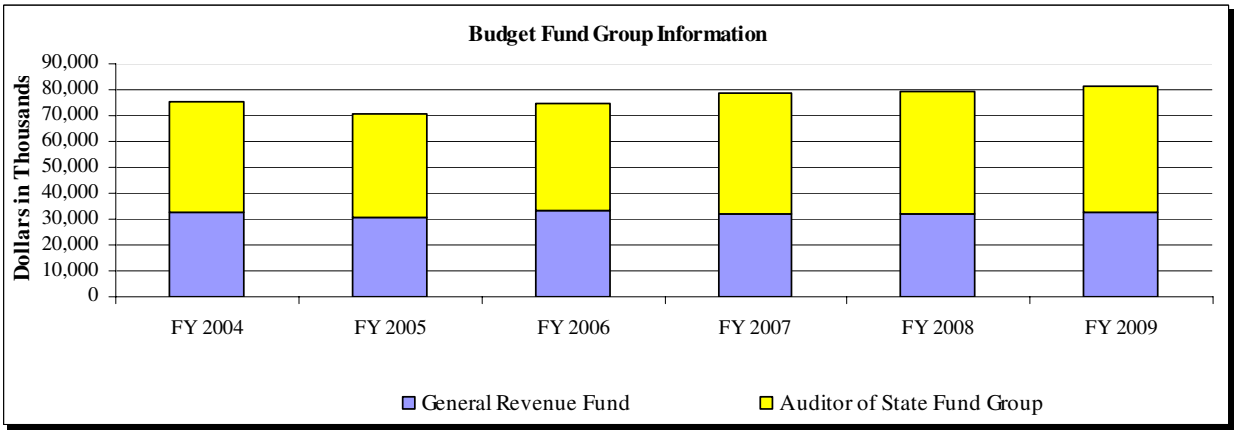
The Auditor of State (AUD), an elected constitutional officer, is responsible for auditing the financial statements of all public offices in Ohio including cities, villages, townships, school districts, universities, state agencies, and boards and commissions. In striving to ensure public funds are spent 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 nearly $80 million and with a staff of 870 employees.

Additional information regarding the Auditor of State is available at http://www.auditor.state.oh.us/.

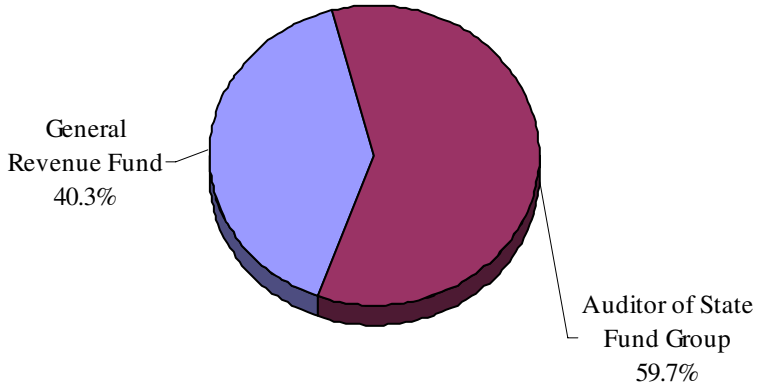
Agency Priorities

- 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.
- Conduct audits of Medicaid providers to identify and report on the overpayment of Medicaid funds, as well as other instances of noncompliance with federal and state rules and regulations. Audit services are provided pursuant to statute and are critical to minimize the state's exposure to fraud, waste, and abuse.
- Monitor the implementation of recommendations from a performance audit of the Medicaid Program as authorized in the 2006-2007 biennial budget.
- Identify fraud, waste, and abuse of public funds through the performance of special audits.
- Support local governments through a variety of services which include conducting performance audits; providing training, technical assistance, consulting services, and continuing education; and the development of recommendations for management and efficiency improvements in an effort to save taxpayer dollars.
- Help restore to financial solvency school districts and local governments in states of fiscal caution, watch, or emergency. Specifically, the Auditor of State serves as financial supervisor to financial planning and supervision commissions. Other relevant services for these entities include performance audits, fiscal emergency determinations, and financial forecasts.

Summary of Budget History and Recommendations

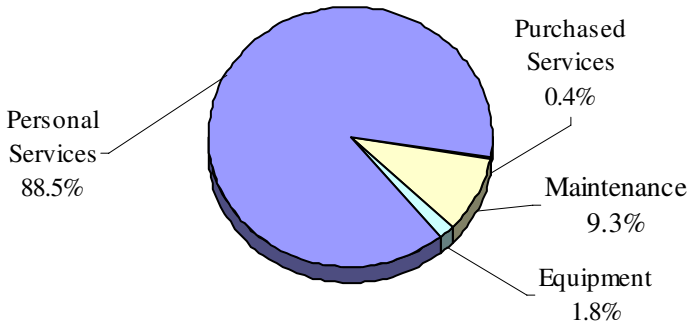


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	32,571	30,631	33,211	32,099	(3.3)	32,070	(.1)	32,765	2.2
Auditor of State Fund Group	42,664	40,054	41,681	46,603	11.8	47,499	1.9	48,499	2.1
TOTAL	**75,235**	**70,685**	**74,892**	**78,703**	**5.1**	**79,568**	**1.1**	**81,264**	**2.1**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	64,753	61,761	61,718	67,837	9.9	70,399	3.8	71,966	2.2
Purchased Services	612	700	1,404	0	(100.0)	305	.0	305	.0
Maintenance	8,001	7,227	7,359	10,281	39.7	7,426	(27.8)	7,539	1.5
Equipment	1,844	834	4,325	538	(87.6)	1,439	167.5	1,454	1.1
Transfer & Other	25	162	85	47	(44.6)	0	(100.0)	0	.0
TOTAL	**75,235**	**70,685**	**74,892**	**78,703**	**5.1**	**79,568**	**1.1**	**81,264**	**2.1**

PROGRAM SERIES 01: Financial Audit Services

This program is responsible for conducting financial audits of all public entities as required by the Ohio Revised Code, Chapter 117.

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.

The Executive Recommendation will:

- Support the 642 full-time equivalent financial auditors that conduct field audits for public entities as required by state and federal law;
- Provide funding to support the costs incurred in conducting over 3,400 financial audits each year; and
- Fund travel and equipment expenses used by financial auditing staff which is necessary to perform their duties as they are required to travel and conduct on-site auditing services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	070-321	Operating Expenses	17,099,021	18,012,353
AUS	109	070-601	Public Audit Exp Intra-State Fnd	5,841,425	5,953,174
AUS	422	070-601	Public Audit Exp Local Gvt Fnd	28,704,246	29,805,618
TOTAL FOR PROGRAM				**51,644,692**	**53,771,145**

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: Healthcare 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.

The Executive Recommendation will:

- Enable the identification of fraud, waste, and abuse associated with health care contracts and result in the recovery of state resources;
- Support a staff of 23 that conduct field-based auditing services; and
- Provide for equipment and travel to conduct on-site audits.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	070-321	Operating Expenses	401,245	426,474
AUS	109	070-601	Public Audit Exp Intra-State Fnd	1,768,758	1,763,056
TOTAL FOR PROGRAM				**2,170,003**	**2,189,530**

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 the Ohio Revised Code, Chapter 117. 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 received more than 1,500 calls, from which 190 complaints have been derived. The Auditor's Office has also partnered with local organizations to conduct education and training seminars for law enforcement officials, financial experts, and other professionals from a wide range of disciplines.

The Executive Recommendation will:

- Enable the identification of fraud, waste, and abuse which results in the recovery of state resources;
- Support 12 staff that investigate allegations of fraud, theft, and misappropriation of public funds; and
- Provide for equipment and travel to conduct investigations and on-site audits.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	070-321	Operating Expenses	306,630	326,722
AUS	109	070-601	Public Audit Exp Intra-State Fnd	512,454	493,062
AUS	422	070-601	Public Audit Exp Local Gvt Fnd	300,291	294,100
TOTAL FOR PROGRAM				**1,119,375**	**1,113,884**

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 conducts operational audits, which entail a comprehensive review of any program or area 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 and 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.

The Executive Recommendation will:

- Fund 50 staff that conduct comprehensive field-based audits of operational efficiency; and
- Support travel and equipments costs incurred due to the need to conduct audits on-site.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	070-321	Operating Expenses	1,218,637	1,310,282
GRF	GRF	070-403	Fcsl Watch/Emergency Tech Asst	223,316	229,294
AUS	109	070-601	Public Audit Exp Intra-State Fnd	1,951,486	1,965,696
AUS	422	070-601	Public Audit Exp Local Gvt Fnd	467,493	465,308
TOTAL FOR PROGRAM				**3,860,932**	**3,970,580**

PROGRAM SERIES 04: Local Government Services

In an effort to assist local governments throughout Ohio, this program series offers consulting services which include accounting and technical assistance and 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, pursuant to the Ohio Revised Code, Chapters 118 and 3316. LGS also provides a variety of training to locally elected officials.

LGS provides a variety of training programs for local and state government officials including: accounting and financial reporting to newly elected township clerks, city auditors, and village clerks and continuing education for village clerks pursuant to the Ohio Revised Code, Section 117.44. 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.

The Executive Recommendation will:

- Support 63 staff that provide accounting services to local governments throughout the state;
- Provide technical assistance to school districts and local governments in fiscal watch and fiscal emergency status; and
- Fund required training in accounting and financial reporting to newly elected officials.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	070-321	Operating Expenses	2,252,256	2,406,331
GRF	GRF	070-403	Fcsl Watch/Emergency Tech Asst	376,684	370,706
AUS	422	070-601	Public Audit Exp Local Gvt Fnd	2,733,982	2,813,417
AUS	584	070-603	Training Program Fund	181,250	181,250
TOTAL FOR PROGRAM				**5,544,172**	**5,771,704**

Program 04.02: Uniform Accounting Network

The Uniform Accounting Network (UAN), established pursuant to the Ohio Revised Code, Section 117.101, 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.

The Executive Recommendation will:

- Fund 17 staff that perform training and technical support to the clients;
- Fund computer equipment purchases for entities in the program; and
- Support 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 2008	RECOMMENDED FY 2009
AUS	675	070-605	Uniform Accounting Network Fnd	3,179,170	3,180,998
TOTAL FOR PROGRAM				**3,179,170**	**3,180,998**

PROGRAM SERIES 05: Program Management

This program series provides administrative support functions needed to support all other program areas within the Auditor of State's Office.

Program 05.01: Administration

This program includes human resources, information technology, finance, general services, records, graphics, legal, and public affairs functions not already allocated to other programs. The primary purpose of this program 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 prepares the annual fiscal reports; the information technology department maintains networks, serving nearly 900 personnel and procuring needed hardware and software; the legal department provides legal expertise to management and local governments; the public affairs department responds to all public information inquiries and the news media; and the Auditor's Office prepares and records all land deeds for state-owned properties.

The Executive Recommendation will:

- Fund 119 staff that performs management and administrative functions in support of the Auditor’s Office core responsibilities. Support staff includes human resources, general services, records, graphics, information technology, legal, public affairs and fiscal functions not already allocated to other programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	070-321	Operating Expenses	10,191,763	10,289,320
AUS	109	070-601	Public Audit Exp Intra-State Fnd	925,877	825,012
AUS	422	070-601	Public Audit Exp Local Gvt Fnd	793,988	621,557
AUS	675	070-605	Uniform Accounting Network Fnd	138,166	136,338
TOTAL FOR PROGRAM				**12,049,794**	**11,872,227**

LINE ITEM SUMMARY - Auditor

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	070-321	Operating Expenses	29,810,293	27,882,634	30,220,356	29,144,425	31,469,552	8.0	32,771,482	4.1
GRF	070-403	Fcsl Watch/Emergency Tech Asst	400,000	500,000	497,842	502,157	600,000	19.5	600,000	.0
GRF	070-405	Electronic Data Proc-Aud & Adm	807,513	797,434	795,925	857,156	0	(100.0)	0	.0
GRF	070-406	UAN/Technology Improvement Fnd	1,553,003	1,450,836	1,696,717	1,595,544	0	(100.0)	0	.0
TOTAL General Revenue Fund			**32,570,809**	**30,630,904**	**33,210,840**	**32,099,282**	**32,069,552**	**(.1)**	**33,371,482**	**4.1**
109	070-601	Public Audit Exp Intra-State Fnd	8,217,753	8,198,810	9,637,966	12,000,000	11,000,000	(8.3)	11,000,000	.0
422	070-601	Public Audit Exp Local Gvt Fnd	30,720,895	29,723,378	28,756,359	31,104,840	33,000,000	6.1	34,000,000	3.0
584	070-603	Training Program Fund	188,509	129,979	182,561	181,250	181,250	.0	181,250	.0
675	070-605	Uniform Accounting Network Fnd	3,537,192	2,001,698	3,104,119	3,317,336	3,317,336	.0	3,317,336	.0
TOTAL Auditor of State Fund Group			**42,664,349**	**40,053,865**	**41,681,005**	**46,603,426**	**47,498,586**	**1.9**	**48,498,586**	**2.1**
TOTAL Auditor of State			**75,235,158**	**70,684,769**	**74,891,845**	**78,702,708**	**79,568,138**	**1.1**	**81,870,068**	**2.9**

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.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	485	285	1,107	0	(100.0)	0	.0	0	.0
TOTAL	**485**	**285**	**1,107**	**0**	**(100.0)**	**0**	**.0**	**0**	**.0**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Subsidy	485	285	1,107	0	(100.0)	0	.0	0	.0
TOTAL	**485**	**285**	**1,107**	**0**	**(100.0)**	**0**	**.0**	**0**	**.0**

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 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.

LINE ITEM SUMMARY - Ballot Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	052-501	Ballot Advertising	485,375	285,311	1,107,156	0	0	.0	0	.0
TOTAL General Revenue Fund			**485,375**	**285,311**	**1,107,156**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Ballot Board			**485,375**	**285,311**	**1,107,156**	**0**	**0**	**.0**	**0**	**.0**

Role and Overview

The Ohio State Barber Board (BRB) was established in 1934 to ensure that the consuming public is protected from communicable diseases by requiring that all barbers attend a licensed barber school. They also must pass an examination to determine their ability and competence as well as prove their knowledge of the diseases of the head, face, and neck. With three board members and a staff of seven, the Ohio State Barber Board regulates 9,200 barbers, 3,200 barber shops, 67 teachers, and 18 barber schools.

More information regarding the Barber Board is available at http://barber.ohio.gov/.

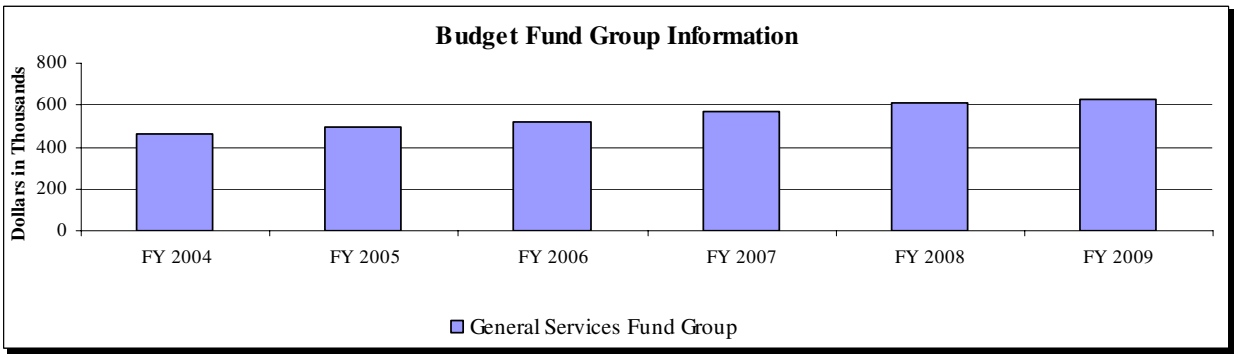
Turnaround Ohio Initiatives

- Continue to set standards for all licensees and employees of the board at a level to be recognized locally and nationally as the finest.
- Provide the public with the best services possible.

Agency Priorities

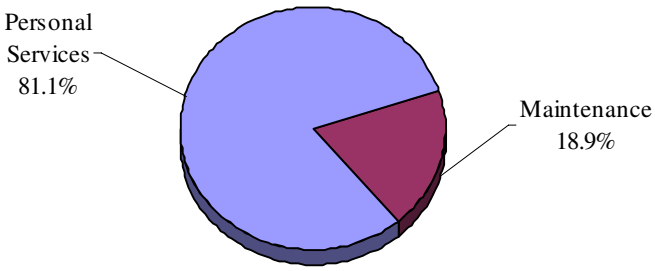
- Continue adding schools and expand existing schools in the areas of the state that have a demand for additional or replacement barbers.
- Provide assistance necessary for multi-culture immigrants to obtain licensure in Ohio.
- Enforce the rules of the board and promote Ohio as a fair and safe environment to work and raise a family.
- Provide barber training in six barber schools within the Department of Rehabilitation and Correction and the Department of Youth Services.
- Track and ensure these inmates have an opportunity to re-enter the work force.
- Maintain the integrity that the licensees and citizens of Ohio deserve.
- Use the resources and leadership provided by state government to enhance the Barber Board's day-to-day operation.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	464	496	516	567	9.9	608	7.2	628	3.3
TOTAL	**464**	**496**	**516**	**567**	**9.9**	**608**	**7.2**	**628**	**3.3**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	375	382	403	462	14.7	492	6.4	511	4.0
Purchased Services	0	7	9	10	15.3	0	(100.0)	0	.0
Maintenance	89	107	104	95	(9.2)	116	23.1	117	.5
Equipment	0	0	1	0	(100.0)	0	.0	0	.0
Transfer & Other	0	0	0	1	.0	0	(100.0)	0	.0
TOTAL	**464**	**496**	**516**	**567**	**9.9**	**608**	**7.2**	**628**	**3.3**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Ohio State Barber Board.

The Executive Recommendation will:

- Support the operations of the boards and staff;
- Support the regulation of 9,200 barbers, 3,200 barber shops, 18 barber schools, and 65 barber instructors;
- Fund the testing of 300 to 350 barber students per year for initial license issuance and 10 to 12 barber instructors per year for initial license issuance; and
- Finance the enforcement activities including random inspections of each barber shop two to three times per year, resulting in approximately 350 violations being issued and conduct several administrative hearings.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4K9	877-609	Operating Expenses	608,045	628,264
TOTAL FOR PROGRAM				**608,045**	**628,264**

LINE ITEM SUMMARY - Barber Examiners

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	877-609	Operating Expenses	464,379	495,624	516,126	567,119	608,045	7.2	628,264	3.3
TOTAL General Services Fund Group			**464,379**	**495,624**	**516,126**	**567,119**	**608,045**	**7.2**	**628,264**	**3.3**
TOTAL BOARD OF BARBER EXAMINERS			**464,379**	**495,624**	**516,126**	**567,119**	**608,045**	**7.2**	**628,264**	**3.3**

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.

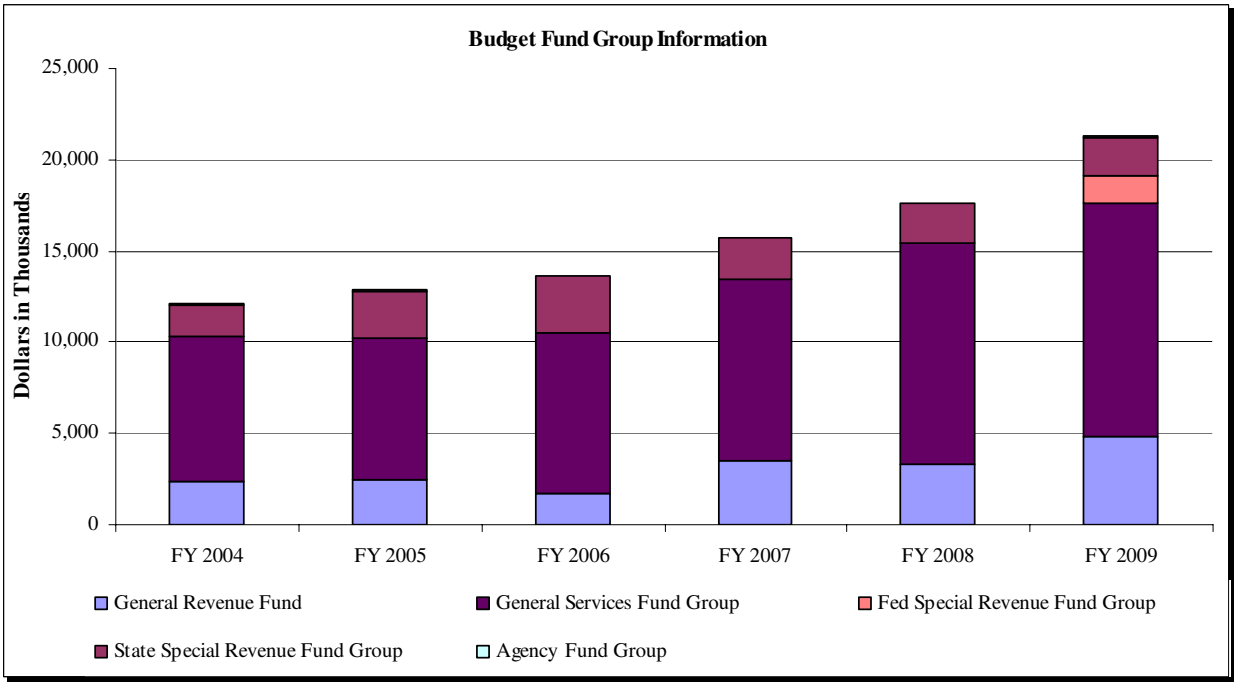
The director of the Office of Budget and Management is appointed by the Governor. As of the end of fiscal year 2007, the office will employ about 113 staff and have an annual budget of approximately $14.7 million. The sections within OBM deal with accounting, financial reporting, budgeting, coordinating the issuance of state debt, and administering the activities of the state Controlling Board.

Additional information regarding the Office of Budget and Management is available at http://www.obm.ohio.gov/.

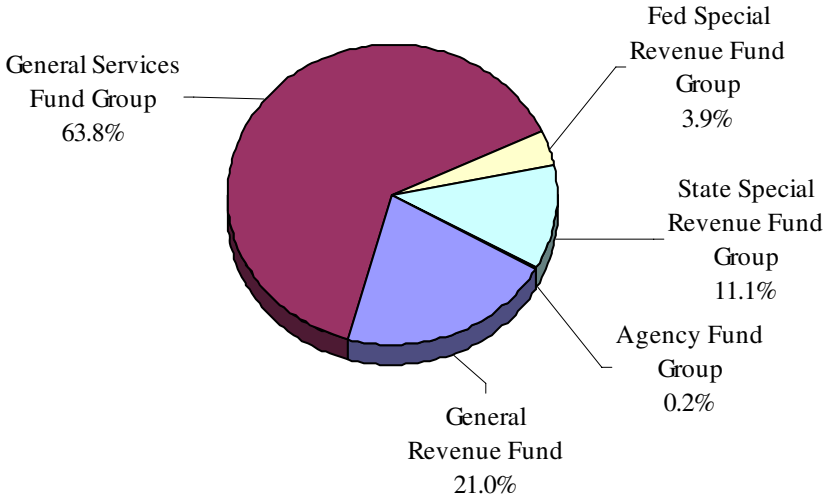
Agency Priorities

- Develop, implement, and monitor the state's operating, capital, and tobacco budgets.
- Review, process, and report the financial transactions of state agencies.
- Successfully implement the Ohio Administrative Knowledge System for state government.

Summary of Budget History and Recommendations

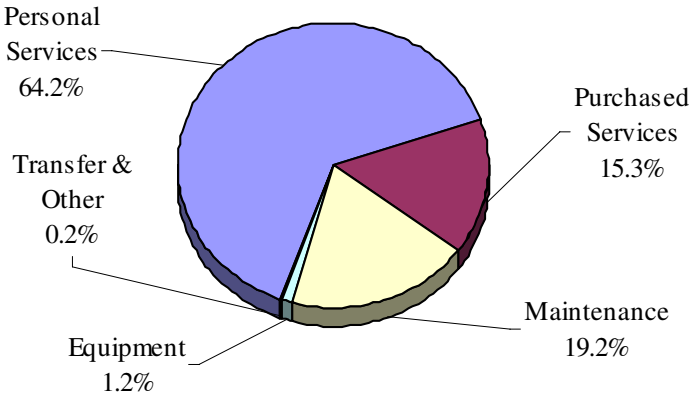


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	2,349	2,466	1,662	3,481	109.4	3,307	(5.0)	4,868	47.2
General Services Fund Group	7,985	7,752	8,845	9,977	12.8	12,115	21.4	12,743	5.2
Fed Special Revenue Fund Group	0	0	0	0	.0	0	.0	1,500	.0
State Special Revenue Fund Group	1,724	2,592	3,119	2,273	(27.1)	2,201	(3.2)	2,132	(3.1)
Agency Fund Group	30	106	13	35	163.0	35	.0	35	.0
TOTAL	**12,088**	**12,915**	**13,640**	**15,765**	**15.6**	**17,658**	**12.0**	**21,278**	**20.5**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	7,493	7,586	7,812	9,115	16.7	10,955	20.2	14,029	28.1
Purchased Services	1,044	1,880	2,283	2,161	(5.4)	2,871	32.9	3,068	6.9
Maintenance	3,346	3,051	3,346	4,139	23.7	3,632	(12.3)	3,840	5.7
Equipment	147	264	184	313	70.2	162	(48.0)	303	86.7
Goods For Resale	2	1	1	2	94.4	2	(4.8)	2	.0
Transfer & Other	57	134	13	35	163.0	35	.0	35	.0
TOTAL	**12,088**	**12,915**	**13,640**	**15,765**	**15.6**	**17,658**	**12.0**	**21,278**	**20.5**

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, tobacco, and capital budget recommendations for submission to the General Assembly. Once budgets are enacted, 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.

The Executive Recommendation will:

- Fund the evaluation, implementation, and monitoring of state agencies' operating and capital budgets;
- Support 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;

- Fund National Association of State Budget Officers' (NASBO) annual membership dues;
- Support a portion of the agency's internal administration costs;
- Provide $3 million in FY 2009 to support the transition costs for a stand alone Medicaid agency; and
- Fund the preparation of the Governor's operating and capital budget recommendations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	042-321	Budget Development/Implementation	1,502,649	1,575,482
GRF	GRF	042-410	National Association Dues	28,700	29,561
GRF	GRF	042-416	Medicaid Agency Transition	0	1,500,000
GSF	105	042-603	State Accounting and Budgeting	1,056,220	1,156,211
FED	3CM	042-606	Medicaid Agency Transition	0	1,500,000
TOTAL FOR PROGRAM				**2,587,569**	**5,761,254**

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 serves as President and Executive Secretary to the Controlling Board, and provide administrative support and oversight.

The Executive Recommendation will:

- Fund the administrative functions of the Controlling Board.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	042-321	Budget Development/Implementation	199,638	209,968
TOTAL FOR PROGRAM				**199,638**	**209,968**

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.

The Executive Recommendation will:

- Support 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
- Fund the administrative functions of the Ohio Public Facilities Commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	042-321	Budget Development/Implementation	214,292	230,426
TOTAL FOR PROGRAM				**214,292**	**230,426**

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 accounting system, manages the state's payment writing function, and reviews and processes fiscal transactions on behalf of state agencies. This program enters and oversees agencies' appropriations in the state accounting system 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.

The Executive Recommendation will:

- Fund the state accounting section functions, including entering appropriations in the state accounting system, 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 the state accounting system, the Auditor of State, and the Treasurer of State;
- Support the management information services (MIS) section functions, including accounting system 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; and
- Beginning in fiscal year 2008 support the costs associated with the issuance of warrants and electronic fund transfers to state employees, vendors, taxpayers, and other recipients of state payments.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	042-413	Payment Issuance	1,191,802	1,150,192
GSF	105	042-603	State Accounting and Budgeting	8,905,488	9,329,850
AGY	5EH	042-604	Forgery Recovery	35,000	35,000
TOTAL FOR PROGRAM				**10,132,290**	**10,515,042**

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.

The Executive Recommendation will:

- Support the management of the state payment card, electronic data interchange (EDI), and electronic revenue programs; and
- Fund preparation of the Statewide Cost Allocation Plan (SWCAP).

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	105	042-603	State Accounting and Budgeting	600,285	628,568
TOTAL FOR PROGRAM				**600,285**	**628,568**

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.

The Executive Recommendation will:

- Support preparation and publication of the Ohio *Comprehensive Annual Financial Report* (CAFR) and the *Ohio Budgetary Financial Report*;
- Fund the reconciliation and verification of the annual year-end closing of the state accounting system;
- Coordinate the state's compliance with the federal Cash Management Improvement Act; and
- Support 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	042-412	Audit of Auditor of State	60,460	60,460
GSF	105	042-603	State Accounting and Budgeting	1,312,963	1,374,491
TOTAL FOR PROGRAM				**1,373,423**	**1,434,951**

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.

The Executive Recommendation will:

- Fund the review and monitoring of state agencies' internal accounting control plans;
- Provide ongoing training to state agencies on internal control procedures, as well as specific technical guidance and on-site consultations;
- Support the annual Agency Review Evaluation Subprogram (ARES) assessment; and
- Provide technical and administrative support to the Ohio Internal Audit Committee (OIAC).

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	105	042-603	State Accounting & Budgeting	240,178	253,431
TOTAL FOR PROGRAM				**240,178**	**253,431**

PROGRAM SERIES 03: Governmental Services

This program series provides financial management services to other governmental entities and coordinates the Ohio Administrative Knowledge System (OAKS), 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 her designee, serves as a member of each financial planning and supervision commission established upon the occurrence or declaration of a fiscal emergency.

The Executive Recommendation will:

- Fund 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 2008	RECOMMENDED FY 2009
GRF	GRF	042-321	Budget Development/Implementation	109,432	112,408
TOTAL FOR PROGRAM				**109,432**	**112,408**

Program 03.02: Ohio Administrative Knowledge System

This program, in conjunction with the Department of Administrative Services, Auditor of State, and Treasurer of State, is implementing OAKS, an Enterprise Resource Planning system to improve the effectiveness, efficiency, and integration of central government business functions. OAKS will integrate five major statewide business functions including capital improvements, financials, fixed assets, human resources, and procurement and replace several existing legacy systems. The OAKS program began a phased implementation schedule in December 2006. The sixth and final phase will be implemented in fiscal year 2009.

The Executive Recommendation will:

- Support project management consultants, supplies, and equipment needed to maintain the OAKS project management office.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	5N4	042-602	OAKS Project Implementation	2,200,725	2,132,168
TOTAL FOR PROGRAM				**2,200,725**	**2,132,168**

LINE ITEM SUMMARY - Budget and Management

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	042-321	Budget Dev./Implementation	2,225,924	2,383,772	1,578,989	2,143,886	2,026,011	(5.5)	2,128,284	5.0
GRF	042-401	Office of Quality Services	35,003	0	0	0	0	.0	0	.0
GRF	042-410	National Association Dues	26,300	26,300	27,089	28,173	28,700	1.9	29,561	3.0
GRF	042-412	Audit of Auditor of State	62,110	55,760	55,900	58,700	60,460	3.0	60,460	.0
GRF	042-413	Payment Issuance	0	0	0	0	1,191,802	.0	1,150,192	(3.5)
GRF	042-416	Medicaid Agency Transition	0	0	0	1,000,000	0	(100.0)	1,500,000	.0
GRF	042-435	Gubernatorial Transition	0	0	0	250,000	0	(100.0)	0	.0
TOTAL General Revenue Fund			**2,349,337**	**2,465,832**	**1,661,978**	**3,480,759**	**3,306,973**	**(5.0)**	**4,868,497**	**47.2**
105	042-603	State Accounting & Budgeting	7,984,879	7,751,974	8,845,316	9,976,689	12,115,134	21.4	12,742,551	5.2
TOTAL General Services Fund Group			**7,984,879**	**7,751,974**	**8,845,316**	**9,976,689**	**12,115,134**	**21.4**	**12,742,551**	**5.2**
3CM	042-606	Medicaid Agency Transition	0	0	0	0	0	.0	1,500,000	.0
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**0**	**0**	**0**	**.0**	**1,500,000**	**.0**
5N4	042-602	OAKS Project Implementation	1,724,168	2,591,932	3,119,113	2,272,595	2,200,725	(3.2)	2,132,168	(3.1)
TOTAL State Special Revenue Fund Group			**1,724,168**	**2,591,932**	**3,119,113**	**2,272,595**	**2,200,725**	**(3.2)**	**2,132,168**	**(3.1)**
5EH	042-604	Forgery Recovery	29,680	105,577	13,306	35,000	35,000	.0	35,000	.0
TOTAL Agency Fund Group			**29,680**	**105,577**	**13,306**	**35,000**	**35,000**	**.0**	**35,000**	**.0**
TOTAL Office of Budget & Management			**12,088,064**	**12,915,315**	**13,639,713**	**15,765,043**	**17,657,832**	**12.0**	**21,278,216**	**20.5**

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 and the Statehouse Underground Parking Garage and administers all special events.

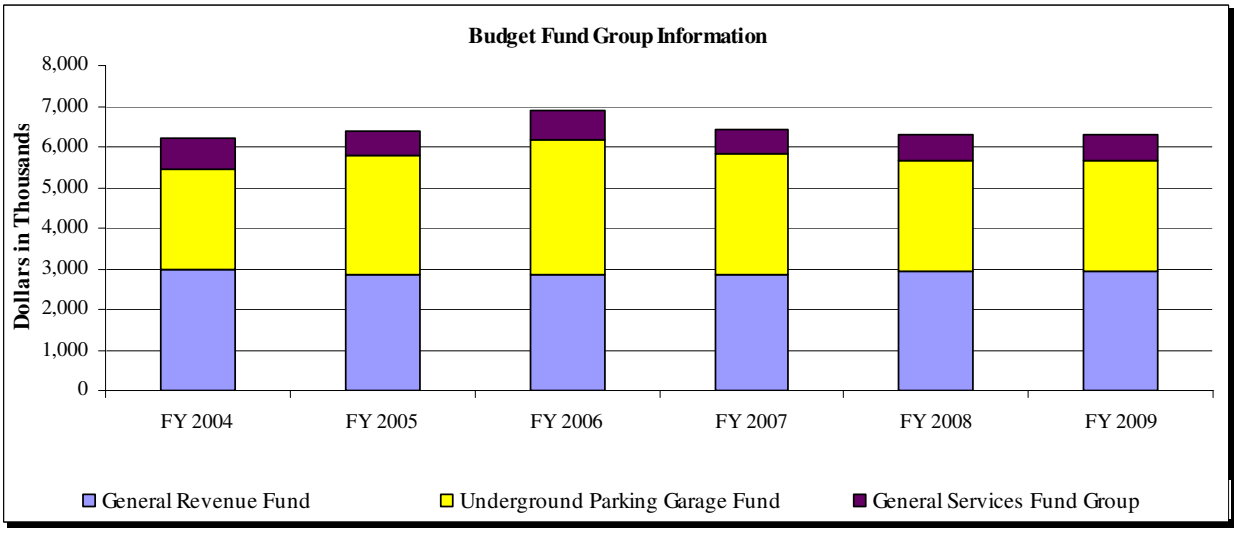
The Capitol Square Review and Advisory Board consists of 13 members, including two members of the Ohio House of Representatives, two members of the Ohio Senate, and the clerks of both the House and Senate. The Governor appoints five members, one each representing the State Architect's Office, the Ohio 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 71 employees with a $6.3 million budget, including $2.9 million in General Revenue Funds.

Additional information regarding the Capitol Square Review and Advisory Board is available at http://www.statehouse.state.oh.us/.

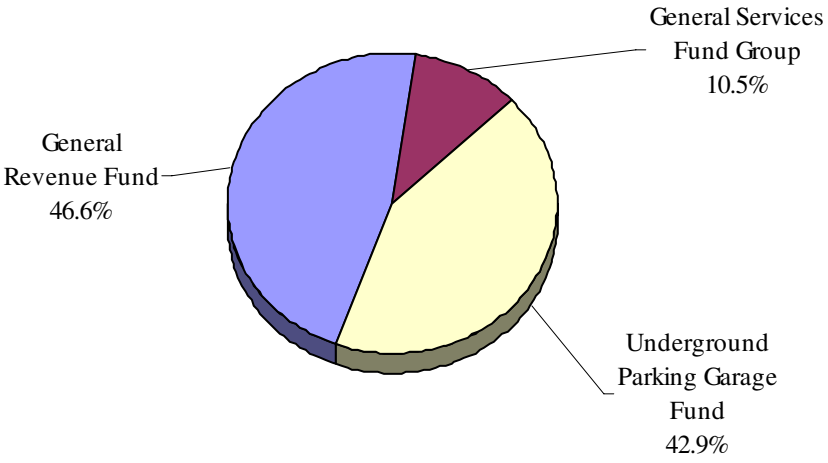
Agency Priorities

- Maintain the architecturally and historically significant buildings and grounds of the state Capitol.
- Keep the "People's House" open daily for the work of the Governor, Ohio Senate, and Ohio House of Representatives.
- Collaborate with schools and the private sector to make it easier and less costly for students to visit the Statehouse.
- Explore opportunities to make Capitol Square more energy efficient and "green."

Summary of Budget History and Recommendations

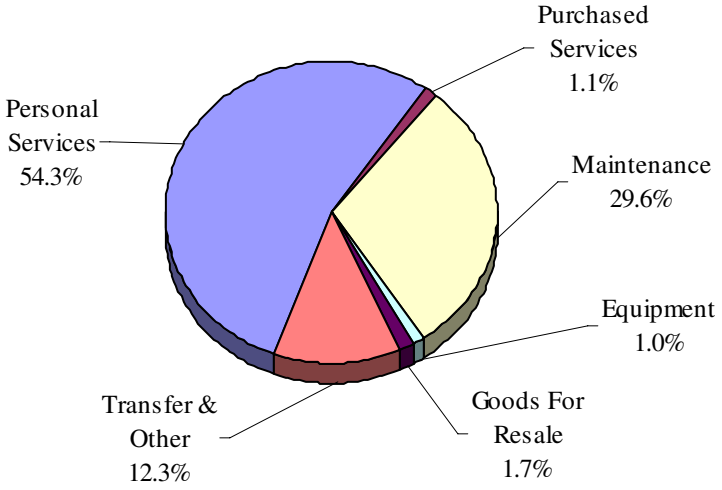


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	2,961	2,869	2,838	2,852	.5	2,943	3.2	2,938	(.2)
General Services Fund Group	781	607	724	633	(12.6)	665	5.2	665	.0
Underground Parking Garage Fund	2,474	2,917	3,317	2,960	(10.8)	2,707	(8.5)	2,707	.0
TOTAL	**6,216**	**6,393**	**6,879**	**6,445**	**(6.3)**	**6,315**	**(2.0)**	**6,310**	**(.1)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	3,251	3,290	3,367	3,460	2.8	3,428	(.9)	3,428	.0
Purchased Services	147	166	136	112	(17.2)	68	(39.8)	68	.0
Maintenance	1,684	1,849	2,410	1,893	(21.5)	1,869	(1.3)	1,864	(.3)
Equipment	123	84	60	76	26.8	66	(13.2)	66	.0
Goods For Resale	254	161	149	129	(13.7)	110	(14.5)	110	.0
Transfer & Other	757	842	758	775	2.3	775	.0	775	.0
TOTAL	**6,216**	**6,393**	**6,879**	**6,445**	**(6.3)**	**6,315**	**(2.0)**	**6,310**	**(.1)**

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: Primary 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, and operation of the Statehouse Café. Funding also provides for informational, educational, and marketing materials.

The Executive Recommendation will:

- Support wages and benefits for 35, primarily administrative and custodial employees;
- Fund printed informational, educational, and marketing materials concerning Capitol Square for the over one hundred thousand people who visit each year;
- Allow for the operation of the Statehouse Café; and
- Provide maintenance for the Ohio Statehouse, Atrium, Ohio Senate Building, and ten-acre public square.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	874-100	Personal Services	1,957,000	1,957,000
GRF	GRF	874-320	Maintenance & Equipment	985,837	980,837
TOTAL FOR PROGRAM				**2,942,837**	**2,937,837**

Program 01.02: Statehouse and Underground Parking Garage

This program is responsible for the care and maintenance of the Statehouse underground parking garage which is 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.

The Executive Recommendation will:

- Support wages and benefits for 27 employees housed in the parking garage office or associated with garage operations;
- Fund the annual bond payment for the debt service of a portion of the Statehouse restoration costs; and
- Provide general maintenance and upkeep for the 1,200 car parking garage.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
UPG	208	874-601	Underground Park Garage Oper	2,706,993	2,706,993
TOTAL FOR PROGRAM				**2,706,993**	**2,706,993**

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, press events, and non-profit activities 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 by its own revenue, such as the Statehouse Museum Shop and event fees, or by specific donations.

The Executive Recommendation will:

- Allow for the renovation of specified rooms and educational programs using donations;
- Support the wages and benefits of nine employees associated with the Statehouse Museum Shop; and
- Purchase various items for resale in the Statehouse Museum Shop.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4G5	874-603	Capitol Sq. Edu Center & Art	15,000	15,000
GSF	4S7	874-602	Statehouse Gift Shop/Events	650,484	650,484
TOTAL FOR PROGRAM				**665,484**	**665,484**

LINE ITEM SUMMARY - Capitol Square Review and Advisory

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	874-100	Personal Services	1,841,351	1,902,799	1,881,326	1,900,000	1,957,000	3.0	1,957,000	.0
GRF	874-320	Maintenance & Equipment	1,119,881	966,287	956,861	952,269	985,837	3.5	980,837	(.5)
TOTAL General Revenue Fund			**2,961,232**	**2,869,086**	**2,838,187**	**2,852,269**	**2,942,837**	**3.2**	**2,937,837**	**(.2)**
4G5	874-603	Capitol Sq. Edu Center & Art	33,538	6,075	17,556	10,000	15,000	50.0	15,000	.0
4S7	874-602	Statehouse Gift Shop/Events	747,804	601,299	706,307	622,522	650,484	4.5	650,484	.0
TOTAL General Services Fund Group			**781,342**	**607,374**	**723,863**	**632,522**	**665,484**	**5.2**	**665,484**	**.0**
208	874-601	Underground Park Garage Oper	2,473,563	2,916,561	3,317,101	2,959,721	2,706,993	(8.5)	2,706,993	.0
TOTAL Underground Parking Garage Fund			**2,473,563**	**2,916,561**	**3,317,101**	**2,959,721**	**2,706,993**	**(8.5)**	**2,706,993**	**.0**
TOTAL Capital Square Rev & Adv Board			**6,216,137**	**6,393,021**	**6,879,151**	**6,444,512**	**6,315,314**	**(2.0)**	**6,310,314**	**(.1)**

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, 282 schools offering 1,803 programs are registered in Ohio. The board also investigates and resolves student and consumer complaints regarding registered career colleges and schools. In fiscal year 2007, the board's budget was $508,600 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. Four employees, including an executive director, oversee daily operations and report directly to the board.

More information regarding the Board of Career Colleges and Schools is available at http://www.scr.ohio.gov/.

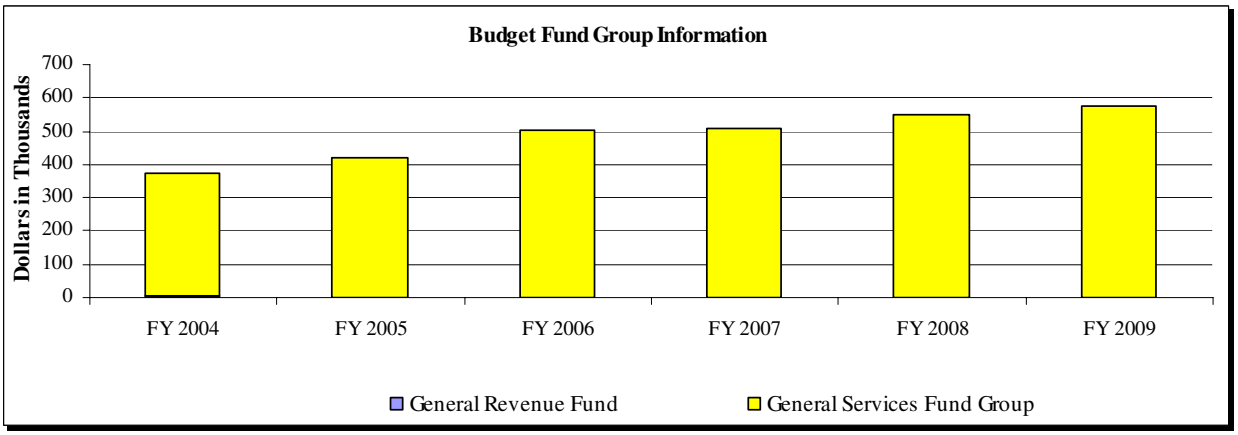
Turnaround Ohio Initiatives

- Enhance and assure the value of career colleges and schools as a quality option for career and workforce training.
- Operate the office of the Board of Career Colleges and Schools with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

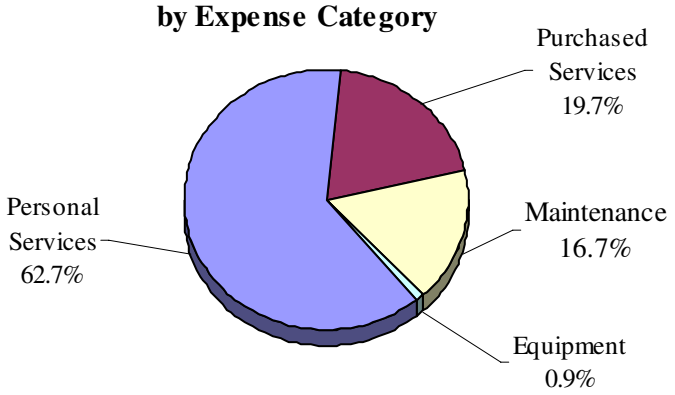
- Promote education and training that improves the operations of career schools and enhances the training programs that schools provide.
- Utilize technology to improve consumer and school access to information and services.
- Provide knowledgeable advisory expertise to career colleges and schools on the "best" career education practices and standards to enhance their effectiveness.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	2	0	0	0	.0	0	.0	0	.0
General Services Fund Group	369	418	501	509	1.6	552	8.6	573	3.7
TOTAL	**371**	**418**	**501**	**509**	**1.6**	**552**	**8.6**	**573**	**3.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	202	222	263	304	15.3	345	13.6	361	4.6
Purchased Services	73	109	119	102	(14.1)	110	7.8	112	1.8
Maintenance	82	85	102	98	(4.0)	93	(5.6)	95	2.7
Equipment	13	2	17	5	(69.9)	5	.0	5	.0
TOTAL	**371**	**418**	**501**	**509**	**1.6**	**552**	**8.6**	**573**	**3.7**

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.

The Executive Recommendation will:

- Maintain the board's current operational capacity;
- Fund the regulation and oversight of career colleges and schools; and
- Support the regulatory activities of the board including the establishment of operational and academic standards, the review of program and curricula, and the investigation and resolution of complaints.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	233-601	Operating Expenses	552,300	572,700
TOTAL FOR PROGRAM				**552,300**	**572,700**

LINE ITEM SUMMARY - State Board of Career Colleges and Schools

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	233-100	Personal Services	1,164	0	0	0	0	.0	0	.0
GRF	233-200	Maintenance	789	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**1,953**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**
4K9	233-601	Operating Expenses	369,400	418,078	500,771	508,600	552,300	8.6	572,700	3.7
TOTAL General Services Fund Group			**369,400**	**418,078**	**500,771**	**508,600**	**552,300**	**8.6**	**572,700**	**3.7**
TOTAL Career Colleges and Schools			**371,353**	**418,078**	**500,771**	**508,600**	**552,300**	**8.6**	**572,700**	**3.7**

Chemical Dependency Professionals Board

Role and Overview

The Ohio Chemical Dependency Professionals Board (CDP) was created in December 2002 when the credentialing authority was separated from the Department of Alcohol and Drug Addiction Services. CDP assures high standards of alcohol and other drug treatment and prevention for all citizens through the assurance of a competent, well-trained, and ethical workforce. With 12 board members and five staff members, CDP currently regulates approximately 8,000 chemical dependency professionals in Ohio.

More information about the Chemical Dependency Professionals Board is available at http://www.ocdp.ohio.gov/

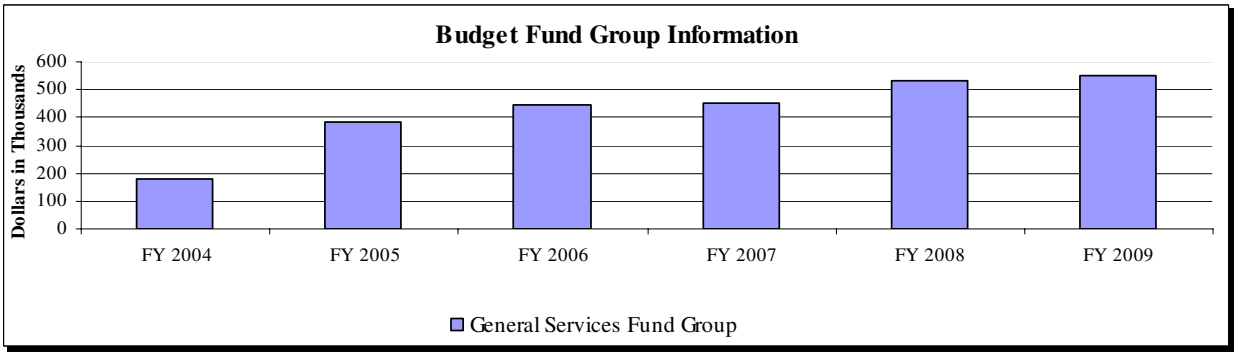
Turnaround Ohio Initiatives

- Set specific goals and priorities that, where appropriate, will be synchronized with the Turnaround Ohio Initiative.
- Use the board's strategic plan as a roadmap to achieve its priorities and Turnaround Ohio Initiatives.
- Ensure credentialing requirements do not create an unnecessary burden or constrain workforce development efforts.
- Develop a performance contract to ensure board priorities are in line with Turnaround Ohio strategies to fund results.
- Operate with a high degree of transparency and accountability to Ohio citizens.
- Track the board's performance in achieving its priorities and Turnaround Ohio Initiatives.

Agency Priorities

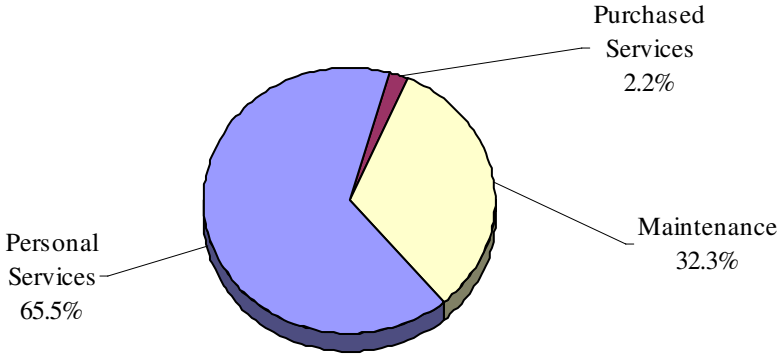
- Ensure that the credentialing and ethics review process is completed in a timely manner and to standard.
- Continue to improve services for the board's credentialed professionals.
- Revise the board's credentialing requirements in order to increase access to the field.
- Continue implementation of the board's college and university accreditation program.
- Strengthen the collaboration with other state agencies and related systems.
- Continue working with academic and non-academic educational providers to expand professional development opportunities.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	181	385	447	453	1.3	531	17.3	551	3.8
TOTAL	**181**	**385**	**447**	**453**	**1.3**	**531**	**17.3**	**551**	**3.8**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	76	222	288	326	13.1	349	7.2	360	3.3
Purchased Services	8	27	16	9	(48.4)	12	35.3	12	2.6
Maintenance	76	132	132	117	(11.9)	170	46.1	179	5.0
Equipment	22	0	9	0	(100.0)	0	.0	0	.0
Transfer & Other	0	5	2	2	18.2	0	(100.0)	0	.0
TOTAL	**181**	**385**	**447**	**453**	**1.3**	**531**	**17.3**	**551**	**3.8**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Chemical Dependency Professionals Board.

The Executive Recommendation will:

- Support the operations of the board and staff;
- Enable basic renewal and new application processing for the approximately 8,000 chemical dependency professionals currently regulated;

- Increase efficiency in the renewal and new application processing for chemical dependency professionals; and
- Fund the establishment of the board's college and university accreditation and other related workforce development initiatives that will lead to a five to ten percent growth per year in the number of chemical dependency professionals.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	930-609	Operating-Chemical Dependency Board	530,864	551,146
TOTAL FOR PROGRAM				**530,864**	**551,146**

LINE ITEM SUMMARY - Chemical Dependency Professionals Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	930-609	Operating-Chemical Dependency Board	181,390	385,435	447,024	452,729	530,864	17.3	551,146	3.8
TOTAL General Services Fund Group			**181,390**	**385,435**	**447,024**	**452,729**	**530,864**	**17.3**	**551,146**	**3.8**
TOTAL CHEMICAL DEPENDENCY PROF BOARD			**181,390**	**385,435**	**447,024**	**452,729**	**530,864**	**17.3**	**551,146**	**3.8**

Board of Chiropractic Examiners

Role and Overview

The Board of Chiropractic Examiners (CHR) was established to proactively protect the health and welfare of Ohio's citizens and to regulate the chiropractic profession with vision by setting high standards for licensure. The board monitors licensees to ensure compliance with the laws and rules which govern the profession. The annual budget of approximately $607,000 supports a staff of six in addition to the five board members. CHR has approximately 2,300 licensees and typically adds an additional 125 each year. More information about the Board of Chiropractic Examiners is available at http://chirobd.ohio.gov/.

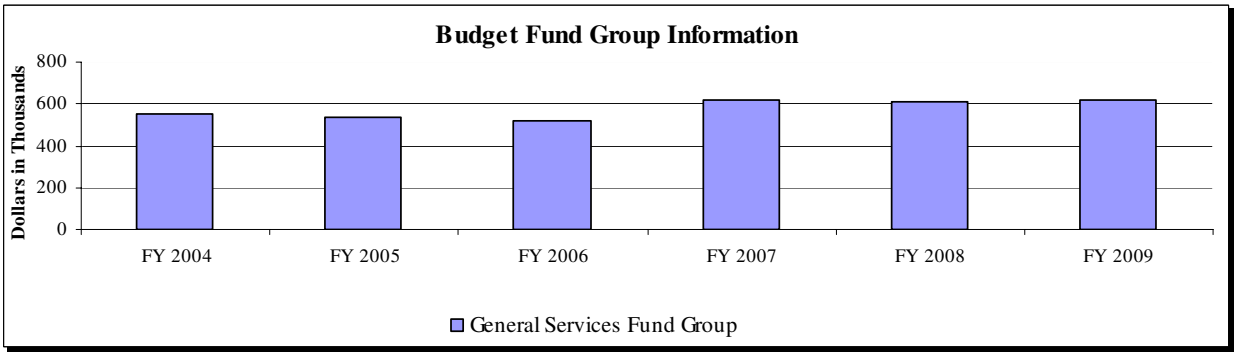
Turnaround Ohio Initiatives

- Ease the burden of regulations that prohibit and constrain development in Ohio through "Advantage Ohio."

Agency Priorities

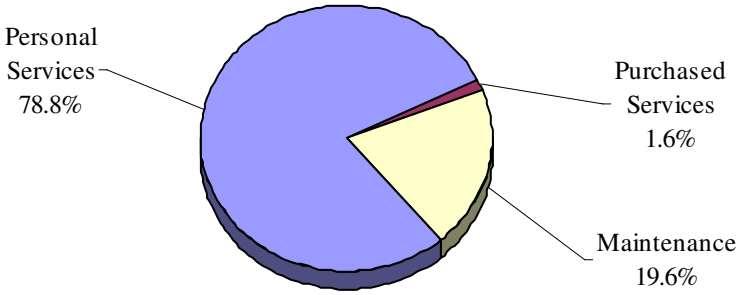
- Provide web-based license renewal services including complaint filing and acceptance of payments via credit card.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	556	534	516	622	20.4	607	(2.3)	622	2.3
TOTAL	**556**	**534**	**516**	**622**	**20.4**	**607**	**(2.3)**	**622**	**2.3**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	435	426	400	478	19.7	472	(1.3)	497	5.2
Purchased Services	9	9	5	8	67.2	12	43.8	8	(30.4)
Maintenance	101	99	110	130	17.9	124	(4.7)	117	(5.7)
Equipment	11	0	2	5	198.0	0	(100.0)	0	.0
Transfer & Other	0	0	0	0	.0	0	(100.0)	0	.0
TOTAL	**556**	**534**	**516**	**622**	**20.4**	**607**	**(2.3)**	**622**	**2.3**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Chiropractic Examiners.

The Executive Recommendation will:

- Support the application, licensure, and examination processes;
- Support enforcement and monitoring of licensees subject to disciplinary sanctions such as suspension, probation, fines, and compliance programs; and
- Support approval of approximately 100 continuing education applications and continuing education auditing.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GSF	4K9	878-609	Operating Expenses	607,445	621,621
TOTAL FOR PROGRAM				**607,445**	**621,621**

LINE ITEM SUMMARY - Chiropractic Examiners

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	878-609	Operating Expenses	556,210	534,068	516,428	621,621	607,445	(2.3)	621,621	2.3
TOTAL General Services Fund Group			**556,210**	**534,068**	**516,428**	**621,621**	**607,445**	**(2.3)**	**621,621**	**2.3**
TOTAL BOARD OF CHIROPRACTIC EXAMINRS			**556,210**	**534,068**	**516,428**	**621,621**	**607,445**	**(2.3)**	**621,621**	**2.3**

Role and Overview

The role of the Civil Rights Commission (OCRC) is to investigate complaints and resolve discrimination charges filed by the citizens of Ohio. Specifically, this includes discrimination in employment, housing, public accommodation, credit, and admission to and participation in activities sponsored by institutions of higher learning on the basis of race, color, religion, sex, national origin, disability, age, ancestry, or familial status.

OCRC addresses discrimination cases for 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.

The Governor appoints the commission's five board members to staggered five-year terms. The commission employs an executive director to manage a staff of 139 and an annual budget of approximately $11.1 million.

Additional information regarding the Ohio Civil Rights Commission is available at http://crc.ohio.gov/.

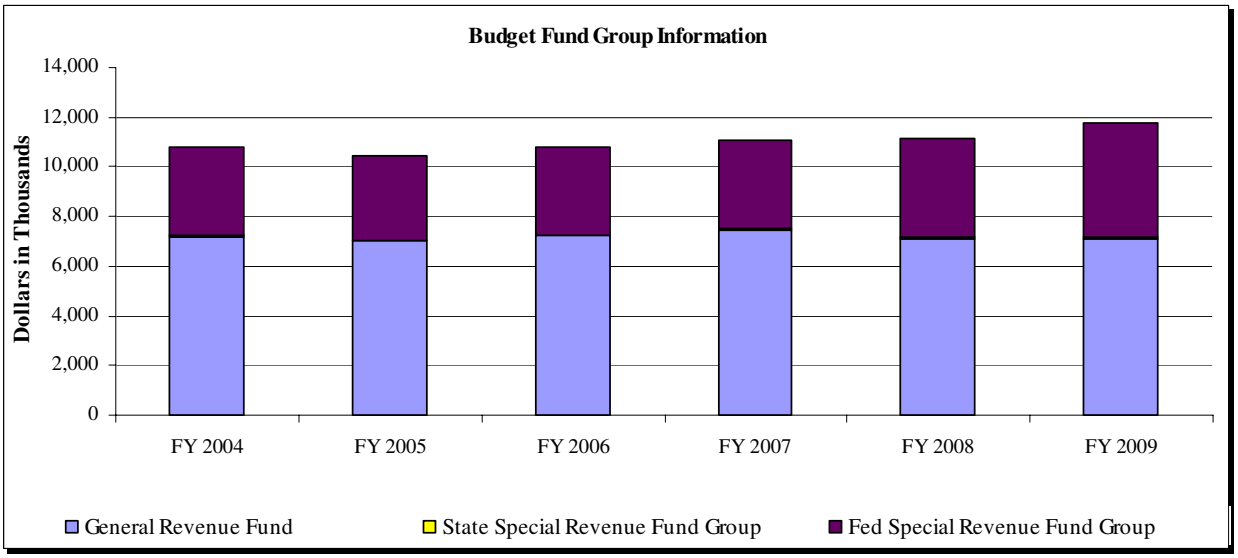
Turnaround Ohio Initiatives

- Operate with greater efficiency and continuous improvement in work processes consistent with the Turnaround Ohio strategy of a being a lean, competitive, modern government.
- Continue to further review additional opportunities to make services more effective and accessible (e.g., a paperless processing system for online filing, streaming audio and video, on-line guidance documents, e-newsletter).

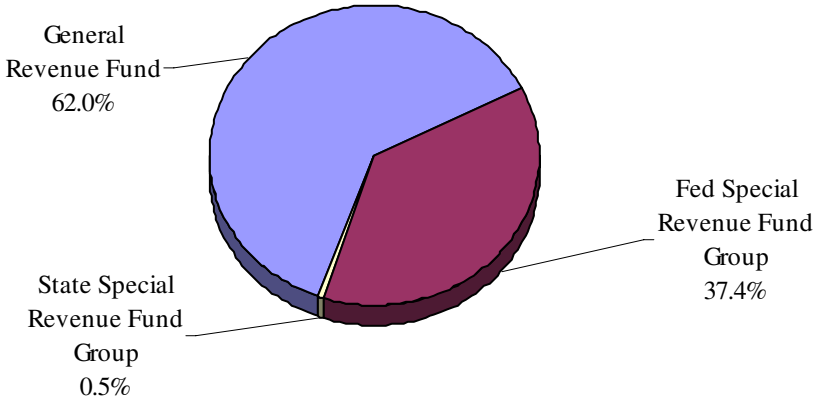
Agency Priorities

- Conduct fair and efficient investigations and litigation in the enforcement of the Ohio Civil Rights Act.
- Conduct comprehensive education and outreach programs to improve understanding, awareness, and voluntary compliance with the Ohio Civil Rights Act.

Summary of Budget History and Recommendations

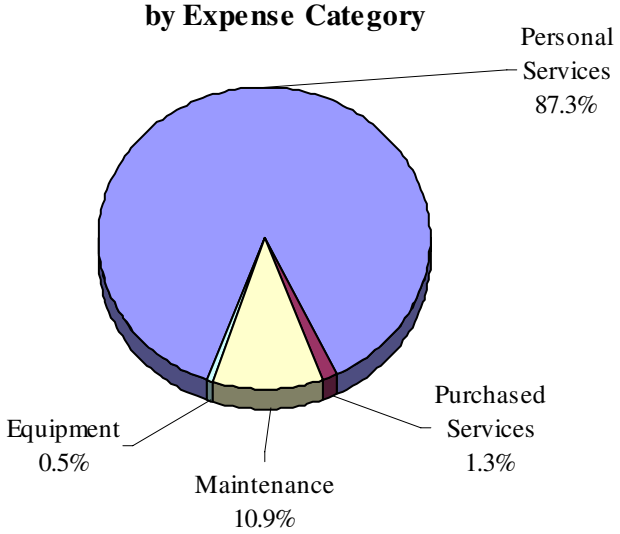


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	7,194	7,044	7,253	7,471	3.0	7,097	(5.0)	7,097	.0
Fed Special Revenue Fund Group	3,588	3,390	3,544	3,560	.5	3,966	11.4	4,602	16.1
State Special Revenue Fund Group	15	22	11	51	379.5	60	17.8	60	.0
TOTAL	**10,796**	**10,456**	**10,807**	**11,082**	**2.5**	**11,123**	**.4**	**11,759**	**5.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	9,204	8,867	9,185	9,266	.9	9,651	4.2	10,323	7.0
Purchased Services	132	138	207	210	1.4	140	(33.3)	160	14.3
Maintenance	1,390	1,348	1,329	1,481	11.4	1,270	(14.2)	1,214	(4.4)
Equipment	66	63	84	125	49.6	62	(50.4)	62	.0
Transfer & Other	5	40	2	0	(100.0)	0	.0	0	.0
TOTAL	**10,796**	**10,456**	**10,807**	**11,082**	**2.5**	**11,123**	**.4**	**11,759**	**5.7**

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: Investigations 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.

The Executive Recommendation will:

- Maintain current staffing levels in six regional offices by spending down existing cash balances in Fund 334, Federal Programs;
- Investigate and resolve the conflict in more than 6,000 discrimination charges;
- Provide alternative dispute resolution services to employers, housing providers, and charging parties with a resolution rate over 75 percent; and
- Fund five staff in the Attorney General's Office responsible for litigating civil rights cases.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	876-321	Operating Expenses	7,097,134	7,097,134
FED	334	876-601	Investigations	3,601,844	4,213,680
SSR	217	876-604	Operations Support	60,000	60,000
TOTAL FOR PROGRAM				**10,758,978**	**11,370,814**

Program 01.02: Public Affairs/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.

The Executive Recommendation will:

- Fund four staff to conduct comprehensive education and outreach programs to decrease intolerance and prejudice and enhanced voluntary compliance with the state's non-discrimination laws; and
- Provide a best practices forum for businesses, a hate crimes conference, fair housing education conference, youth at work initiatives, and a disability services forum.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	334	876-601	Investigations	363,663	388,505
TOTAL FOR PROGRAM				**363,663**	**388,505**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

876-601, Investigations: This line item increases in fiscal years 2008 and 2009 to enable the agency to spend down cash balances in Fund 334.

LINE ITEM SUMMARY - Civil Rights Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	876-100	Personal Services	6,729,931	6,601,418	0	0	0	.0	0	.0
GRF	876-200	Maintenance	404,586	400,000	0	0	0	.0	0	.0
GRF	876-300	Equipment	59,091	42,441	0	0	0	.0	0	.0
GRF	876-321	Operating Expenses	0	0	7,252,949	7,470,667	7,097,134	(5.0)	7,097,134	.0
TOTAL General Revenue Fund			**7,193,608**	**7,043,859**	**7,252,949**	**7,470,667**	**7,097,134**	**(5.0)**	**7,097,134**	**.0**
334	876-601	Investigations	3,587,740	3,389,717	3,543,632	3,560,000	3,965,507	**	4,602,185	**
TOTAL Fed Special Revenue Fund Group			**3,587,740**	**3,389,717**	**3,543,632**	**3,560,000**	**3,965,507**	**11.4**	**4,602,185**	**16.1**
217	876-604	Operations Support	14,984	22,495	10,626	50,951	60,000	17.8	60,000	.0
TOTAL State Special Revenue Fund Group			**14,984**	**22,495**	**10,626**	**50,951**	**60,000**	**17.8**	**60,000**	**.0**
TOTAL Civil Rights Commission			**10,796,332**	**10,456,071**	**10,807,207**	**11,081,618**	**11,122,641**	**.4**	**11,759,319**	**5.7**

**** Please see the Appropriation Line Item analysis for further detail.**

Role and Overview

The Department of Commerce regulates several industries including securities, financial institutions, liquor, and real estate. The department also enforces the state building codes, fire codes, and prevailing and minimum wage requirements, and administers 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 $667 million. The department is financed primarily by revenue generated from fees assessed to the regulated communities.

Additional information regarding the Department of Commerce is available at http://www.com.state.oh.us/.

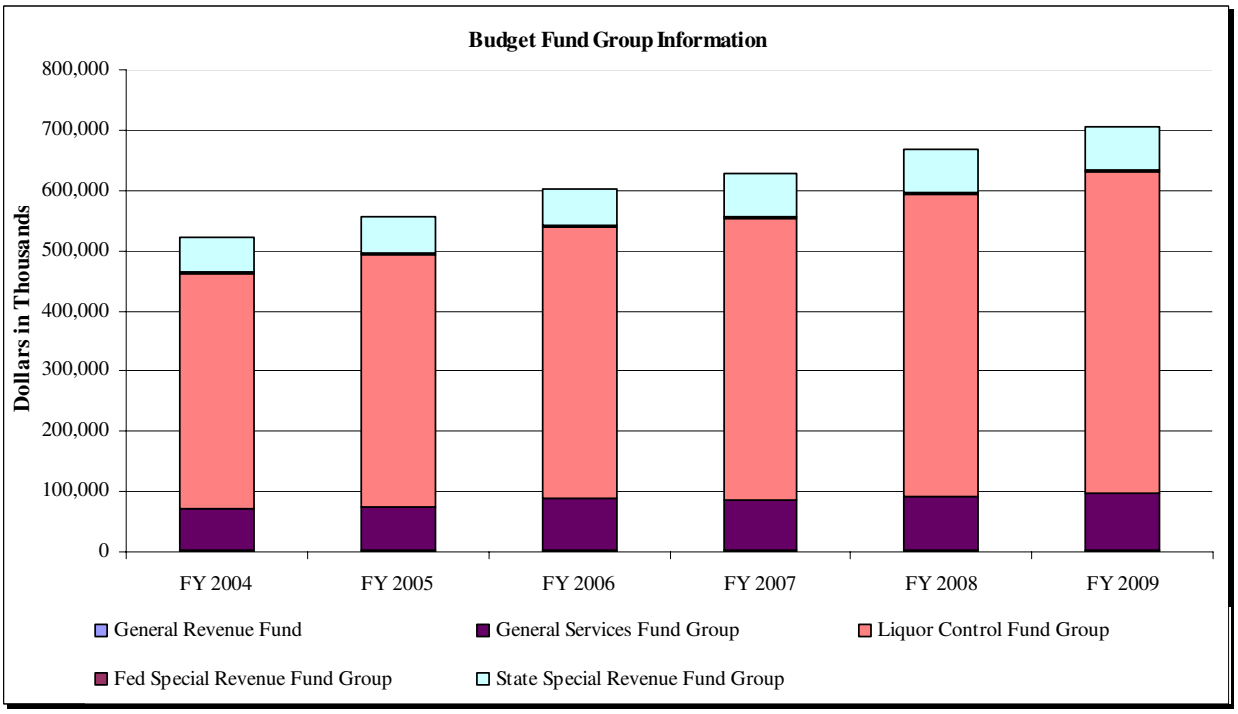
Turnaround Ohio Initiatives

- Develop a strong predatory lending outreach and enforcement strategy consistent with the revitalization of cities and towns.
- Commit to fair and effective regulation of financial services and the real estate industry and increasing resources for the enforcement of minimum wage and prevailing wage laws.
- Strengthen department-wide strategic planning processes for enhanced fiscal accountability.

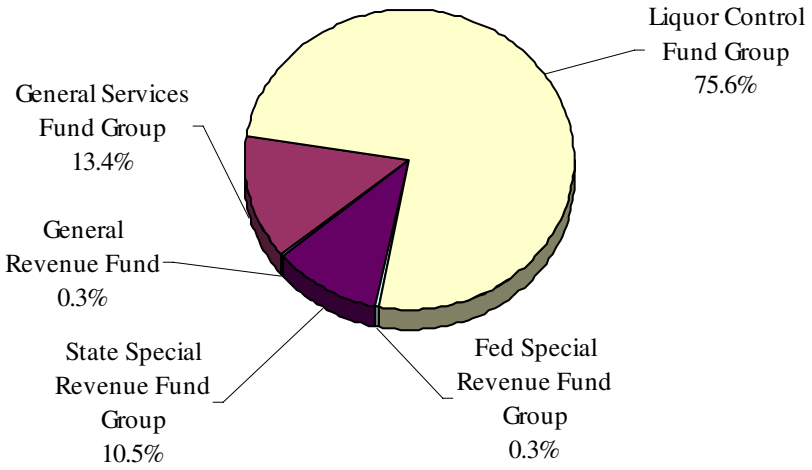
Agency Priorities

- Review industry regulations for appropriateness to modernize regulations where practicable and feasible and to commit to fair and efficient regulations that protects consumers without overburdening business.
- Improve accountability and services provided by the Division of State Fire Marshal.
- Improve response time to customers' needs across the regulated industries.
- Facilitate the retrieval and distribution of unclaimed funds.

Summary of Budget History and Recommendations

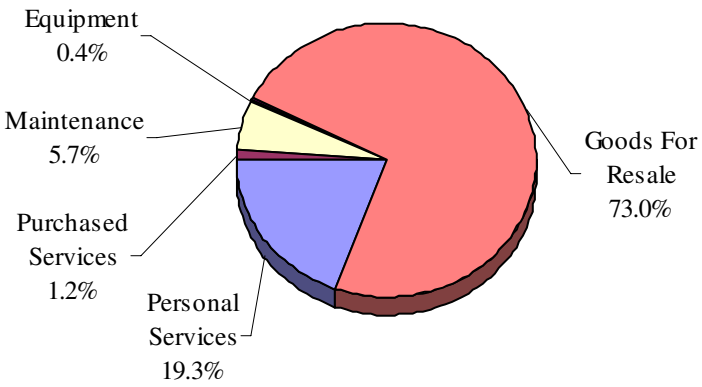


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	3,937	4,011	1,978	2,032	2.7	2,132	4.9	2,132	.0
General Services Fund Group	68,841	71,784	85,633	84,754	(1.0)	89,154	5.2	94,544	6.0
Liquor Control Fund Group	387,603	417,210	451,423	466,544	3.3	502,780	7.8	534,662	6.3
Fed Special Revenue Fund Group	3,030	3,209	1,681	2,047	21.7	2,045	(.1)	2,045	.0
State Special Revenue Fund Group	58,658	60,816	62,466	72,442	16.0	71,030	(1.9)	72,635	2.3
TOTAL	**522,069**	**557,029**	**603,181**	**627,820**	**4.1**	**667,141**	**6.3**	**706,018**	**5.8**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	91,438	94,178	95,025	101,467	6.8	106,183	4.6	111,529	5.0
Purchased Services	11,451	9,624	14,599	7,696	(47.3)	7,436	(3.4)	6,634	(10.8)
Maintenance	23,779	25,725	24,783	29,159	17.7	31,903	9.4	32,056	.5
Equipment	2,154	2,772	2,595	2,631	1.4	2,308	(12.3)	1,946	(15.7)
Subsidy	1,462	1,424	1,717	1,937	12.8	1,937	.0	1,907	(1.5)
Goods For Resale	319,773	338,295	365,272	361,186	(1.1)	400,202	10.8	421,802	5.4
Transfer & Other	72,012	85,010	99,190	123,743	24.8	117,172	(5.3)	130,144	11.1
TOTAL	**522,069**	**557,029**	**603,181**	**627,820**	**4.1**	**667,141**	**6.3**	**706,018**	**5.8**

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 provides education regarding home mortgage lending practices to reduce the 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. (This program does not have jurisdiction over federal thrifts or national banks.)

The Executive Recommendation will:

- Regulate over 110 institutions with aggregate assets of over $92 billion;
- Provide 44 full-time employees to supervise and regulate state-chartered banks and trust; and
- Increase training for the examination staff as consistent with federal regulators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
SSR	4X2	800-619	Financial Institutions	837,502	854,255
SSR	544	800-612	Banks	6,118,442	6,304,917
TOTAL FOR PROGRAM				**6,955,944**	**7,159,172**

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 borrowers. If lending laws have been violated, the office initiates enforcement actions and refers criminal cases for prosecution. In fiscal year 2006, this program received nearly 2,200 telephone inquiries and over 1,460 formal complaints. The program also produced and distributed educational materials and conducted 30 educational programs which reached 750 citizens.

The Executive Recommendation will:

- Provide resources to educate the most vulnerable Ohioans on how to protect themselves against abusive lenders;
- Implement initiatives of the recently created Consumer Finance Education Board;

- Support enforcement actions and referrals for criminal prosecution;
- Maintain 11 full-time employees; and
- Distribute financial assistance to address increasing foreclosure rates.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4X2	800-619	Financial Institutions	209,088	213,271
SSR	553	800-607	Consumer Finance	1,676,184	1,571,132
TOTAL FOR PROGRAM				**1,885,272**	**1,784,403**

Program 01.03: Consumer Finance

This program is responsible for regulating various 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.

The Executive Recommendation will:

- Maintain 36 full-time employees to regulate over 16,095 organizations and individuals;
- Conduct over 1,800 examinations of licensees;
- Issue settlement agreements for continuing education non-compliance;
- Deny or revoke over 300 license applications if necessary; and
- Resolve cases on enforcement issues.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4X2	800-619	Financial Institutions	692,835	706,698
SSR	553	800-607	Consumer Finance	4,124,261	4,229,313
TOTAL FOR PROGRAM				**4,817,096**	**4,936,011**

Program 01.04: Credit Unions

This program is responsible for the supervision and regulation of 203 state-chartered credit unions with total aggregated assets of $9 billion. It also supervises and co-regulates the private insurer American Share Insurance (ASI), formerly the National Deposit Insurance Corporation (NDIC).

The Executive Recommendation will:

- Maintain 21 full-time employees to supervise and regulate activities of state-chartered credit unions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4X2	800-619	Financial Institutions	395,256	403,165
SSR	552	800-604	Credit Union	3,521,037	3,627,390
TOTAL FOR PROGRAM				**3,916,293**	**4,030,555**

Program 01.05: Money Transmitters

This program provides for the licensing, supervision, and regulation of 23 domestic and 31 foreign money transmitters including financing networks that may be potential threats to Homeland Security.

The Executive Recommendation will:

- Maintain three full-time employees to license and regulate money transmitters.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4X2	800-619	Financial Institutions	44,540	45,430
SSR	544	800-612	Banks	398,065	398,336
TOTAL FOR PROGRAM				**442,605**	**443,766**

Program 01.06: Savings Institutions

This program is responsible for the supervision and regulation of 29 state-chartered savings and loan associations with aggregate assets of $4 billion and 27 state-chartered savings banks with aggregate assets of $5.5 billion as of June 30, 2006.

The Executive Recommendation will:

- Fund 15 full-time employees for supervision and regulation of savings institutions; and
- Provide training for the examination staff as consistent with federal regulators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4X2	800-619	Financial Institutions	295,193	301,099
SSR	545	800-613	Savings Institutions	2,244,370	2,286,616
TOTAL FOR PROGRAM				**2,539,563**	**2,587,715**

Program 01.07: Securities

This program promotes investor education, regulates the sale of securities in Ohio, and licenses securities professionals who sell securities and give advice about investing in securities. It engages in administrative sanctions against those persons and entities violating the securities laws and makes referrals for criminal prosecution.

The Executive Recommendation will:

- Fund 38 full-time employees for licensing and regulation of securities professionals;
- Maintain reviews of over 7,087 filings for sale of securities; and
- Sustain licensure of over 137,000 securities professionals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	550	800-617	Securities	4,312,453	4,473,094
TOTAL FOR PROGRAM				**4,312,453**	**4,473,094**

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: Building Code Compliance

This program reviews building plans for new construction, major renovations, additions or alterations for structures, except where local certified building departments have jurisdiction. It also provides for building, electrical, and plumbing inspections of new construction and additions and major alterations of existing structures as well as licensing and certification of plumbing inspectors.

The Executive Recommendation will:

- Support review of nearly 5,000 architectural project plans;
- Provide funds for the database project to automate scheduling and dispatching for field operations;
- Provide funds to implement an electronic-commerce initiative for plans, inspections, and reporting processes;
- Provide funds to implement a mobile office initiative;
- Maintain over 40,000 yearly electrical, plumbing, and structural inspections; and
- Sustain regulatory activities of more than 2,000 violations and 2,000 corresponding enforcement actions.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	556	800-615	Industrial Compliance	6,766,506	7,040,595
TOTAL FOR PROGRAM				**6,766,506**	**7,040,595**

Program 02.02: 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, ski lift inspections, and roller rink registration.

The Executive Recommendation will:

- Provide inspection of over 14,200 boilers, 51,000 elevators and escalators, and approximately 6,700 pieces of bedding and upholstered furniture articles;
- Provide funds for the database project to automate scheduling and dispatching for field operations;
- Provide funds to implement an electronic-commerce initiative for plans, inspections, and reporting processes;
- Provide funds to implement a mobile office initiative;
- Provide for licensing and certification of steam engineers and boiler operators including 582 historic steam tractor operators; and
- Provide for seven ski lift inspections and 100 roller rink registrations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	556	800-615	Industrial Compliance	8,719,717	9,329,855
TOTAL FOR PROGRAM				**8,719,717**	**9,329,855**

Program 02.03: Building Code

This program supports the Board of Building Standards and the Board of Building Appeals. The Board of Building Standards formulates and adopts rules governing building construction and maintenance to ensure building safety. The board also certifies local building code enforcement departments and regulates industrialized units. The Board of Building Appeals reviews appeals of orders issued by the department's Bureau of Construction Compliance or of a certified city or county building department.

The Executive Recommendation will:

- Support the Board of Building Standards and the Board of Building Appeals;
- Maintain review of more than 660 appeals;
- Sustain the certification of over 3,300 building department personnel, design professionals, and contractors; and
- Fund more than 150 continuing education courses developed and taught by the board's staff.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	556	800-615	Industrial Compliance	2,361,885	2,439,894
TOTAL FOR PROGRAM				**2,361,885**	**2,439,894**

Program 02.04: Ohio Construction Industry Licensing Board

This program provides for the testing, licensing, and continuing education for electrical, plumbing, hydraulic, HVAC, and refrigeration contractors.

The Executive Recommendation will:

- Maintain issuance of over 19,000 licenses; and
- Provide approval of over 250 training agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	556	800-615	Industrial Compliance	1,094,903	1,163,772
TOTAL FOR PROGRAM				**1,094,903**	**1,163,772**

Program 02.05: DIC Program Administration

This program directs, administers, supports, and coordinates the activities of the Industrial Compliance Program Series and serves as a liaison to other government, corporate, and public entities. This program oversees the general management and direction of the programs within the Industrial Compliance Program Series.

The Executive Recommendation will:

- Provide oversight of 270 employees who provide regulatory services to the construction industry;
- Provide funds for the database project to automate scheduling and dispatching for field operations;
- Provide funds to implement an electronic-commerce initiative for plans, inspections, and reporting processes;
- Provide funds to implement a mobile office initiative;
- Maintain 35 full-time employees to direct, administer, support, and coordinate activities; and
- Provide staff which serve as a liaison to other government, corporate, and public entities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	556	800-615	Industrial Compliance	6,090,897	5,595,895
TOTAL FOR PROGRAM				**6,090,897**	**5,595,895**

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 $138 million to the General Revenue Fund in fiscal year 2006.

The Executive Recommendation will:

- Enable the sale of spirituous liquor through more than 400 private liquor agencies; and
- Provide transfer of profits to the General Revenue Fund to support other state services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
LCF	043	800-601	Merchandising	440,499,979	464,027,015
LCF	043	800-627	Liquor Control Operating	3,199,761	3,299,411
TOTAL FOR PROGRAM				**443,699,740**	**467,326,426**

Program 03.02: Permit Licensing and Compliance

This program administers the liquor permitting system for the sale, manufacture, and distribution of all alcoholic beverages. This includes issuance of new permits, renewal and transfer of permits, and the investigative and hearing requirements associated with permit issuance. Permit fees of $37 million were collected in fiscal year 2006 of which 35 percent was returned to local taxing districts for liquor law enforcement. The program also oversees compliance in the manufacture and distribution of beer, wine, and low-proof mixed beverages.

The Executive Recommendation will:

- Administer the liquor permitting system for alcoholic beverages including issuance of over 9,200 liquor permits and 23,000 permit renewals; and
- Conduct investigations and hold objection hearings as necessary.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
LCF	043	800-627	Liquor Control Operating	6,064,594	6,316,579
TOTAL FOR PROGRAM				**6,064,594**	**6,316,579**

Program 03.03: Debt Service Payments

This program provides debt service payments on bonds issued under the authority of Ohio Revised Code, Chapters 166 and 151 to support various economic development initiatives and environmental clean-up initiatives that are appropriated in the Department of Development.

The Executive Recommendation will:

- Provide debt service payments for Department of Development programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
LCF	043	800-633	Development Assistance Debt Service	33,678,800	38,616,800
LCF	043	800-636	Revitalization Debt Service	12,620,900	15,683,300
TOTAL FOR PROGRAM				**46,299,700**	**54,300,100**

Program 03.04: Liquor Control Program Administration

This program provides administrative support for the Liquor Control Program Series and pays administrative costs not specific to other programs. This program provides services that include, but are not limited to, administration, communications, equipment purchase, building rent and utilities, and workers' compensation.

The Executive Recommendation will:

- Provide oversight and general management of over 150 state employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
LCF	043	800-627	Liquor Control Operating	6,716,369	6,718,593
TOTAL FOR PROGRAM				**6,716,369**	**6,718,593**

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. It also regulates foreign real estate brokers and salespersons, and registers foreign real estate property. In fiscal year 2006, this program recorded almost 41,000 active licensees, both real estate salespersons and brokers. In addition, 589 complaints were assigned for investigation and 52 administrative hearings were held.

The Executive Recommendation will:

- Maintain the licensing and regulatory activities of real estate brokers and salespersons and brokers; and
- Fund 41 full-time employees to investigate complaints and conduct corresponding administrative hearings.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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	3,480,038	3,574,171
TOTAL FOR PROGRAM				**3,780,038**	**3,874,171**

Program 04.02: Real Estate Appraisers

This program licenses and certifies all general and residential appraisers in the state.

The Executive Recommendation will:

- Provide regulation of approximately 4,345 real estate appraisers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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. This program also collects fees for burial permits issued in Ohio. During fiscal year 2006, revenue from burial permits was nearly $265,000.

The Executive Recommendation will:

- Support registration of almost 3,400 registered cemeteries.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 training, 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.

The Executive Recommendation will:

- Provide over 150 on-campus courses and more than 850 direct delivery classes; and
- Provide specialized weapons of mass destruction courses through homeland security grants.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	546	800-610	Fire Marshal	2,742,085	2,824,274
SSR	546	800-640	Homeland Security Grants	10,000	10,000
TOTAL FOR PROGRAM				**2,752,085**	**2,834,274**

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.

The Executive Recommendation will:

- Conduct over 9,500 fire safety inspections and 5,500 reinspections.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	546	800-610	Fire Marshal	3,119,981	3,259,542
TOTAL FOR PROGRAM				**3,119,981**	**3,259,542**

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 2006, this program determined that 405 of the 1,159 incidents investigated were a result of arson.

The Executive Recommendation will:

- Provide approximately 1,000 fire and explosion investigations;
- Support the filing of felony criminal charges if necessary;
- Support 17 arson investigators and 5 supervisors to perform fire and explosion investigations for over 1,200 fire departments; and
- Provide three accelerant detection canine teams to assist in recovering valuable evidence at arson crime scenes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	546	800-610	Fire Marshal	2,319,814	2,426,184
TOTAL FOR PROGRAM				**2,319,814**	**2,426,184**

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 2006, 3,721 fire safety-related programs reached 86,500 Ohioans.

The Executive Recommendation will:

- Maintain fire prevention programs for Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	546	800-610	Fire Marshal	1,001,444	1,045,380
TOTAL FOR PROGRAM				**1,001,444**	**1,045,380**

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 2006, the laboratory examined nearly 692 cases consisting of almost 2,300 pieces of evidence.

The Executive Recommendation will:

- Maintain seven full-time employees for the examination of evidence for fire related investigations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	546	800-610	Fire Marshal	665,030	695,138
TOTAL FOR PROGRAM				**665,030**	**695,138**

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 fiscal year 2006, the program performed approximately 900 inspections of underground storage tank systems to determine compliance with state regulations, initiated 298 administrative enforcement actions, and completed the assessment and cleanup of 1,100 releases of petroleum into the environment.

The Executive Recommendation will:

- Provide an additional five inspectors for a total of 39 full-time employees for regulation of tanks; and
- Increase inspections to meet new federal requirements.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	348	800-622	Underground Storage Tanks	195,008	195,008
FED	348	800-624	Leaking Undergrnd Storage Tank	1,850,000	1,850,000
SSR	653	800-629	UST Registration/Permit Fee	1,342,062	1,296,710
TOTAL FOR PROGRAM				**3,387,070**	**3,341,718**

Program 05.07: 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 2006, grants totaling $1,894,640 were issued.

The Executive Recommendation will:

- Provide over 100 grants to local fire departments with an average grant amount of $7,880;
- Provide more than 540 grants for training reimbursement with an average award amount of $1,167; and
- Increase from two to three the number of loans for fire departments.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5F1	800-635	Small Government Fire Departments	300,000	300,000
SSR	546	800-639	Fire Department Grants	1,647,140	1,647,140
TOTAL FOR PROGRAM				**1,947,140**	**1,947,140**

Program 05.08: State Fire Marshal Program Administration

This program directs, administers, supports, and coordinates the activities of the programs of the State Fire Marshal Program Series and serves as a liaison to other government, corporate, and public entities. It provides support for employees who provide regulatory services and support to Ohio's fire service industry. The services provided include, but are not limited to, communications, fiscal administration, legal, quality control, and support services. This program also includes regulation of the fireworks industry.

The Executive Recommendation will:

- Fund 15 full-time employees to oversee over 200 employees of the State Fire Marshal Program Series;
- Maintain the new dorm and office building for the Academy and State Fire Marshal offices.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	546	800-610	Fire Marshal	3,256,039	3,328,632
SSR	653	800-629	UST Registration/Permit Fee	170,450	170,450
TOTAL FOR PROGRAM				**3,426,489**	**3,499,082**

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 2006, $210.2 million was collected and a total of over $64.3 million was returned to current or former Ohio residents.

The Executive Recommendation will:

- Increase the number of audits of businesses for reporting of unclaimed funds;
- Continue advertisement of unclaimed funds to citizens for collection, including the online Treasure Hunt service;
- Provide for the return of $70 million or more of unclaimed funds in fiscal year 2008 and $75 million or more in fiscal year 2009; and

- Maintain the collection and reporting of unclaimed funds from holders.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	543	800-602	Unclaimed Funds - Operating	7,880,468	8,049,937
GSF	543	800-625	Unclaimed Funds - Claims	70,000,000	75,000,000
TOTAL FOR PROGRAM				**77,880,468**	**83,049,937**

PROGRAM SERIES 07: Wage, Hour, and Minor Law Enforcement

This program series promotes minor safety in the work place and overall 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, Hour, and Minor Law Enforcement

This program enforces minimum wage and minor labor laws. It also enforces Ohio's prevailing wage, which is the wage rate that must be paid to employees who work on public improvement construction projects. In fiscal year 2006, this program collected $942,281 in prevailing wage back wages, $98,799 in minimum and overtime back wages, and $13,863 in prevailing wage penalties.

The Executive Recommendation will:

- Increase resources to receive and process complaints regarding the increased minimum wage.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	800-410	Labor and Worker Safety	2,132,397	2,132,397
SSR	5K7	800-621	Penalty Enforcement	100,000	100,000
TOTAL FOR PROGRAM				**2,232,397**	**2,232,397**

PROGRAM SERIES 08: Program Management

This program series provides policy and administrative direction as well as centralized functions for the department.

Program 08.01: Program Management

This program directs, administers, supports, and coordinates the activities of the seven program series of the department and serves as a liaison to other government, corporate, and public entities. It provides support services for over 900 state employees including, but not limited to, communications, fiscal administration, human resources, legal, legislative affairs, quality control, training, and employee development.

The Executive Recommendation will:

- Support 90 full-time employees to provide administration for the seven program series of the department.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	163	800-620	Division of Administration	4,323,037	4,413,037
TOTAL FOR PROGRAM				**4,323,037**	**4,413,037**

Program 08.02: Information Technology Group

This program provides information technology (IT) support services for over 900 employees within the department. These services include, but are not limited to, planning, technical support, hardware/software purchasing advice, infrastructure support for agency-wide IT databases/systems, web development and maintenance of the agency website, and support for the creation and implementation of new technology systems.

The Executive Recommendation will:

- Provide for the consolidation of the department's IT staff to provide organized and flexible support services for all department programs;
- Increase the total number of staff from 48 to 53 to meet the growing demands of electronic commerce; and
- Provide planning, technical, procurement, development, and maintenance related to IT for individual programs as well as agency-wide strategies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	163	800-637	Information Technology	6,650,150	6,780,963
TOTAL FOR PROGRAM				**6,650,150**	**6,780,963**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

800-621, Penalty Enforcement: This line item is increased to provide more funding for enforcement of prevailing wage laws in Ohio.

800-637, Information Technology: This line item is increased significantly to transfer all information technology staff within the Department of Commerce's distinct divisions into the centralized information technology office.

LINE ITEM SUMMARY - Commerce

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	800-402	Grants-Volunteer Fire Depts.	622,035	609,076	0	0	0	.0	0	.0
GRF	800-410	Labor and Worker Safety	3,315,130	3,402,076	1,978,124	2,032,396	2,132,397	4.9	2,132,397	.0
TOTAL General Revenue Fund			**3,937,165**	**4,011,152**	**1,978,124**	**2,032,396**	**2,132,397**	**4.9**	**2,132,397**	**.0**
163	800-620	Division of Administration	4,013,146	4,051,319	4,056,335	4,368,037	4,323,037	(1.0)	4,413,037	2.1
163	800-637	Information Technology	1,953,654	2,401,469	2,831,761	2,785,045	6,650,150	**	6,780,963	2.0
5F1	800-635	Small Government Fire Departments	0	310,500	84,000	250,000	300,000	20.0	300,000	.0
543	800-602	Unclaimed Funds - Operating	13,698,709	11,152,976	14,379,498	7,351,051	7,880,468	7.2	8,049,937	2.2
543	800-625	Unclaimed Funds - Claims	49,175,417	53,867,433	64,281,118	70,000,000	70,000,000	.0	75,000,000	7.1
TOTAL General Services Fund Group			**68,840,926**	**71,783,697**	**85,632,712**	**84,754,133**	**89,153,655**	**5.2**	**94,543,937**	**6.0**
043	800-601	Merchandising	351,560,667	371,747,444	401,268,248	397,847,141	440,499,979	10.7	464,027,015	5.3
043	800-627	Liquor Control Operating	13,630,760	15,177,420	15,990,580	15,981,346	15,980,724	.0	16,334,583	2.2
043	800-633	Development Assistance Debt Service	21,229,598	25,429,817	28,876,375	39,230,000	33,678,800	(14.2)	38,616,800	14.7
043	800-636	Revitalization Debt Service	1,182,282	4,854,885	5,288,108	13,485,800	12,620,900	(6.4)	15,683,300	24.3
TOTAL Liquor Control Fund Group			**387,603,307**	**417,209,566**	**451,423,311**	**466,544,287**	**502,780,403**	**7.8**	**534,661,698**	**6.3**
348	800-622	Underground Storage Tanks	193,900	192,244	190,210	196,800	195,008	(.9)	195,008	.0
348	800-624	Leaking Undergrnd Storage Tank	1,325,340	1,592,879	1,491,033	1,850,000	1,850,000	.0	1,850,000	.0
349	800-626	OSHA Enforcement	1,510,685	1,423,414	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**3,029,925**	**3,208,537**	**1,681,243**	**2,046,800**	**2,045,008**	**(.1)**	**2,045,008**	**.0**
4B2	800-631	Real Estate Appraisal Recovery	0	0	0	35,000	35,000	.0	35,000	.0
4H9	800-608	Cemeteries	239,891	252,343	260,609	273,465	273,465	.0	273,465	.0
4L5	800-609	Fireworks Training & Education	3,815	4,800	0	0	0	.0	0	.0
4X2	800-619	Financial Institutions	1,391,419	1,490,048	2,816,087	2,913,343	2,474,414	(15.1)	2,523,918	2.0
5B9	800-632	PI & Security Guard Provider	990,889	10	0	0	0	.0	0	.0
5K7	800-621	Penalty Enforcement	29,459	28,350	34,475	50,000	100,000	**	100,000	.0
544	800-612	Banks	5,780,933	6,335,750	5,940,081	6,759,197	6,516,507	(3.6)	6,703,253	2.9
545	800-613	Savings Institutions	2,328,273	2,304,020	1,740,773	2,669,774	2,244,370	(15.9)	2,286,616	1.9
546	800-610	Fire Marshal	12,285,825	13,025,845	12,441,760	13,332,397	13,104,393	(1.7)	13,579,150	3.6
546	800-639	Fire Department Grants	0	0	1,644,640	1,647,140	1,647,140	.0	1,647,140	.0
546	800-640	Homeland Security Grants	0	0	0	0	10,000	.0	10,000	.0
547	800-603	Real Estate Education/Research	85,991	90,777	48,581	250,000	250,000	.0	250,000	.0
548	800-611	Real Estate Recovery	20,000	1,750	40,000	100,000	50,000	(50.0)	50,000	.0
549	800-614	Real Estate	3,077,353	3,226,963	3,226,129	3,605,892	3,480,038	(3.5)	3,574,171	2.7
550	800-617	Securities	3,728,148	3,810,913	3,934,456	4,400,000	4,312,453	(2.0)	4,473,094	3.7
552	800-604	Credit Union	2,414,107	2,374,025	2,795,908	3,654,352	3,521,037	(3.6)	3,627,390	3.0
553	800-607	Consumer Finance	3,171,714	3,504,194	3,624,366	5,800,445	5,800,445	.0	5,800,445	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Commerce

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
556	800-615	Industrial Compliance	21,430,177	22,542,263	22,065,059	25,037,257	25,033,908	.0	25,570,011	2.1
6A4	800-630	Real Estate Appraiser Operating	529,262	607,273	660,972	664,006	664,006	.0	664,006	.0
653	800-629	UST Registration/Permit Fee	1,150,825	1,216,278	1,191,688	1,249,633	1,512,512	21.0	1,467,160	(3.0)
TOTAL State Special Revenue Fund Group			**58,658,081**	**60,815,602**	**62,465,584**	**72,441,901**	**71,029,688**	**(1.9)**	**72,634,819**	**2.3**
TOTAL Department of Commerce			**522,069,404**	**557,028,554**	**603,180,974**	**627,819,517**	**667,141,151**	**6.3**	**706,017,859**	**5.8**

**** Please see the Appropriation Line Item analysis for further detail.**

Ohio Consumers' Counsel

Role and Overview

The Office of the Ohio Consumers' Counsel (OCC) is the advocate for Ohio's 4.5 million residential utility consumers on issues regarding the services they receive from electric, gas, telephone, and water utilities. OCC represents consumers in cases before the Public Utilities Commission of Ohio (PUCO), federal regulatory agencies, and state and federal courts. OCC's advocacy provides decision-makers with the residential consumer perspective in regulatory and judicial processes where other stakeholders, such as public utilities and large business customers, are typical participants. The agency may also conduct long-range studies concerning various topics, such as the quality of utility service that consumers receive and programs and policies that may potentially lower the rates that consumers pay. Each year, the OCC assists thousands of consumers who have inquiries regarding their utility service through its Consumer Services Division.

The OCC participated in approximately one hundred state proceedings and numerous federal matters during 2006. The counsel also educates consumers about utility issues through their website, distribution of newsletters, and makes presentations to groups and organizations throughout Ohio including customers that are rural, urban, low-income or elderly. The OCC has approximately 70 employees and an annual budget of $8.5 million.

The nine-member governing board of the OCC, appointed by the Ohio Attorney General, is a bi-partisan board whose members serve three-year terms and represent 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. Additional information regarding the Ohio Consumers' Counsel is available at www.pickocc.org/.

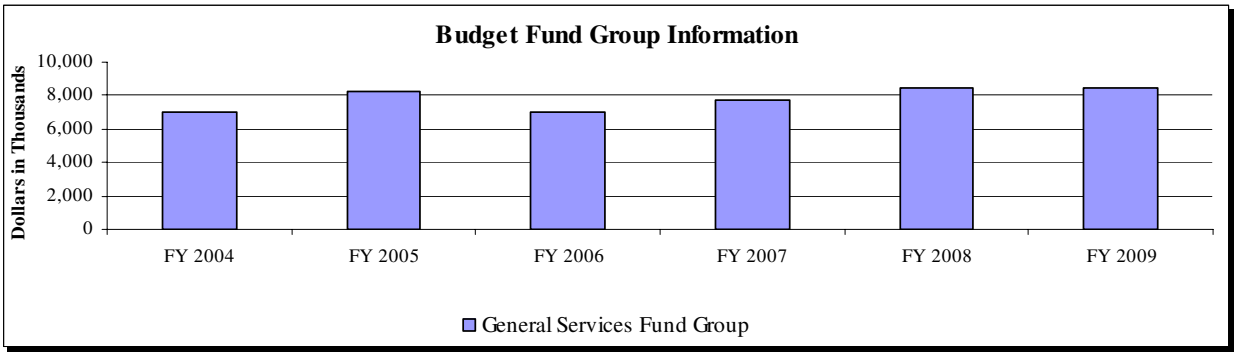
Turnaround Ohio Initiatives

- Advocate for a comprehensive, statewide energy policy that provides for price stability and diversity of resources.
- Support and promote energy efficiency programs to improve local economic development.

Agency Priorities

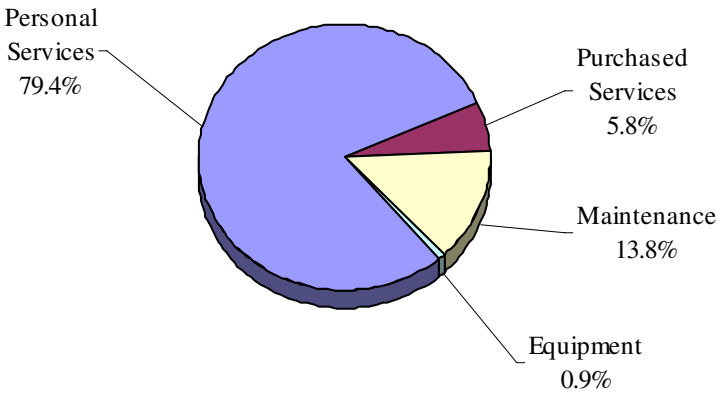
- Serve as the statutory advocate on behalf of Ohio's 4.5 million residential utility consumers in issues regarding the services they receive from electric, gas, telephone and water utilities.
- Participate on behalf of residential consumers in utility cases before the PUCO and the Ohio Supreme Court and other forums as necessary.
- Analyze utility companies' compliance with laws and rules that are intended to ensure adequate service quality and reasonable rates for consumers, and take legal action when necessary to protect Ohioans.
- Participate on behalf of consumers in legal proceedings in which public utilities and other stakeholders recommend policy and regulations that affect the affordability, reliability, and quality of service for residential consumers.
- Educate the state's residential consumers about their utility services and respond to their requests for information.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	7,026	8,240	7,007	7,770	10.9	8,498	9.4	8,498	.0
TOTAL	**7,026**	**8,240**	**7,007**	**7,770**	**10.9**	**8,498**	**9.4**	**8,498**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	5,419	6,095	5,332	5,843	9.6	6,656	13.9	6,845	2.8
Purchased Services	319	397	319	505	58.1	590	16.8	395	(33.1)
Maintenance	1,197	1,322	1,240	1,310	5.6	1,192	(9.0)	1,158	(2.9)
Equipment	91	426	116	112	(3.7)	60	(46.7)	100	67.8
TOTAL	**7,026**	**8,240**	**7,007**	**7,770**	**10.9**	**8,498**	**9.4**	**8,498**	**.0**

PROGRAM SERIES 01: Consumer Advocacy

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: Consumer Advocacy

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.

The Executive Recommendation will:

- Provide funding for the education of the public in issues concerning utilities management and telecommunications through presentations, brochures, handbooks, press releases, and other media sources;
- Allow OCC to continue to represent the interests of residential utility consumers in proceedings before state and federal regulators and in the courts;
- Support 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; and
- Fund the operation of a call center that provides education and assistance to thousands of consumers to address and resolve their utility questions and complaints.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5F5	053-601	Operating Expenses	8,498,070	8,498,070
TOTAL FOR PROGRAM				**8,498,070**	**8,498,070**

LINE ITEM SUMMARY - Consumers' Counsel

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5F5	053-601	Operating Expenses	7,025,929	8,239,755	7,007,426	7,770,070	8,498,070	9.4	8,498,070	.0
TOTAL General Services Fund Group			**7,025,929**	**8,239,755**	**7,007,426**	**7,770,070**	**8,498,070**	**9.4**	**8,498,070**	**.0**
TOTAL Consumers' Counsel			**7,025,929**	**8,239,755**	**7,007,426**	**7,770,070**	**8,498,070**	**9.4**	**8,498,070**	**.0**

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 2007 Estimate" column in the budget tables represents the appropriation authority that remained in the line items after the Controlling Board meeting of December 18, 2006.

Executive Priorities for the Controlling Board

- Provide appropriation and spending oversight for state agencies.
- Transfer appropriation authority and provide funding to state agencies for unplanned contingencies.
- Provide financial assistance to local governments and school districts for the cost of unfunded state mandates.
- Provide Emergency Purpose dollars to assist with natural disasters or emergencies.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	0	0	0	5,553	.0	4,950	(10.9)	4,950	.0
TOTAL	**0**	**0**	**0**	**5,553**	**.0**	**4,950**	**(10.9)**	**4,950**	**.0**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Transfer & Other	0	0	0	5,553	.0	4,950	(10.9)	4,950	.0
TOTAL	**0**	**0**	**0**	**5,553**	**.0**	**4,950**	**(10.9)**	**4,950**	**.0**

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	911-401	Emergency Purposes/Contingencies	4,000,000	4,000,000
GRF	GRF	911-404	Mandate Assistance	650,000	650,000
GRF	GRF	911-441	Ballot Advertising Costs	300,000	300,000
TOTAL FOR PROGRAM				**4,950,000**	**4,950,000**

LINE ITEM SUMMARY - Controlling Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	911-401	Emergency Purposes/Contingencies	0	0	0	0	4,000,000	.0	4,000,000	.0
GRF	911-404	Mandate Assistance	0	0	0	5,253,045	650,000	(87.6)	650,000	.0
GRF	911-441	Ballot Advertising Costs	0	0	0	300,000	300,000	.0	300,000	.0
TOTAL General Revenue Fund			**0**	**0**	**0**	**5,553,045**	**4,950,000**	**(10.9)**	**4,950,000**	**.0**
TOTAL Controlling Board			**0**	**0**	**0**	**5,553,045**	**4,950,000**	**(10.9)**	**4,950,000**	**.0**

Board of Cosmetology

Role and Overview

The Ohio State Board of Cosmetology (COS) is responsible for examining and licensing cosmetologists, estheticians, and manicurists for practice in Ohio. The board inspects the indoor tanning industry in the state to ensure that safety and sanitation standards are met. COS also regulates and assists the county career vocational schools that provide cosmetology curriculums through the Department of Education, as well as private cosmetology schools throughout Ohio. Furthermore, continuing education curriculums are approved and audits on licensees are performed by the board to ensure the required hours are completed and documented. COS has nine board members and 41 staff members.

Additional information regarding the Board of Cosmetology is available at http://www.cos.ohio.gov/.

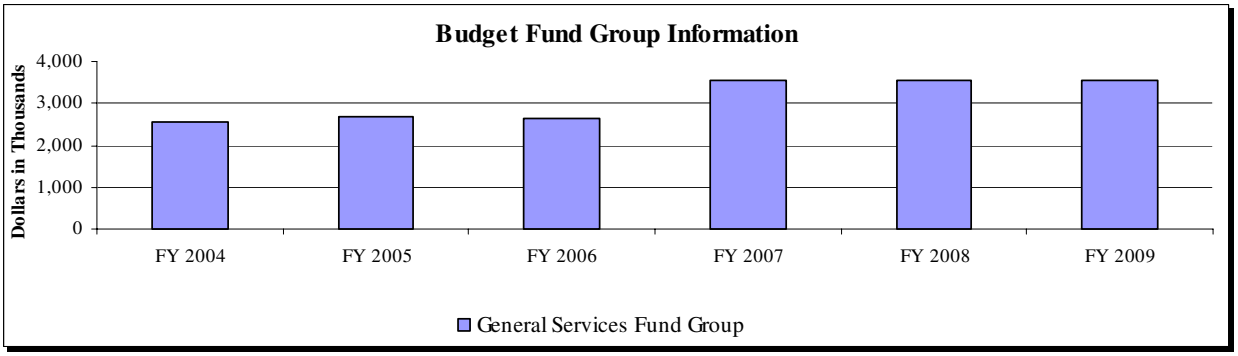
Turnaround Ohio Initiatives

- Develop initiatives which allow customers to hold the board's operations accountable to the highest ethical standards.
- Set benchmarks that will rely on technology to ensure more individuals enter the workforce to contribute to Ohio's economy.

Agency Priorities

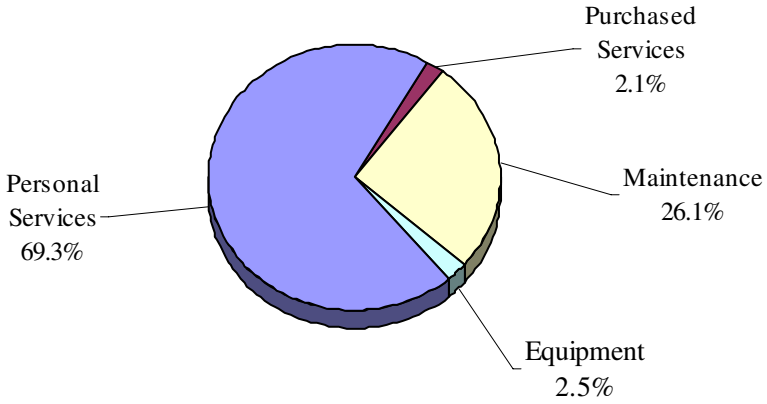
- Expand operations to allow more students to seek licenses in the art and science of cosmetology.
- Revise rules that hold individuals more accountable for violating the public trust through harmful practices.
- Increase awareness of the ability to use on-line technology to receive information from the board.
- Protect the public health through regulation and education while promoting the integrity of the industry.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	2,569	2,674	2,622	3,534	34.8	3,534	.0	3,534	.0
TOTAL	**2,569**	**2,674**	**2,622**	**3,534**	**34.8**	**3,534**	**.0**	**3,534**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	1,822	1,879	1,817	2,268	24.8	2,407	6.1	2,491	3.5
Purchased Services	93	67	82	86	4.6	72	(15.9)	77	7.6
Maintenance	591	678	646	1,040	60.9	955	(8.2)	888	(7.0)
Equipment	64	50	77	140	80.7	100	(28.3)	77	(23.0)
Transfer & Other	0	0	0	0	74.4	0	71.7	0	(41.8)
TOTAL	**2,569**	**2,674**	**2,622**	**3,534**	**34.8**	**3,534**	**.0**	**3,534**	**.0**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the State Board of Cosmetology.

The Executive Recommendation will:

- Enable the board to regulate and assist 88 county career vocational schools and 67 private cosmetology schools throughout Ohio;
- Fund the oversight and regulation of approximately 135,000 individual and business licenses in the fields of cosmetology, esthetics, and manicuring;
- Expand operations center to allow for more candidates to test and become licensed in Ohio; and
- Provide more equitable and consumer safety conscious exam.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4K9	879-609	Operating Expenses	3,533,679	3,533,679
TOTAL FOR PROGRAM				**3,533,679**	**3,533,679**

LINE ITEM SUMMARY - Cosmetology

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	879-609	Operating Expenses	2,569,432	2,674,297	2,622,287	3,533,679	3,533,679	.0	3,533,679	.0
TOTAL General Services Fund Group			**2,569,432**	**2,674,297**	**2,622,287**	**3,533,679**	**3,533,679**	**.0**	**3,533,679**	**.0**
TOTAL BOARD OF COSMETOLOGY			**2,569,432**	**2,674,297**	**2,622,287**	**3,533,679**	**3,533,679**	**.0**	**3,533,679**	**.0**

Counselor, Social Worker, and Marriage and Family Therapist Board

Role and Overview

The State of Ohio Counselor, Social Worker and Marriage and Family Therapist Board (CSW) licenses qualified practitioners, establishes standards for counselors, social workers, and marriage and family therapists, and the education programs for those professions, as well as enforcing rules governing the practice. With 15 board members and 12 staff members, CSW regulates over 29,000 licensees.

More information regarding the Counselor, Social Worker and Marriage and Family Therapist Board is available at http://www.cswmft.ohio.gov/

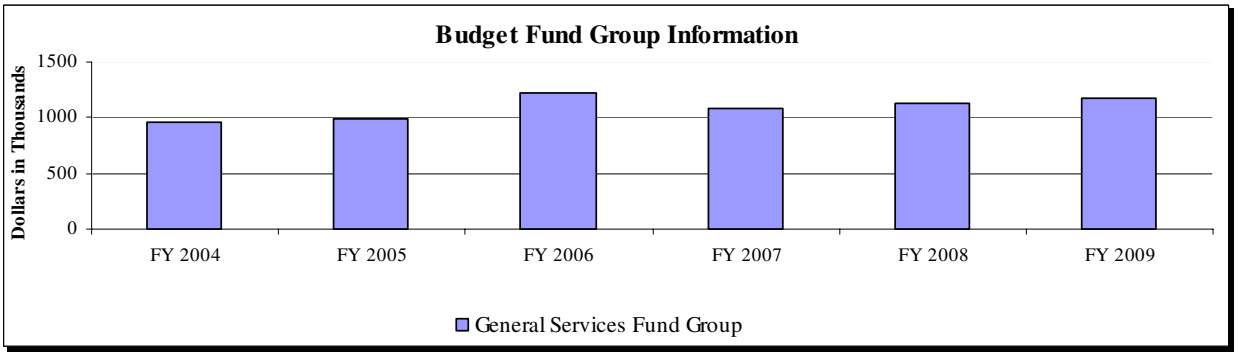
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Operate the Counselor, Social Worker, and Marriage and Family Therapist Board with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

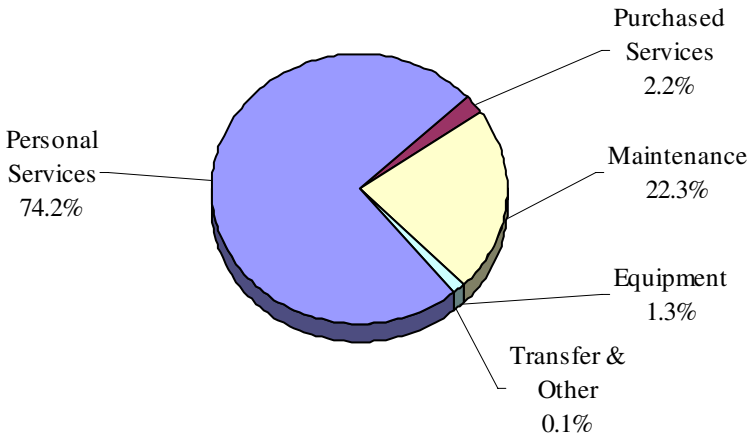
- Protect and serve the citizens of Ohio by effectively and efficiently regulating the licensed practice of counseling, social work, and marriage and family therapy in the State of Ohio through the licensing of qualified practitioners, establishing standards for counselors, social workers, and marriage and family therapists, providing educational programs, and enforcing the laws and rules governing the practice.
- Inform the citizens of Ohio, licensees, and applicants that protection of the public is the primary purpose of the board.
- Process efficiently and effectively new applications for licensure as counselors, social workers, or marriage and family therapists.
- Renew existing licensees efficiently and effectively upon application.
- Protect the public through promulgation of the standards of conduct and investigate all complaints against licensees.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	957	997	1,224	1,082	(11.6)	1,124	3.9	1,180	4.9
TOTAL	**957**	**997**	**1,224**	**1,082**	**(11.6)**	**1,124**	**3.9**	**1,180**	**4.9**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	685	712	726	792	9.1	829	4.7	881	6.2
Purchased Services	11	10	123	30	(75.7)	25	(16.7)	25	.0
Maintenance	253	226	313	254	(18.8)	258	1.6	257	(.4)
Equipment	8	48	61	5	(91.9)	12	131.3	17	43.5
Transfer & Other	0	0	0	1	14.9	1	.0	1	.0
TOTAL	**957**	**997**	**1,224**	**1,082**	**(11.6)**	**1,124**	**3.9**	**1,180**	**4.9**

PROGRAM SERIES 01: Regulation

This program series ensures the health, safety, and general welfare of the citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Counselor, Social Worker, and Marriage and Family Therapist Board.

The Executive Recommendation will:

- Fund the operations of the board with the goal of protection of the public;
- Fund three professional standards committees and staff for licensing counselors, social workers, and marriage and family therapists;
- Fund processing of over 3,000 new license applications, 14,000 license renewal applications, 700 continuing education program applications, and 300 continuing education provider applications per fiscal year;

- Fund investigation of over 200 complaints per fiscal year;
- Fund tracking of over 3,000 licensing examination requests and results, over 3,000 transcripts, and over 4,000 supervision documents per fiscal year; and
- Support the improvement of IT and enhance efficiency and effectiveness of processes.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	899-609	Operating Expenses	1,124,267	1,179,774
TOTAL FOR PROGRAM				**1,124,267**	**1,179,774**

LINE ITEM SUMMARY - Counselor and Social Workers' Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	899-609	Operating Expenses	956,622	997,045	1,224,210	1,081,737	1,124,267	3.9	1,179,774	4.9
TOTAL General Services Fund Group			**956,622**	**997,045**	**1,224,210**	**1,081,737**	**1,124,267**	**3.9**	**1,179,774**	**4.9**
TOTAL COUNSLR SOC WK MRRG & FAM THER			**956,622**	**997,045**	**1,224,210**	**1,081,737**	**1,124,267**	**3.9**	**1,179,774**	**4.9**

Role and Overview

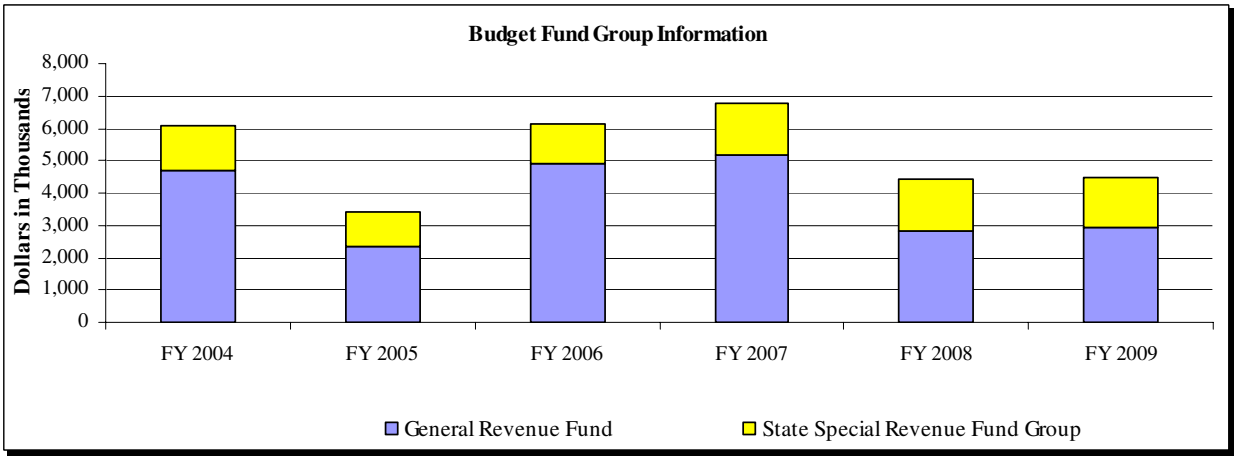
The Court of Claims (CLA) is a statutory court of original jurisdiction that was created to hear and determine all civil actions against the State of Ohio. The Court of Claims also hears and determines appeals from decisions concerning claims filed by victims of crime for awards of reparations, which are initially determined by the Attorney General. The Court of Claims has 28 full-time employees, three part-time retired judges assigned by the Chief Justice, one part-time magistrate appointed by a judge of the Court of Claims, seven part-time commissioners appointed by the Supreme Court, and two part-time law students appointed by the clerk. The annual budget of approximately $4.4 million includes a GRF operating budget of $2.8 million. Additional information regarding the Court of Claims is available at http://www.cco.state.oh.us.

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.

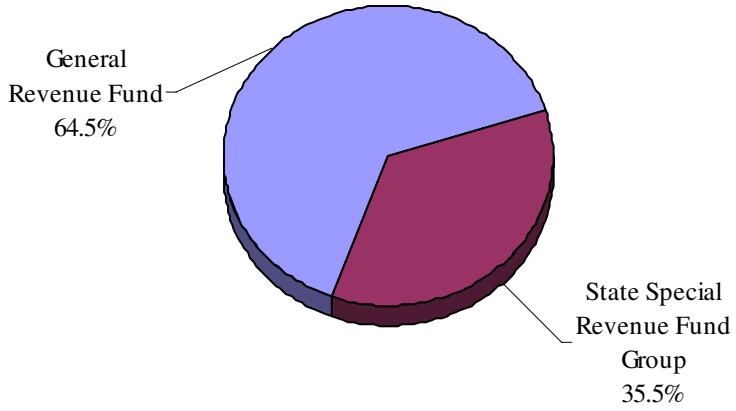
Agency Priorities

- Hear and determine all civil actions filed against the State of Ohio and state agencies.

Summary of Budget History and Recommendations

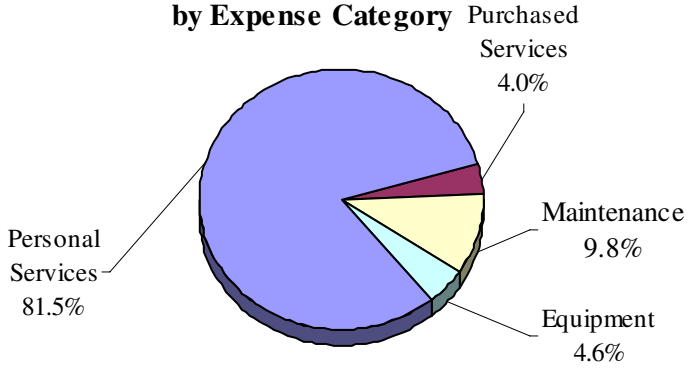


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	4,674	2,364	4,906	5,178	5.5	2,830	(45.3)	2,912	2.9
State Special Revenue Fund Group	1,426	1,064	1,222	1,583	29.6	1,583	.0	1,583	.0
TOTAL	**6,100**	**3,428**	**6,128**	**6,761**	**10.3**	**4,413**	**(34.7)**	**4,495**	**1.8**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	2,917	2,836	3,186	3,731	17.1	3,565	(4.5)	3,700	3.8
Purchased Services	51	70	87	0	(100.0)	188	.0	172	(8.5)
Maintenance	496	310	354	428	20.9	426	(.5)	451	6.0
Equipment	599	212	143	102	(28.6)	235	130.2	172	(27.0)
Transfer & Other	2,037	0	2,358	2,500	6.0	0	(100.0)	0	.0
TOTAL	**6,100**	**3,428**	**6,128**	**6,761**	**10.3**	**4,413**	**(34.7)**	**4,495**	**1.8**

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. The Court of Claims also hears and determines appeals of decisions concerning claims filed by victims of crime 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.

The Executive Recommendation will:

- Continue the current level of 28 full-time positions and 14 part-time positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	015-321	Operating Expenses	2,830,489	2,912,000
SSR	5K2	015-603	CLA Victims of Crime	1,582,684	1,582,684
TOTAL FOR PROGRAM				**4,413,173**	**4,494,684**

LINE ITEM SUMMARY - Court of Claims

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	015-321	Operating Expenses	2,636,591	2,364,166	2,548,356	2,678,331	2,830,489	5.7	2,912,000	2.9
GRF	015-402	Wrongful Imprisonment Comp	2,036,990	0	2,357,877	2,500,000	0	(100.0)	0	.0
TOTAL General Revenue Fund			**4,673,581**	**2,364,166**	**4,906,233**	**5,178,331**	**2,830,489**	**(45.3)**	**2,912,000**	**2.9**
5K2	015-603	CLA Victims of Crime	1,426,233	1,063,526	1,221,625	1,582,684	1,582,684	.0	1,582,684	.0
TOTAL State Special Revenue Fund Group			**1,426,233**	**1,063,526**	**1,221,625**	**1,582,684**	**1,582,684**	**.0**	**1,582,684**	**.0**
TOTAL Court of Claims			**6,099,814**	**3,427,692**	**6,127,858**	**6,761,015**	**4,413,173**	**(34.7)**	**4,494,684**	**1.8**

Ohio Cultural 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, science and technology centers, historical sites, and publicly owned professional sports venues.

In the past 18 years, more than $480 million has been appropriated for over 250 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 eight specialists that provide the oversight for the assigned projects. The staff members include professionals trained in landscape architecture, engineering, and project management. The commission has an annual budget of approximately $37.8 million, which includes $36.6 million for debt service payments on capital projects.

Additional information regarding the Ohio Cultural Facilities Commission is available at http://www.culture.ohio.gov/.

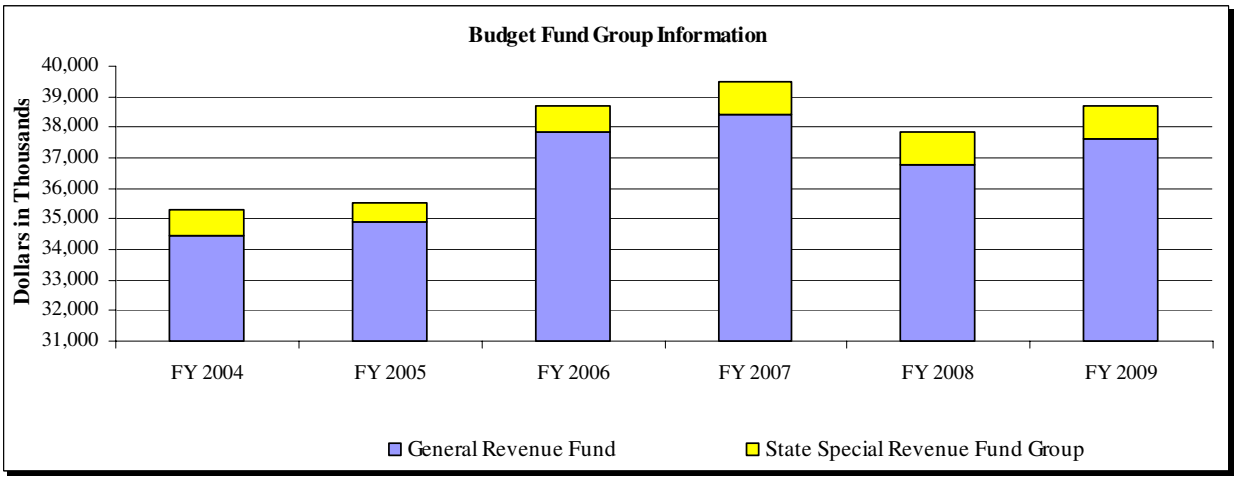
Turnaround Ohio Initiatives

- Provide guidance in the planning and design of cultural and sports facilities so that state investment will encourage "Fix-It-First" projects, follow "Smart Growth" principles, and complement the Ohio Main Street Program.
- Provide a rich array of arts and cultural education opportunities that supplement those available in Ohio's schools and communities.

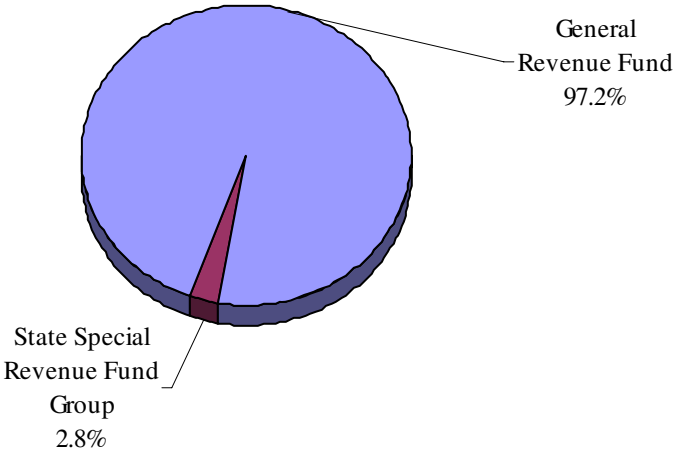
Agency Priorities

- Protect public funds through the effective stewardship of more than $480 million in state capital appropriations for cultural facilities projects.
- Balance the commission's dual role of ensuring that public funds are properly spent, while also adding value to projects through guidance and technical assistance.
- Support the consistent application of quality standards, based upon industry best practices.

Summary of Budget History and Recommendations

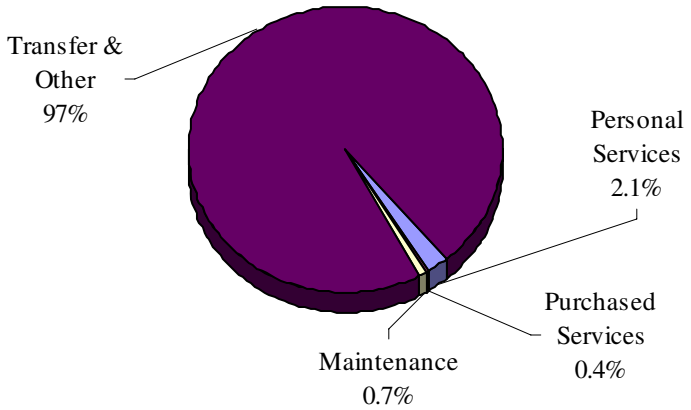


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	34,450	34,890	37,822	38,442	1.6	36,781	(4.3)	37,632	2.3
State Special Revenue Fund Group	869	630	863	1,064	23.3	1,064	.0	1,064	.0
TOTAL	**35,319**	**35,521**	**38,685**	**39,507**	**2.1**	**37,845**	**(4.2)**	**38,696**	**2.2**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	701	759	725	828	14.3	817	(1.3)	817	.0
Purchased Services	75	163	150	146	(2.6)	141	(3.6)	141	.0
Maintenance	184	169	158	276	74.8	272	(1.4)	272	.0
Equipment	16	29	23	10	(57.4)	10	.0	10	.0
Transfer & Other	34,344	34,400	37,629	38,247	1.6	36,605	(4.3)	37,456	2.3
TOTAL	**35,319**	**35,521**	**38,685**	**39,507**	**2.1**	**37,845**	**(4.2)**	**38,696**	**2.2**

PROGRAM SERIES 01: Ohio Cultural Facilities Commission Operations

This program encompasses all of the Ohio Cultural Facilities Commission's activities, which include oversight of cultural facilities projects across the state and responsibility for making over $38 million in debt service payments for all current and previous projects that have been placed within their oversight. OCFC also works with the Riffe Theaters located in Columbus to ensure equipment is properly maintained and replaced as necessary.

Program 01.01: Ohio Cultural Facilities Commission Operations

OCFC provides oversight to all projects appropriated to the agency in the capital budget. As previously noted, their responsibilities include maintenance of the equipment in the Riffe Theater.

The Executive Recommendation will:

- Provide oversight of more than $480 million in state funds appropriated to over 250 community projects in 65 counties throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	371-321	Operating Expenses	176,136	176,136
SSR	4T8	371-601	Riffe Theatre Equipment Maint.	81,000	81,000
SSR	4T8	371-603	Project Admin Services	983,295	983,295
TOTAL FOR PROGRAM				**1,240,431**	**1,240,431**

Program 01.02: Debt Service

OCFC is responsible for the state's debt service payments on projects appropriated to the agency in the capital budget.

The Executive Recommendation will:

- Fund all debt obligations for capital expenditures for the biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	371-401	Lease Rental Payments	36,604,600	37,455,500
TOTAL FOR PROGRAM				**36,604,600**	**37,455,500**

LINE ITEM SUMMARY - Ohio Cultural Facilities Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	371-321	Operating Expenses	106,546	490,473	193,175	195,707	176,136	(10.0)	176,136	.0
GRF	371-401	Lease Rental Payments	34,343,559	34,399,906	37,628,895	38,246,500	36,604,600	(4.3)	37,455,500	2.3
TOTAL General Revenue Fund			**34,450,105**	**34,890,379**	**37,822,070**	**38,442,207**	**36,780,736**	**(4.3)**	**37,631,636**	**2.3**
4T8	371-601	Riffe Theatre Equipment Maint.	40,281	35,937	4,863	81,000	81,000	.0	81,000	.0
4T8	371-603	Project Admin Services	828,746	594,460	858,094	983,295	983,295	.0	983,295	.0
TOTAL State Special Revenue Fund Group			**869,027**	**630,397**	**862,957**	**1,064,295**	**1,064,295**	**.0**	**1,064,295**	**.0**
TOTAL Arts & Sports Facilities Comm			**35,319,132**	**35,520,776**	**38,685,027**	**39,506,502**	**37,845,031**	**(4.2)**	**38,695,931**	**2.2**

Role and Overview

The Ohio State Dental Board (DEN) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice dentistry in Ohio. The board monitors those licensees to ensure compliance with the laws in the Ohio Revised Code. The board's annual budget of slightly more than $1.4 million supports a staff of 15 in addition to 13 board members. The Ohio State Dental Board regulates 6,902 dentists, 7,231 dental hygienists, and 10,135 dental assistant radiographers. Additional information regarding the Dental Board is available at: http://dental.ohio.gov/.

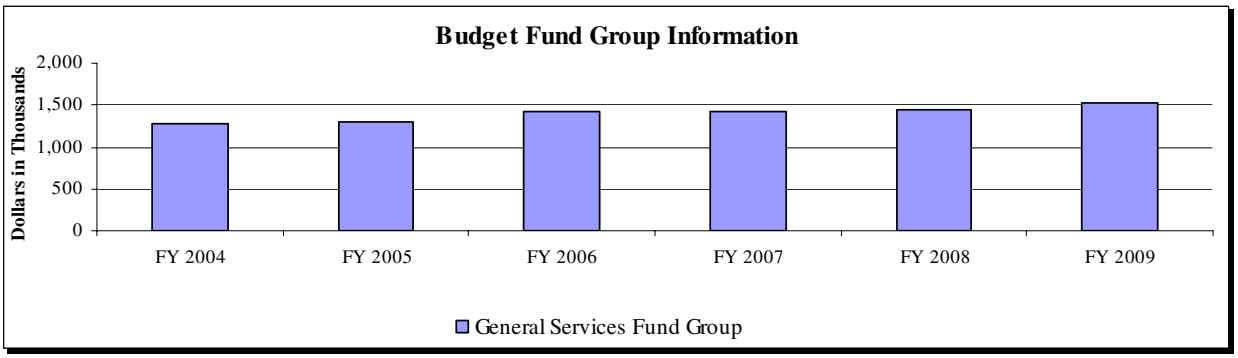
Turnaround Ohio Initiatives

- Continue to develop initiatives to foster a sense of respect, trust, and confidence in the mission of the board, which is to protect Ohio's consumers, while at the same time maintaining the expectation of high standards for professional licensees for whom the board regulates.
- Continue to explore ways to operate at the most efficient and effective levels, including maximizing the technological advances available to the board, and to communicate with licensees and the public.

Agency Priorities

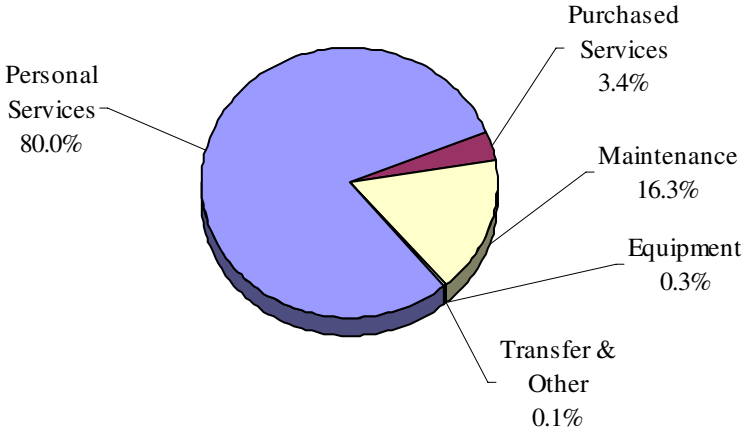
- Ensure that qualified, competent applicants receive licenses to practice their chosen professional discipline in a timely fashion, with relative ease and efficiency in the process.
- Maintain, regulate, and enforce the rules, standards, and guidelines governing the practice of dentistry, dental hygiene, expanded function dental assisting, and dental assistant radiography.
- Promote prompt application and subsequent processing of all licensure and renewal requests.
- Continue to protect the public health, welfare, and safety through regulation and education while promoting the highest standards for the profession.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	1,271	1,309	1,420	1,425	.3	1,437	.9	1,529	6.4
TOTAL	**1,271**	**1,309**	**1,420**	**1,425**	**.3**	**1,437**	**.9**	**1,529**	**6.4**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	970	965	991	1,059	6.8	1,153	8.9	1,220	5.8
Purchased Services	35	81	115	70	(39.1)	40	(42.9)	60	50.0
Maintenance	238	254	279	290	3.9	240	(17.2)	245	2.1
Equipment	26	10	22	5	(76.8)	4	(30.0)	4	.0
Transfer & Other	3	0	13	1	(92.5)	1	(50.0)	1	.0
TOTAL	**1,271**	**1,309**	**1,420**	**1,425**	**.3**	**1,437**	**.9**	**1,529**	**6.4**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes the operations of regulating the dentistry profession including issuing and renewing licenses, monitoring continuing education requirements, and investigating complaints filed with the board.

The Executive Recommendation will:

- Support the operations of the board and staff;
- Enable basic renewal and new application processing for the approximately 6,900 dentists, 7,200 dental hygienists, and 10,000 dental assistant radiographers currently regulated; and
- Fund investigation of over 1,200 complaints per fiscal year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	880-609	Operating Expenses	1,437,392	1,528,749
TOTAL FOR PROGRAM				**1,437,392**	**1,528,749**

LINE ITEM SUMMARY - Dental Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	880-609	Operating Expenses	1,270,687	1,308,717	1,420,325	1,424,791	1,437,392	.9	1,528,749	6.4
TOTAL General Services Fund Group			**1,270,687**	**1,308,717**	**1,420,325**	**1,424,791**	**1,437,392**	**.9**	**1,528,749**	**6.4**
TOTAL DENTAL BOARD			**1,270,687**	**1,308,717**	**1,420,325**	**1,424,791**	**1,437,392**	**.9**	**1,528,749**	**6.4**

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.

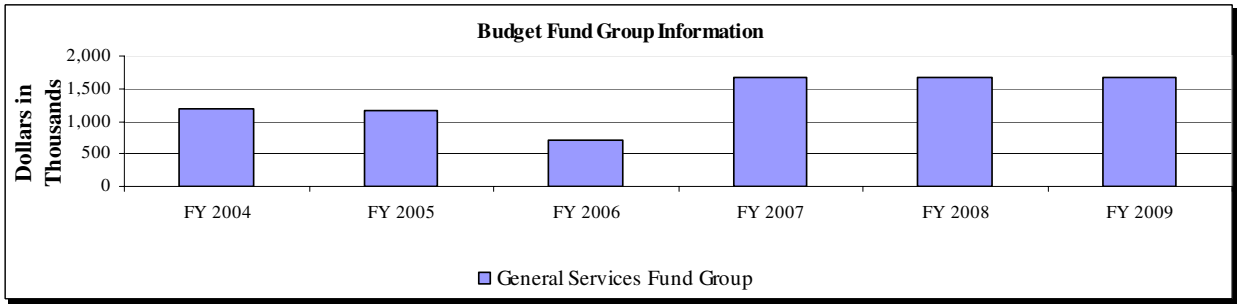
The Board of Deposit is made up of three elected officials: the State Treasurer, the State Auditor, and the Attorney General, or their designees. The Treasurer serves as the board's chairperson. The Cashier of the State Treasury serves as the board's secretary. The board's fiscal year 2008 budget is 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.

Additional information regarding the Board of Deposit is available at http://ohioboardofdeposit.org/.

Agency Priorities

- Designate the depositories of the public moneys of the state.
- Implement the Uniform Depository Act.
- Pay banking fees and charges for the State Treasurer's bank accounts.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	1,200	1,152	718	1,676	133.3	1,676	.0	1,676	.0
TOTAL	**1,200**	**1,152**	**718**	**1,676**	**133.3**	**1,676**	**.0**	**1,676**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Maintenance	1,200	1,152	718	1,676	133.3	1,676	.0	1,676	.0
TOTAL	**1,200**	**1,152**	**718**	**1,676**	**133.3**	**1,676**	**.0**	**1,676**	**.0**

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.

The Executive Recommendation will:

- Pay banking and trust service fees for the State Treasurer's bank accounts, which include 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
- Award active moneys to and among eligible state depositories.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4M2	974-601	Board of Deposit Expenses	1,200,314	1,151,820	718,406	1,676,000	1,676,000	.0	1,676,000	.0
TOTAL General Services Fund Group			**1,200,314**	**1,151,820**	**718,406**	**1,676,000**	**1,676,000**	**.0**	**1,676,000**	**.0**
TOTAL Board of Deposit			**1,200,314**	**1,151,820**	**718,406**	**1,676,000**	**1,676,000**	**.0**	**1,676,000**	**.0**

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 455 employees and six international trade offices, the department has an annual budget of approximately $1.2 billion, of which approximately 72 percent is distributed through loans and grants.

More information regarding the Department of Development is available at http://www.odod.state.oh.us/.

Turnaround Ohio Initiatives

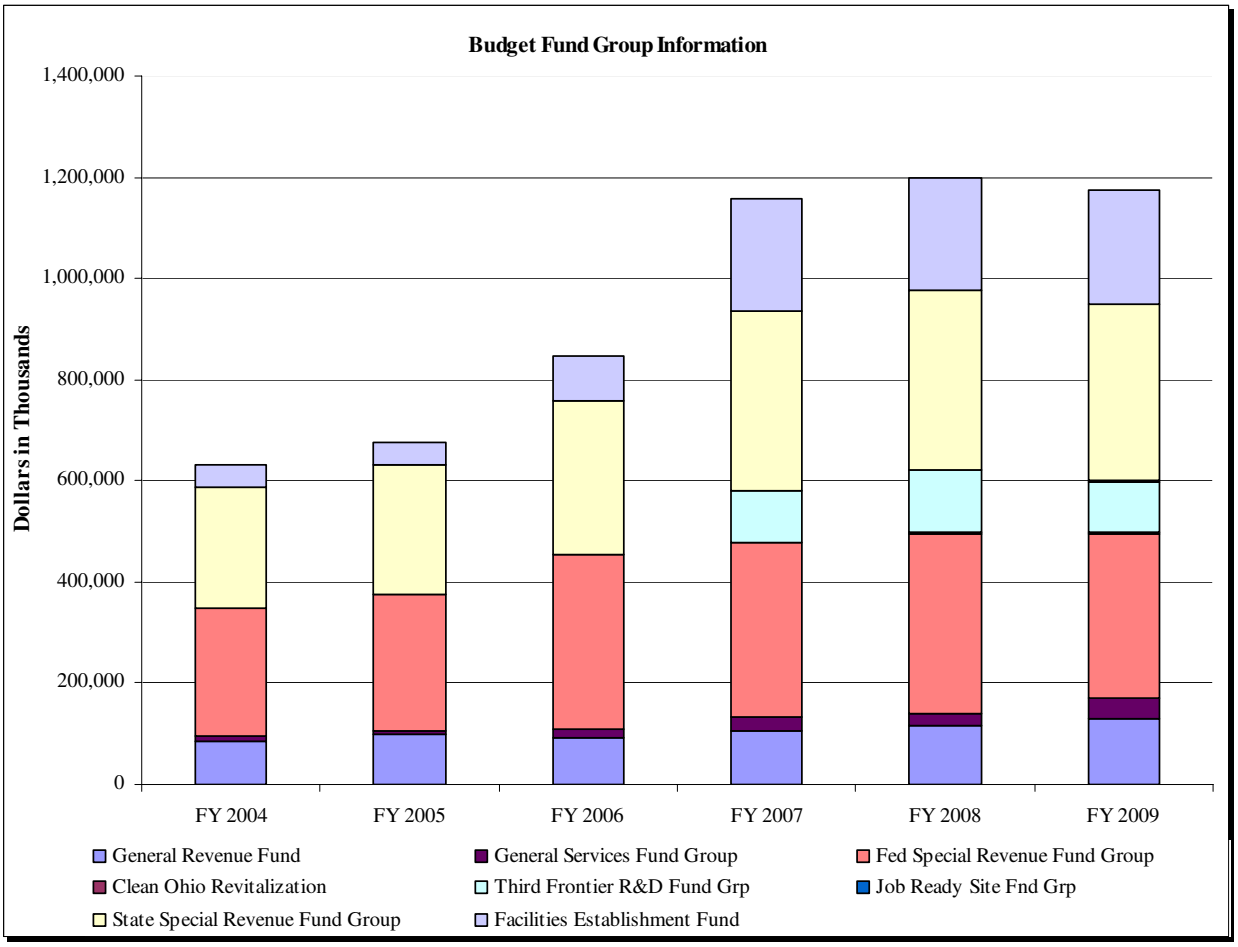
- Keep and grow jobs for Ohioans by investing in Ohio's strengths.
- Build Ohio's regional economies and globally competitive industries, spur small- and mid-size business growth, support emerging entrepreneurs in the urban core, and foster innovation.
- Bring order and accountability to Ohio's economic development programs and ensure that the state is getting results.
- Make Ohio's workforce development available for those who most need it, particularly Ohioans who want to learn and Ohio businesses that need skilled workers.
- Aggressively promote Ohio businesses in world markets and make Ohio a gateway to international commerce and a hub for the nation's freight.
- Stimulate investment in the urban neighborhoods and address the problem of vacant and abandoned industrial/residential buildings and land.
- Modernize Ohio's enterprise zone and tax incentive strategy to reflect changes in Ohio's economy and tax structure.
- Ensure capital is available to provide small business growth and refocus Third Frontier bond funds to provide capital to small- and medium-sized innovative businesses.
- Encourage the development of a wide range of alternative energy production in Ohio and make the state a leader in developing next generation energy resources.
- Support development of infrastructure to make biofuels (ethanol, soy diesel, etc.) accessible to every Ohioan.
- Aggressively use the Ohio NextGen Network to extend affordable broadband to remote areas.
- Support the Ohio Main Streets Program and Historic Preservation Tax Credit.

Agency Priorities

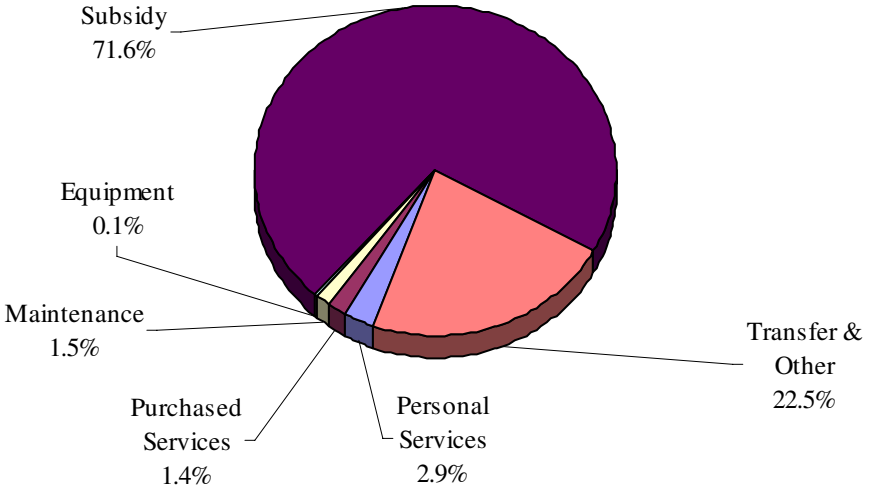
- Create, retain, and expand job opportunities for all Ohioans through direct financial assistance including low-interest loans, grants, bonds, and state and local tax incentives.
- Provide financial and technical assistance to local governments and nonprofit organizations in Ohio to assist with business development and expansion, job creation, infrastructure improvements, affordable housing development, homelessness prevention, and social and other public services for low- and moderate-income citizens.
- Work with local governments, organizations, and businesses to implement renewable and alternative energy projects; support energy-efficient methods in the operation of government, businesses and households; and assist communities in installing and operating ethanol, biodiesel, and soy-based fueling stations.
- Provide financial assistance and technical resources for customized training for employees of new and expanding Ohio businesses.

- Encourage the growth and success of small businesses by providing counseling, training, and access to capital and aid in the creation of programs, strategic planning and institutional partnerships that address the particular needs of minority and disadvantaged business enterprises.
- Continue to invest Third Frontier dollars in emerging technologies that have the potential to create jobs, patent new products, and improve quality of life.
- Use grant and loan programs to assist Appalachian communities in maintaining their historic downtown districts, improve infrastructure (including broadband access), and expand industrial sites.
- Promote the export of Ohio products and services, and market Ohio as a business location to foreign-owned firms.
- Promote Ohio's unique tourism destinations and drive cooperative partnerships within the Ohio and regional tourism industry.

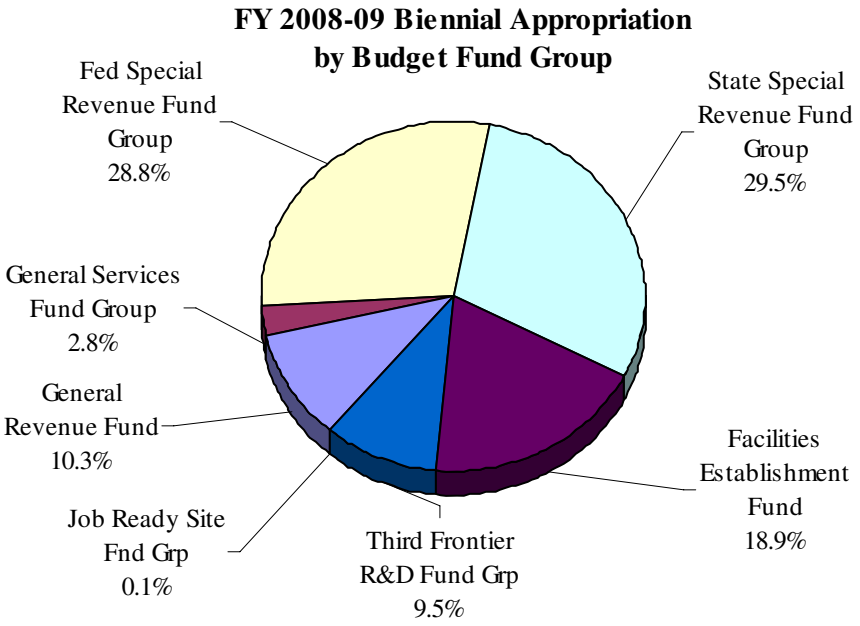
Summary of Budget History and Recommendations



FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	86,845	99,149	92,295	107,492	16.5	114,723	6.7	128,750	12.2
General Services Fund Group	7,336	7,284	15,669	26,415	68.6	25,424	(3.7)	41,446	63.0
Fed Special Revenue Fund Group	253,221	270,169	344,876	343,911	(.3)	356,446	3.6	326,566	(8.4)
State Special Revenue Fund Group	241,110	255,265	305,240	353,732	15.9	352,591	(.3)	348,091	(1.3)
Facilities Establishment Fund	42,284	44,323	90,045	224,106	148.9	224,475	.2	224,475	.0
Clean Ohio Revitalization	91	86	208	350	68.4	625	78.6	550	(12.0)
Third Frontier R&D Fund Grp	0	0	0	101,932	.0	123,932	21.6	101,932	(17.8)
Job Ready Site Fnd Grp	0	0	0	746	.0	1,246	67.0	1,246	.0
TOTAL	**630,886**	**676,276**	**848,333**	**1,158,683**	**36.6**	**1,199,464**	**3.5**	**1,173,058**	**(2.2)**



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	33,205	34,108	28,496	33,464	17.4	34,221	2.3	34,971	2.2
Purchased Services	8,220	9,773	12,065	26,173	116.9	16,943	(35.3)	16,786	(.9)
Maintenance	15,528	15,186	13,469	16,493	22.5	18,241	10.6	18,274	.2
Equipment	762	765	984	1,034	5.1	1,271	22.9	1,190	(6.4)
Subsidy	519,412	557,608	697,125	831,776	19.3	869,265	4.5	828,280	(4.7)
Transfer & Other	53,758	58,837	96,194	249,743	159.6	259,523	3.9	273,556	5.4
TOTAL	**630,886**	**676,276**	**848,333**	**1,158,683**	**36.6**	**1,199,464**	**3.5**	**1,173,058**	**(2.2)**

PROGRAM SERIES 01: Economic Development

This program series supports economic development in Ohio through loan, grant, training, bond, and tax incentive programs for businesses, local communities, and non-profit organizations in the state.

Program 01.01: Business Development

This program supports the attraction of significant private investment to help create and retain high paying jobs in the State of Ohio. There are six grant and six loan economic development incentives that are administered by this program. The program also oversees the Volume Cap Program, a federally authorized program that allows the state to allocate tax-exempt bond authority to various projects throughout the state. This program also, maintains a web based searchable inventory of industrial sites and buildings and provides administrative support to the Development Financing Advisory Council, the Ohio Steel Industry Advisory Council, and the Ohio Port Authority Council.

The Executive Recommendation will:

- Provide administration for financial incentive grant and loan programs;
- Support efforts to ensure that recipients of grants and loans meet the conditions to receive funding; and
- Support the Development Finance Advisory Council, the Ohio Steel Industry Advisory Council, and the Ohio Port Authority Council.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	195-415	Economic Dev Div & Regional Offices	2,740,355	2,720,355
SSR	451	195-625	Econ Dev Financing Operating	2,483,311	2,483,311
SSR	617	195-654	Volume Cap Administration	200,000	200,000
012	012	195-688	Job Ready Site Operating	1,246,155	1,246,155
TOTAL FOR PROGRAM				**6,669,821**	**6,649,821**

Program 01.02: Financial Incentives - Grants

This program provides grants to private companies and local communities to assist with capital investment and infrastructure improvement projects that increase Ohio's attractiveness as a business location. The program's investment in economic development endeavors is targeted toward projects that will create or retain high-wage jobs.

The Executive Recommendation will:

- Fund Rapid Outreach Grants, Roadwork Development Grants, Rural Development Initiative Grants, Industrial Site Improvement Grants, and Economic Development Contingency Grants;
- Provide assistance for infrastructure improvements, land development, building construction, and machinery and equipment purchases;
- Stimulate additional private investment in new or expanded business facilities, primarily by helping companies reduce their upfront costs of locating new operations in the state; and
- Support the Turnaround Ohio strategy to keep and grow jobs for Ohioans.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	195-412	Rapid Outreach Grants	16,102,500	16,102,500
GRF	GRF	195-912	Job Ready Site Development-GO Debt	4,359,400	8,232,500
GSF	5AD	195-677	Economic Development Contingency	9,275,000	28,675,000
SSR	4W0	195-629	Roadwork Development	18,699,900	18,699,900
SSR	5AR	195-674	Industrial Site Improvements	4,500,000	4,500,000
037	5S8	195-627	Rural Development Initiative	3,000,000	3,000,000
TOTAL FOR PROGRAM				**55,936,800**	**79,209,900**

Program 01.03: Financial Incentives - Loans

This program provides long-term, low-interest loans to businesses, local communities, and non-profit organizations that leverage significant private investment and that demonstrate the ability to retain and create high paying jobs in the State of Ohio. The loan proceeds may be used to finance a variety of costs including but not limited to machinery and equipment, land and buildings, research and development equipment, industrial parks, "spec" buildings, and software development costs. Interest rates and loan repayment terms are tailored to fit the specific needs of a project.

The Executive Recommendation will:

- Fund the Innovation Ohio Loan Program, Research and Development Loan Program, 166 Direct Loan Program, Urban Redevelopment Loan Program, and Rural Industrial Park Loan Program;

- Provide long-term, low-interest loans to businesses, local communities, private developers and nonprofit organizations; and
- Support the Turnaround Ohio strategy to keep and grow jobs for Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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
037	037	195-615	Facilities Establishment	110,000,000	110,000,000
037	4Z6	195-647	Rural Industrial Park Loan	3,000,000	3,000,000
037	5D2	195-650	Urban Redevelopment Loans	5,475,000	5,475,000
TOTAL FOR PROGRAM				**218,475,000**	**218,475,000**

Program 01.04: Workforce Development

This program is responsive to businesses' technical training needs and provides individualized assessment and recommendations, facilitation of the application process, assistance with implementation, and tracking of results. Additionally, this section houses the Governor's Workforce Policy Board personnel that are responsible for providing policy recommendations to the Governor, along with oversight for the Workforce Investment Act as required by federal law.

The Executive Recommendation will:

- Fund Ohio Investment in Training Grants and Workforce Guarantee Grants which assist businesses to educate and train Ohio's workforce;
- Provide administration for grants programs; and
- Support efforts to better link workforce training and education to economic development priorities and coordinate with the Governor's Jobs Strike Force to retain and grow jobs in Ohio.
- Support the Governor's Workforce Policy Board which is required under the Federal Workforce Investment Act for states receiving funding from the U.S. Department of Labor.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-415	Economic Dev Div & Regional Offices	367,684	367,684
GRF	GRF	195-434	Investment in Training Grants	12,594,325	12,594,325
GSF	5AD	195-667	Investment In Training Expansion	2,000,000	0
GSF	5AD	195-668	Workforce Guarantee Program 0	1,000,000	0
FED	3AE	195-643	Workforce Development Initiatives	5,839,900	5,860,000
TOTAL FOR PROGRAM				**21,801,909**	**18,822,009**

Program 01.05: Small and Developing Business

This program includes a number of components that are designed to provide excellent service to and advocacy for Ohio small businesses.

The Executive Recommendation will:

- Fund the Small Business Development Center Program, which supports 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;
- Support the Governor's Small Business Advisory Council in soliciting the concerns and priorities of small business owners; and
- Support the Ohio Labor Management Cooperation Program, which funds the direct customer services provided by local area labor-management committees and university based labor-management centers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-404	Small Business Development	1,792,944	1,792,944
GRF	GRF	195-436	Labor/Management Cooperation	836,225	836,225
FED	308	195-609	Small Business Administration	3,796,381	3,796,381
SSR	4F2	195-639	State Special Projects	435,993	283,343
TOTAL FOR PROGRAM				**6,861,543**	**6,708,893**

Program 01.06: Minority Business Development

This program provides grants, loans, technical assistance, surety bonds and surety bond guarantees to minority and multicultural businesses statewide. These services help promote the development of minority and multicultural business and increase the capacity to create jobs, maintain stability, improve competitiveness, and obtain contracts. The program additionally provides federal contract procurement assistance to Ohio companies becoming vendors to the federal government.

The Executive Recommendation will:

- Support the operation of the eight-office network which annually provides more than 9,000 management and technical assistance counseling sessions to Ohio minority, small and disadvantaged business;
- Support, through a federally funded grant agreement with the U.S. Defense Logistics Agency, the operation of the Ohio Procurement Technical Assistance Center network providing specialized contract procurement assistance to 1,500 businesses, generating $600 million in annual contract awards;
- Expand the Capital Access Program and continue other public-private financing programs which currently support $31 million in loans to small, minority, and disadvantaged businesses;
- Assist targeted businesses, through the EDGE Mentor-Protégé Program, which brings recognized business leaders into structured mentor relationships with state-certified disadvantaged business enterprises; and
- Drive the implementation of a public-private surety bond guaranty program which provides bid, performance, and payment bonds allowing state-certified disadvantaged business enterprises to pursue contracting opportunities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-405	Minority Business Dev Division	1,780,000	1,780,000
FED	308	195-609	Small Business Administration	500,000	600,000
SSR	4W1	195-646	Minority Bus. Enterprise Loan	2,580,597	2,580,597
SSR	450	195-624	Minority Bus. Bond'g Prog Admin	53,967	53,967
037	5S9	195-628	Capital Access Loan Program	3,000,000	3,000,000
TOTAL FOR PROGRAM				**7,914,564**	**8,014,564**

Program 01.07: Tax Incentives

This program includes activities to offset real and personal property taxes and the Job Creation and Job Retention Tax Credit Programs. Through the Enterprize Zone, Community Reinvestment Area, and Tax Increment Financing program, the Office of Tax Incentives assists and oversees local governments providing incentives to businesses making new investments in real and personal property within certified areas of the state. The Job Creation Tax Credit (JCTC) 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 (JRTC) provides a nonrefundable tax credit to foster retention of full-time jobs in Ohio.

The Executive Recommendation will:

- Support the administration of tax credit programs, which are available to companies with proposed projects meeting statutory and administrative guidelines for job creation or retention;

- Support the Ohio Tax Credit Authority, an independent board that approves JCTC and JRTC projects and oversees the execution of existing tax credit agreements; and
- Fund the work to administer property tax incentive programs including the Enterprise Zone, Community Reinvestment Area, and Tax Increment Financing programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	4S0	195-630	Enterprise Zone Operating	650,800	650,800
TOTAL FOR PROGRAM				**650,800**	**650,800**

Program 01.08: 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 represents the Governor locally.

The Executive Recommendation will:

- Fund administrative costs for 12 regional offices to support the Turnaround Ohio strategy to focus on Ohio's strengths by building on Ohio's regional economies;
- Provide assistance to local governments, businesses, and professional economic development agencies for the retention, expansion and creation of new businesses and employment opportunities in Ohio; and
- Support liaison activity between regional constituents and state government.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	195-415	Economic Dev Div & Regional Offices	4,198,785	4,198,785
TOTAL FOR PROGRAM				**4,198,785**	**4,198,785**

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 supported by state and federal funding. These are administered with the help of three local development district offices located in Marietta, Cambridge, and Waverly.

The Executive Recommendation will:

- Continue state support of Appalachian development activities, including participation in federal Appalachian Regional Commission efforts;
- Increase job opportunities and per capita income in Appalachia to reach parity with the nation;
- Strengthen the capacity of the people of Appalachia to compete in the global economy; and
- Support efforts to develop and improve Appalachia's infrastructure to make the region more economically competitive, including extending affordable broadband to remote areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-416	Governor's Office of Appalachia	4,746,043	4,746,043
GRF	GRF	195-501	Appalach. Local Develop. Dist.	391,482	391,482
GRF	GRF	195-502	Appalachian Regional Comm Dues	254,208	254,208
FED	308	195-602	Appalach. Regional Commission	475,000	475,000
TOTAL FOR PROGRAM				**5,866,733**	**5,866,733**

PROGRAM SERIES 03: Technology

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.

The Executive Recommendation will:

- Maintain continued support for seven Edison Centers, eight Edison Incubators, and one Edison Affiliate to assist new and existing businesses in product-based technology, bringing new and improved products to market, and improving efficient processes;
- Provide operational support for the assistance to small and medium sized technology based businesses through the Small Business Innovation Research Program and Ohio's Technology Investment Tax Credit Program;
- Provide operational support for the Ohio Venture Capital Authority and the Governor's Aerospace and Defense Advisor; and
- Sponsor 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 2008	RECOMMENDED FY 2009
GRF	GRF	195-401	Thomas Edison Program	16,578,483	16,578,483
TOTAL FOR PROGRAM				**16,578,483**	**16,578,483**

Program 03.02: Third Frontier Program

This program supports competitive grants focused in the areas of engineering research and commercialization, entrepreneurial signature projects, pre-seed funds, fuel cell projects, new research and development cost share, and technology-based industry attraction. Program grants support the creation of technology-based jobs, companies, and income in Ohio, as well as the attraction of additional research dollars, new companies, and highly skilled researchers and entrepreneurs into Ohio.

The Executive Recommendation will:

- Maintain continued support for competitive grants in the following areas: Engineering Research & Commercialization Projects, Entrepreneurial Signature Projects, Pre-Seed Funds, Fuel Cell Projects, Ohio Research Commercialization Grant Program, New Research & Development Cost Share Program, and Technology-based Industry Attraction Program;
- Provide operational support for the Third Frontier Commission and the Third Frontier Advisory Board; and
- Refocus Third Frontier bond funds to provide capital to small- and medium-sized innovative businesses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-422	Third Frontier Action Fund	16,790,000	16,790,000
GRF	GRF	195-905	Third Frontier Res & Com Debt Srv	14,349,500	24,523,400
011	011	195-686	Third Frontier Operating	1,932,056	1,932,056
011	011	195-687	Third Frontier R&D Prj	94,000,000	72,000,000
011	014	195-692	R&D Taxable Bond Projects	28,000,000	28,000,000
TOTAL FOR PROGRAM				**155,071,556**	**143,245,456**

Program 03.03: Technology Programs - Other

This program includes the Manufacturing Extension Partnership Program (MEP) and the Defense Conversion Assistance Program (DCAP) under the department's technology division. The MEP program provides services to small- and medium-size manufacturing firms in engineering and technology, market development, and workforce development to enhance productivity, technological performance, and strengthen global competitiveness. The DCAP program provides services to create and retain jobs in the aerospace and defense industries in Ohio.

The Executive Recommendation will:

- Distribute federal funds and provide federally required state cost share for the state-wide Manufacturing Extension Partnership Program through two Edison Technology Centers; and
- Support the Defense Conversion Assistance Program to provide services to help reposition the State of Ohio as a national and international leader in aerospace and defense industries.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-401	Thomas Edison Program	2,000,000	2,000,000
FED	308	195-605	Federal Projects	5,000,000	5,000,000
TOTAL FOR PROGRAM				**7,000,000**	**7,000,000**

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: Local Government Community and Economic Development

This program provides funding to eligible communities to stabilize central business districts, eliminate blighted conditions, and create and/or retain permanent private-sector jobs. This program also provides public improvements directly related to business development and financial assistance to private entities for economic development projects.

The Executive Recommendation will:

- Install and improve 103,000 linear feet of sidewalks, streets, water and sewer lines, public utility infrastructure and flood and drainage infrastructure;
- Create and retain 1,700 jobs and improve 250 central business district building facades;
- Rehabilitate, repair, or construct 140 commercial buildings;
- Install, repair, or purchase 2,300 pieces of machine or equipment; and
- Acquire, rehabilitate, improve, or construct 2.25 million square feet of structure for business development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-497	CDBG Operating Match	192,990	192,990
GRF	GRF	195-520	Ohio Main Street Program	250,000	250,000
FED	3K8	195-613	Community Dev Block Grant	11,700,000	11,700,000
SSR	444	195-607	Water & Sewer Commission Loans	3,775	3,775
TOTAL FOR PROGRAM				**12,146,765**	**12,146,765**

Program 04.02: Services to Alleviate Poverty

This program supports activities that address unmet home energy costs, 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 community action agencies serving all 88 Ohio counties.

The Executive Recommendation will:

- Improve the lives of low-income households by providing energy assistance to one million families during the biennium; and
- Provide funding to Community Action Agencies to assist 400,000 low-income families to become more self-sufficient, improve their living conditions, and provide workforce development/displaced worker training to obtain a job.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3BJ	195-685	TANF Heating Assistance	45,000,000	15,000,000
FED	3K9	195-611	Home Energy Assist Block Grant	110,000,000	110,000,000
FED	3L0	195-612	Community Services Block Grant	25,235,000	25,235,000
SSR	4F2	195-639	State Special Projects	82,400	82,400
SSR	5M4	195-659	Low Income Energy Assistance	230,000,000	230,000,000
TOTAL FOR PROGRAM				**410,317,400**	**380,317,400**

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 also federally funded and supports the installation of weatherization materials and the education of low-income clients in eligible households. The Electric Partnership Program provides targeted energy efficiency and customer education services to high arrearage/high consumption customers. The Advanced Energy Program 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. Finally, the Alternative Fuel Transportation Grant Fund provides grants for the purchase and installation of alternative fuel refueling or distribution facilities and terminals, for the purchase and use of alternative fuel and to pay the cost of edicational and promotional materials and activities.

The Executive Recommendation will:

- Provide a more secure energy future for Ohio through the conduct of 80 industrial energy assessments;
- Award 90 grants for renewable energy installations;
- Weatherize 14,000 homes for low-income households to reduce energy consumption and costs;
- Provide 18,000 households with energy efficiency retrofits or education on demand side energy management;
- Promote the installation of 40 alternative fuel pumps; and
- Assist in financing 60 energy projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-498	State Match Energy	96,820	96,820
FED	3K9	195-614	HEAP Weatherization	22,000,000	22,000,000
FED	308	195-605	Federal Projects	17,000,000	17,000,000
FED	308	195-618	Energy Federal Grants	3,400,000	3,400,000
FED	335	195-610	Energy Convtn & Emerging Tech	2,200,000	2,200,000
SSR	5CG	195-679	Alternative Fuel Transportation	1,500,000	1,000,000
SSR	5DU	195-689	Energy Projects	840,000	840,000
SSR	5M4	195-659	Low Income Energy Assistance	15,000,000	15,000,000
SSR	5M5	195-660	Advanced Energy Programs	17,000,000	17,000,000
SSR	5X1	195-651	Exempt Facility Inspection	25,000	25,000
TOTAL FOR PROGRAM				**79,061,820**	**78,561,820**

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.

The Executive Recommendation will:

- Improve or install 2.1 million linear feet of sidewalks, streets, water and sewer lines and flood and drainage infrastructure;
- Rehabilitate or construct 30 water and sewer facilities;
- Rehabilitate or repair 60 senior centers, neighborhood facilities, community centers, or fire stations; and
- Rehabilitate, repair, or construct 340 housing units.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-497	CDBG Operating Match	696,919	696,919
FED	3K8	195-613	Community Dev Block Grant	42,250,000	42,250,000
SSR	444	195-607	Water & Sewer Commission Loans	520,000	520,000
SSR	611	195-631	Water & Sewer Administration	15,713	15,713
TOTAL FOR PROGRAM				**43,482,632**	**43,482,632**

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: Community Housing Improvement Program

This program provides funding to eligible communities to rehabilitate, repair, and/or construct affordable housing and related infrastructure for low- and moderate-income persons. Through the federal New Horizons Fair Housing Assistance Program, funding is distributed to communities to further fair housing.

The Executive Recommendation will:

- Provide 950 households with rental assistance;
- Rehabilitate, repair, or construct 2,500 owner-occupied homes, and rehabilitate or repair 195 rental units;
- Provide 65 households with down payment assistance, and 540 households with homebuyer counseling or education; and

- Provide 16 fair housing educational or training opportunities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	195-497	CDBG Operating Match	182,275	182,275
FED	3K8	195-613	Community Dev Block Grant	11,050,000	11,050,000
FED	3V1	195-601	HOME Program	30,000,000	30,000,000
SSR	646	195-638	Low & Moderate Income Housing Trust	1,905,400	1,905,400
TOTAL FOR PROGRAM				**43,137,675**	**43,137,675**

Program 05.02: Housing Development Assistance Program

This program includes both the federal Housing Development Assistance (HDAP) and Community Housing Development Organization (CHDO) grant programs. Funding is provided to assist with housing improvement and development in order to conserve and expand the affordable housing stock and administrative capacity to provide decent homes and a suitable living environment for low- and moderate-income persons.

The Executive Recommendation will:

- Rehabilitate, repair, and construct 465 owner-occupied homes and 2,350 rental housing units; and
- Ensure increased/sustained capacity building opportunities for 64 housing development organizations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V1	195-601	HOME Program	10,000,000	10,000,000
SSR	646	195-638	Low & Moderate Income Housing Trust	22,633,050	22,633,050
TOTAL FOR PROGRAM				**32,633,050**	**32,633,050**

Program 05.03: Not for Profit Housing and Community Development

This program provides funding to assist low- and moderate-income persons with emergency home repair, accessibility modifications, down-payment assistance, homebuyer counseling, and identifying and obtaining local community services and benefits. This program also supports nonprofit community based development organizations with access to low-interest, long-term financing for housing and economic development projects that revitalize low- and moderate-income communities. Targeted funding also encourages statewide or regional nonprofit organizations to build the capacity of other nonprofit organizations.

The Executive Recommendation will:

- Rehabilitate, repair, or construct 3,600 owner-occupied homes and 200 rental housing units;
- Assist 125 businesses;
- Provide 265 households with down payment assistance;
- Provide 1,670 households with homebuyer education/counseling; and
- Provide 1,750 persons with referrals to community-based services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	646	195-638	Low & Moderate Income Housing Trust	10,101,800	10,101,800
TOTAL FOR PROGRAM				**10,101,800**	**10,101,800**

Program 05.04: Housing and Supportive Assistance for the Homeless

This program supports the Homelessness Assistance 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.

The Executive Recommendation will:

- Provide 89,852 low-income persons with shelter;
- Provide 16,300 low-income households with supportive services; and
- Provide 31,100 households with rental assistance.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	308	195-603	Housing & Urban Development	6,000,000	6,000,000
SSR	646	195-638	Low & Moderate Income Housing Trust	18,359,750	18,359,750
TOTAL FOR PROGRAM				**24,359,750**	**24,359,750**

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, Shanghai, Tokyo, Toronto, Mexico City, Tel Aviv, and Buenos Aires, and, with the Council of Great Lakes Governors, jointly administers offices in Sao Paulo, Santiago, and Johannesburg.

The Executive Recommendation will:

- Expand exports for Ohio companies through customized and comprehensive consulting services provided by staff members in Ohio and the international offices;
- Support efforts to develop leads for new and expanded foreign direct investment in Ohio by marketing Ohio to prospective and current investors through the international offices;
- Fund the planning and execution of business missions to key global markets;
- Establish new Ohio offices in Australia and India via fee-for-services contracts with business consulting firms; and
- Establish a new International Trade Cooperative Projects Fund to allow DOD to receive funds from outside entities to support international business development activities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	195-432	International Trade	4,650,501	4,650,501
GSF	5W6	195-691	Internat'l Trade Coop Prjcts	300,000	300,000
TOTAL FOR PROGRAM				**4,950,501**	**4,950,501**

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. The program also consists of targeted grants for the marketing of specific tourism destinations.

The Executive Recommendation will:

- Maintain the staff of 14 that oversee a strategic, results-oriented marketing agency and provide information, education and financial resources for statewide travel partners; and
- Help drive the Ohio tourism industry that in 2005 contributed $33.1 billion in direct visitor spending (an increase of 7.7 percent over 2004); $1.4 billion in state taxes; $732 million in local taxes; and employed 560,000 Ohioans.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	195-407	Travel and Tourism	7,612,845	7,612,845
GRF	GRF	195-507	Travel & Tourism Grants	850,000	850,000
GSF	5W5	195-690	Travel & Tourism Coop Prjcts	350,000	350,000
TOTAL FOR PROGRAM				**8,812,845**	**8,812,845**

PROGRAM SERIES 08: Brownfield Redevelopment

This program series provides assistance to communities and public and private entities to cleanup former industrial or commercial properties to bring them back into productive use.

Program 08.01: Clean Ohio

This program provides grants to public entities (townships, municipalities, counties, port authorities and park/conservancy districts) to remediate brownfield property. The funding can be used on private or public lands for cleanup and remediation, demolition, minimal infrastructure improvements necessary for economic viability, environmental assessments, and acquisition.

The Executive Recommendation will:

- Support the Office of Urban Development's administration of the Clean Ohio Revitalization Fund on behalf of the Clean Ohio Council which in the fourth round will provide up to $43 million in grants to local governments for eligible brownfield redevelopment activities including acquisition, remediation, demolition, and the minimum amount of infrastructure required to make a property economically viable;
- Support the Office of Urban Development's implementation and administration of the Clean Ohio Assistance Fund Program including processing of disbursement requests, site visits and provision of technical assistance to grantees and stakeholders; and
- Fund the development of a data management system and other tools that provide for improved financial and programmatic administration of the Clean Ohio programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	195-426	Clean Ohio Implementation	309,000	309,000
CLR	003	195-663	Clean Ohio - Operating	625,000	550,000
TOTAL FOR PROGRAM				**934,000**	**859,000**

Program 08.02: Brownfield Revolving Loan Fund

This program provides low interest loans to private and public borrowers, and subgrants to non-profit and public entities to complete brownfield projects including demolition, cleanup, and remediation. Funded through competitive United States Environmental Protection Agency grants, Ohio has one of the largest Brownfield Revolving Loan Fund programs in the nation.

The Executive Recommendation will:

- Provide low-interest loans and subgrants to eligible entities for the cleanup of brownfield properties as well as implementation and administration of current Brownfield Revolving Loan Fund projects;
- Support the Clean Ohio brownfield initiatives by providing gap financing for projects in need of additional cleanup dollars; and
- Support future requests for funding from the United States Environmental Protection Agency based on the success of the program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	308	195-605	Federal Projects	5,000,000	5,000,000
TOTAL FOR PROGRAM				**5,000,000**	**5,000,000**

PROGRAM SERIES 09: Marketing, Promotion, and Advertising

This program series highlights the department's programs and services, and promotes Ohio's economic climate in an effort to strengthen the state's image as a place for business expansion and relocation through the production of quality communication programs and materials. This includes working with the Ohio Business Development Coalition in the development of a state brand and the implementation of a regional marketing program designed to generate business leads.

Program 09.01: Marketing, Promotion, and Advertising

This program executes all aspects of mass communication that originate from the department. This program also handles graphics and photography requests for the department and the Governor's office and generates collateral materials for all divisions within the Department of Development in an effort to promote its various activities, programs, and services. Collaborating with the Ohio Business Development Coalition, this program promotes efforts to brand Ohio as a highly desirable location where companies thrive and their employees lead productive, fulfilling lives.

The Executive Recommendation will:

- Provide funding to assist with the operations of the Ohio Business Development Coalition (OBDC) which works to develop a statewide brand, regional marketing programs, and to generate business leads;
- Fund the Office of Communications and Marketing which drives earned media for department programs and services; provides marketing consulting services to department divisions and offices, including graphic and photography services, web design and maintenance, and marketing strategies; and plans and executes department announcements, special events and promotions; and
- Support overall department and OBDC state branding strategies to best leverage state investments in Ohio brand positioning.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	135	195-684	Supportive Services	1,232,537	1,117,118
SSR	4F2	195-639	State Special Projects	0	152,650
SSR	4F2	195-676	Marketing Initiatives	5,000,000	1,000,000
TOTAL FOR PROGRAM				**6,232,537**	**2,269,768**

PROGRAM SERIES 10: Program Management

This program series provides centralized services to the Department of Development.

Program 10.01: 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.

The Executive Recommendation will:

- Supports centralized services to ensure the efficient operation of the department including: executive leadership, legal support, human resources, fiscal management, information technology, facilities management, legislative affairs, communications, and research.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	135	195-684	Supportive Services	10,466,867	10,204,326
GSF	685	195-636	Direct Cost Recovery Expndtrs	800,000	800,000
TOTAL FOR PROGRAM				**11,266,867**	**11,004,326**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

The Job Creation Tax Credit Operating fund (Fund 4S1) is merged with the Community Reinvestment Area Program Administration fund (Fund 4S0) to consolidate the administration of the tax incentive programs under the department. Fund 4S0 is renamed the Tax Incentive Programs Operating fund.

To illustrate changes in funding levels for line items 195-630 and 195-634, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
4S0	195-630	Tax Incentive Programs Operating	650,800	650,800	0.0%	650,800	0.0%

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	195-100	Personal Services	9,964	0	0	0	0	.0	0	.0
GRF	195-200	Maintenance	58,973	0	0	0	0	.0	0	.0
GRF	195-321	Operating Expenses	2,182,544	2,811,227	2,861,990	2,723,908	0	(100.0)	0	.0
GRF	195-401	Thomas Edison Program	13,786,526	15,824,796	16,116,787	17,454,838	18,578,483	6.4	18,578,483	.0
GRF	195-404	Small Business Development	1,561,957	1,945,190	1,805,268	1,740,722	1,792,944	3.0	1,792,944	.0
GRF	195-405	Minority Business Dev Division	1,553,124	1,580,220	1,534,912	1,580,291	1,780,000	12.6	1,780,000	.0
GRF	195-406	Transitional/Permanent Housing	681,381	75,400	0	0	0	.0	0	.0
GRF	195-407	Travel and Tourism	4,431,422	5,746,172	7,658,407	6,712,845	7,612,845	13.4	7,612,845	.0
GRF	195-408	Coal Research Development	195	0	0	0	0	.0	0	.0
GRF	195-410	Defense Conversion Assist Prog	478,882	904,441	269,746	200,000	0	(100.0)	0	.0
GRF	195-412	Rapid Outreach Grants	6,983,133	10,235,643	6,881,988	11,750,000	16,102,500	37.0	16,102,500	.0
GRF	195-414	First Frontier Match	192,417	173,150	20,608	0	0	.0	0	.0
GRF	195-415	Economic Dev Div & Regional Offices	5,425,617	5,302,434	5,565,715	5,894,975	7,306,824	24.0	7,286,824	(.3)
GRF	195-416	Governor's Office of Appalachia	5,053,684	3,917,574	3,967,931	4,122,372	4,746,043	15.1	4,746,043	.0
GRF	195-417	Urban/Rural Initiative Grant Prog	1,061,875	1,467,716	364,513	0	0	.0	0	.0
GRF	195-422	Third Frontier Action Fund	16,696,859	14,350,534	16,080,768	16,790,000	16,790,000	.0	16,790,000	.0
GRF	195-426	Clean Ohio Implementation	315,143	372,037	303,005	300,000	309,000	3.0	309,000	.0
GRF	195-431	Comm Dev Corporation Grants	254,375	5,139	0	0	0	.0	0	.0
GRF	195-432	International Trade	3,691,349	4,058,439	4,161,739	4,223,787	4,650,501	10.1	4,650,501	.0
GRF	195-434	Investment in Training Grants	10,612,580	13,105,071	8,350,493	12,227,500	12,594,325	3.0	12,594,325	.0
GRF	195-436	Labor/Management Cooperation	861,240	772,247	624,196	811,869	836,225	3.0	836,225	.0
GRF	195-440	Emergency Shelter Housing Grnt	327,056	0	0	0	0	.0	0	.0
GRF	195-497	CDBG Operating Match	1,107,400	1,040,956	1,040,956	1,040,956	1,072,184	3.0	1,072,184	.0
GRF	195-498	State Match Energy	100,000	83,204	97,580	94,000	96,820	3.0	96,820	.0
GRF	195-501	Appalach. Local Develop. Dist.	393,856	380,079	380,080	380,080	391,482	3.0	391,482	.0
GRF	195-502	Appalachian Regional Comm Dues	238,274	246,803	119,385	246,803	254,208	3.0	254,208	.0
GRF	195-507	Travel & Tourism Grants	1,015,000	922,100	1,251,875	1,162,500	850,000	(26.9)	850,000	.0
GRF	195-513	Empowerment Zones/Ent. Commun	170,268	0	0	0	0	.0	0	.0
GRF	195-515	Economic Development Contingency	7,600,000	12,148,709	10,471,972	0	0	.0	0	.0
GRF	195-516	Shovel Ready Sites	0	1,680,000	2,365,000	0	0	.0	0	.0
GRF	195-520	Ohio Main Street Program	0	0	0	0	250,000	.0	250,000	.0
GRF	195-905	Third Frontier Res & Com Debt Srv	0	0	0	13,910,000	14,349,500	3.2	24,523,400	70.9
GRF	195-912	Job Ready Site Development-GO Debt	0	0	0	4,124,400	4,359,400	5.7	8,232,500	88.8
TOTAL General Revenue Fund			**86,845,094**	**99,149,281**	**92,294,914**	**107,491,846**	**114,723,284**	**6.7**	**128,750,284**	**12.2**
135	195-605	Supportive Services	7,032,597	6,884,881	6,878,792	0	0	.0	0	.0
135	195-684	Supportive Services	0	0	0	7,539,686	11,699,404	55.2	11,321,444	(3.2)
136	195-621	International Trade	7,702	0	0	0	0	.0	0	.0
5AD	195-667	Investment In Training Expansion	0	45,856	7,164,354	5,000,000	2,000,000	(60.0)	0	(100.0)
5AD	195-668	Workforce Guarantee Program 0	0	0	76,593	3,000,000	1,000,000	(66.7)	0	(100.0)
5AD	195-669	Wright Operating Grants	0	0	1,085,165	0	0	.0	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5AD	195-677	Economic Development Contingency	0	0	0	10,000,000	9,275,000	(7.3)	28,675,000	209.2
5W5	195-690	Travel & Tourism Coop Prjcts	0	0	0	0	350,000	.0	350,000	.0
5W6	195-691	Internat'l Trade Coop Prjcts	0	0	0	75,000	300,000	300.0	300,000	.0
685	195-636	Direct Cost Recovery Expndtrs	295,475	353,335	464,068	800,000	800,000	.0	800,000	.0
TOTAL General Services Fund Group			**7,335,774**	**7,284,072**	**15,668,972**	**26,414,686**	**25,424,404**	**(3.7)**	**41,446,444**	**63.0**
3AE	195-643	Workforce Development Initiatives	357,664	2,590,187	3,932,677	6,175,000	5,839,900	(5.4)	5,860,000	.3
3BJ	195-685	TANF Heating Assistance	0	0	60,199,406	59,800,594	45,000,000	(24.8)	15,000,000	(66.7)
3K8	195-613	Community Dev Block Grant	57,845,224	58,661,271	62,445,609	65,000,000	65,000,000	.0	65,000,000	.0
3K9	195-611	Home Energy Assist Block Grant	84,125,862	98,861,481	114,211,138	90,500,399	110,000,000	21.5	110,000,000	.0
3K9	195-614	HEAP Weatherization	14,684,322	14,948,185	15,985,255	16,219,478	22,000,000	35.6	22,000,000	.0
3L0	195-612	Community Services Block Grant	25,990,324	24,919,443	24,283,403	25,234,999	25,235,000	.0	25,235,000	.0
3V1	195-601	HOME Program	29,778,715	32,287,648	29,734,567	40,000,001	40,000,000	.0	40,000,000	.0
3X3	195-619	TANF Housing	3,797,971	1,120,162	0	13,900	0	(100.0)	0	.0
308	195-602	Appalach. Regional Commission	298,272	484,613	469,301	600,659	475,000	(20.9)	475,000	.0
308	195-603	Housing & Urban Development	4,669,493	4,409,837	4,534,008	5,000,000	6,000,000	20.0	6,000,000	.0
308	195-605	Federal Projects	19,000,209	17,465,986	21,089,483	24,671,479	27,000,000	9.4	27,000,000	.0
308	195-609	Small Business Administration	3,763,821	4,692,186	3,735,205	4,296,381	4,296,381	.0	4,396,381	2.3
308	195-618	Energy Federal Grants	2,956,923	2,551,202	2,114,808	3,397,659	3,400,000	.1	3,400,000	.0
335	195-610	Energy Convtn & Emerging Tech	1,718,021	3,131,509	2,141,012	3,000,000	2,200,000	(26.7)	2,200,000	.0
380	195-622	Housing Development Operating	4,233,775	4,044,874	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**253,220,596**	**270,168,584**	**344,875,872**	**343,910,549**	**356,446,281**	**3.6**	**326,566,381**	**(8.4)**
4F2	195-639	State Special Projects	151,573	956,275	1,388,597	290,183	518,393	78.6	518,393	.0
4F2	195-676	Marketing Initiatives	0	0	7,654,388	8,823,707	5,000,000	(43.3)	1,000,000	(80.0)
4H4	195-641	First Frontier	201,950	173,154	20,608	0	0	.0	0	.0
4S0	195-630	Enterprise Zone Operating	207,103	198,690	182,997	275,000	650,800	136.7	650,800	.0
4S1	195-634	Job Creation Tax Credit Operating	290,664	330,804	386,242	375,800	0	(100.0)	0	.0
4W0	195-629	Roadwork Development	10,780,699	9,742,225	14,068,140	13,999,900	18,699,900	33.6	18,699,900	.0
4W1	195-646	Minority Bus. Enterprise Loan	720,794	427,895	712,121	2,580,597	2,580,597	.0	2,580,597	.0
444	195-607	Water & Sewer Commission Loans	343,176	324,036	1,598,180	523,775	523,775	.0	523,775	.0
445	195-617	Housing Finance Operating	3,717,284	4,261,290	0	0	0	.0	0	.0
450	195-624	Minority Bus. Bond'g Prog Admin	0	43,082	48,615	53,967	53,967	.0	53,967	.0
451	195-625	Econ Dev Financing Operating	1,602,122	1,790,496	2,555,526	2,358,311	2,483,311	5.3	2,483,311	.0
5AR	195-674	Industrial Site Improvements	0	0	1,528,560	2,500,000	4,500,000	80.0	4,500,000	.0
5CG	195-679	Alternative Fuel Transportation	0	0	77,325	650,000	1,500,000	130.8	1,000,000	(33.3)
5CV	195-680	Defense Conversion Assistance	0	0	215,000	0	0	.0	0	.0
5CY	195-682	Lung Cancer & Lung Disease Rsrch	0	0	30,000	9,970,000	0	(100.0)	0	.0
5DU	195-689	Energy Projects	0	0	0	840,000	840,000	.0	840,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5M4	195-659	Low Income Energy Assistance	195,141,707	198,153,583	230,179,457	245,000,000	245,000,000	.0	245,000,000	.0
5M5	195-660	Energy Efficiency Loan and Grant	1,112,059	1,355,434	3,380,040	12,000,000	17,000,000	41.7	17,000,000	.0
5X1	195-651	Exempt Facility Inspection	0	2,000	0	25,000	25,000	.0	25,000	.0
5Y6	195-648	Economic Development Contingency	0	415,683	530,343	250,000	0	(100.0)	0	.0
611	195-631	Water & Sewer Administration	13,065	11,837	13,319	15,713	15,713	.0	15,713	.0
617	195-654	Volume Cap Administration	78,072	109,851	98,730	200,000	200,000	.0	200,000	.0
646	195-638	Low & Moderate Income Housing Trust	26,750,033	36,969,118	40,572,073	53,000,000	53,000,000	.0	53,000,000	.0
TOTAL State Special Revenue Fund Group			**241,110,301**	**255,265,453**	**305,240,261**	**353,731,953**	**352,591,456**	**(.3)**	**348,091,456**	**(1.3)**
009	195-664	Innovation Ohio	53,029	2,083,038	6,914,446	50,000,000	50,000,000	.0	50,000,000	.0
010	195-665	Research and Development	0	4,500,000	28,989,064	50,000,000	50,000,000	.0	50,000,000	.0
037	195-615	Facilities Establishment	37,453,944	35,038,911	40,900,858	103,631,149	110,000,000	6.1	110,000,000	.0
4Z6	195-647	Rural Industrial Park Loan	1,364,924	1,000,000	3,276,000	3,000,000	3,000,000	.0	3,000,000	.0
5CA	195-678	Shovel Ready Sites	0	0	5,000,000	5,000,000	0	(100.0)	0	.0
5D2	195-650	Urban Redevelopment Loans	1,309,668	0	1,076,832	5,475,000	5,475,000	.0	5,475,000	.0
5H1	195-652	Family Farm Loan Guarantee 0	152,000	50,000	68,344	1,000,000	0	(100.0)	0	.0
5S8	195-627	Rural Development Initiative	1,359,412	1,000,000	2,452,625	3,000,000	3,000,000	.0	3,000,000	.0
5S9	195-628	Capital Access Loan Program	590,614	650,906	1,366,675	3,000,000	3,000,000	.0	3,000,000	.0
TOTAL Facilities Establishment Fund			**42,283,591**	**44,322,855**	**90,044,844**	**224,106,149**	**224,475,000**	**.2**	**224,475,000**	**.0**
003	195-663	Clean Ohio - Operating	90,885	86,219	207,808	350,000	625,000	78.6	550,000	(12.0)
TOTAL Clean Ohio Revitalization			**90,885**	**86,219**	**207,808**	**350,000**	**625,000**	**78.6**	**550,000**	**(12.0)**
011	195-686	Third Frontier Operating	0	0	0	1,932,056	1,932,056	.0	1,932,056	.0
011	195-687	Third Frontier R&D Prj	0	0	0	100,000,000	94,000,000	(6.0)	72,000,000	(23.4)
014	195-692	R&D Taxable Bond Projects	0	0	0	0	28,000,000	.0	28,000,000	.0
TOTAL THIRD FRONTIER R&D FD GRP			**0**	**0**	**0**	**101,932,056**	**123,932,056**	**21.6**	**101,932,056**	**(17.8)**
012	195-688	Job Ready Site Operating	0	0	0	746,155	1,246,155	67.0	1,246,155	.0
TOTAL JOB READY SITE DEV FD GRP			**0**	**0**	**0**	**746,155**	**1,246,155**	**67.0**	**1,246,155**	**.0**
TOTAL Department of Development			**630,886,241**	**676,276,464**	**848,332,671**	**1158,683,394**	**1199,463,636**	**3.5**	**1173,057,776**	**(2.2)**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - *** TOTAL STATE ***

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	STATE	General Revenue Fund	86,845,094	99,149,281	92,294,914	107,491,846	114,723,284	6.7	128,750,284	12.2
TOTAL General Revenue Fund			**86,845,094**	**99,149,281**	**92,294,914**	**107,491,846**	**114,723,284**	**6.7**	**128,750,284**	**12.2**
GSF		General Services Fund Group	7,335,774	7,284,072	15,668,972	26,414,686	25,424,404	(3.7)	41,446,444	63.0
FED		Fed Special Revenue Fund Group	253,220,596	270,168,584	344,875,872	343,910,549	356,446,281	3.6	326,566,381	(8.4)
SSR		State Special Revenue Fund Group	241,110,301	255,265,453	305,240,261	353,731,953	352,591,456	(.3)	348,091,456	(1.3)
037		Facilities Establishment Fund	42,283,591	44,322,855	90,044,844	224,106,149	224,475,000	.2	224,475,000	.0
CLR		Clean Ohio Revitalization	90,885	86,219	207,808	350,000	625,000	78.6	550,000	(12.0)
011		THIRD FRONTIER R&D FD GRP	0	0	0	101,932,056	123,932,056	21.6	101,932,056	(17.8)
012		JOB READY SITE DEV FD GRP	0	0	0	746,155	1,246,155	67.0	1,246,155	.0
TOTAL ALL OTHER BUDGET FUND GROUPS			**544,041,147**	**577,127,183**	**756,037,757**	**1051,191,548**	**1084,740,352**	**3.2**	**1044,307,492**	**(3.7)**
TOTAL * TOTAL STATE *** **			**630,886,241**	**676,276,464**	**848,332,671**	**1158,683,394**	**1199,463,636**	**3.5**	**1173,057,776**	**(2.2)**

State Board of Dietetics

Role and Overview

The Ohio Board of Dietetics (OBD) was established in 1987 to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice dietetics in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules which govern the profession. The board's annual budget of slightly more than $342,000 supports a staff of four in addition to the five board members. OBD licenses over 3,100 dieticians, 43 limited permit holders, and 961 dieticians who hold inactive licenses. Additional information regarding the Board of Dietetics is available at http://www.dietetics.ohio.gov/.

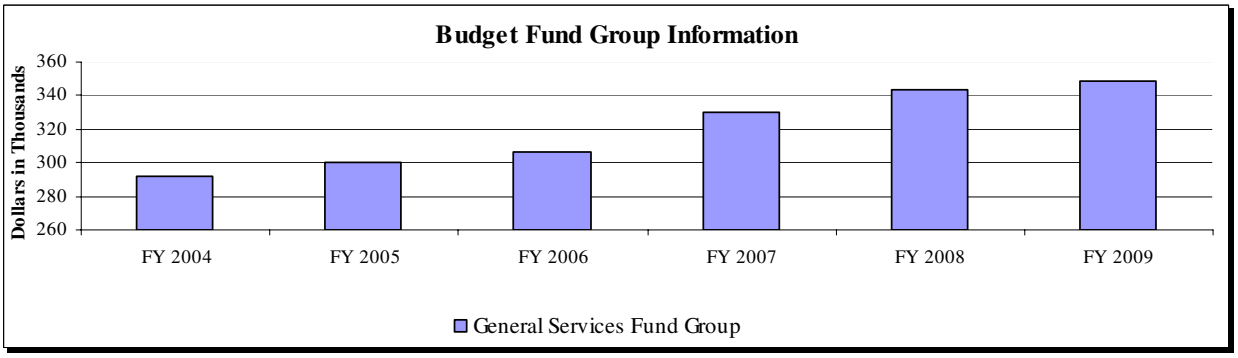
Turnaround Ohio Initiatives

- Review current rules and propose changes to ease the burden of regulation that prohibits and constrains development in Ohio.
- Strive to operate with a high level of transparency, responsiveness, and accountability to Ohio citizens by providing outstanding service and access to public records.
- Establish a performance contract to fully support Turnaround Ohio strategies at the occupational regulation level.

Agency Priorities

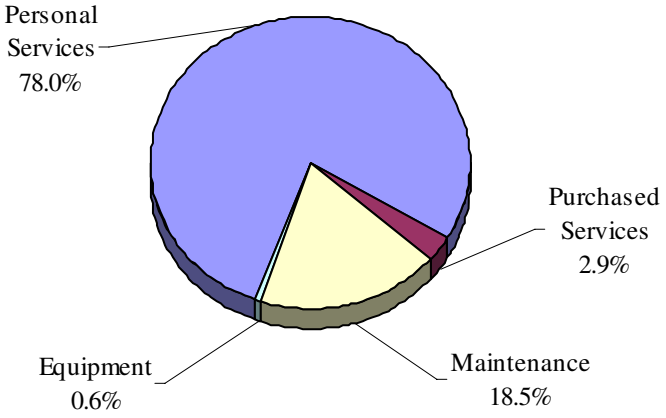
- Maintain the quality standards for persons who may practice nutrition and dietetics and continue to educate licensees and the public about the practice of dietetics in Ohio.
- Improve service activities and access to the agency through enhancing the website, development of on-line license renewal services, and implementation of credit card payment options.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	292	300	306	330	7.9	343	3.7	349	1.9
TOTAL	**292**	**300**	**306**	**330**	**7.9**	**343**	**3.7**	**349**	**1.9**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	223	226	236	252	6.7	265	5.2	274	3.1
Purchased Services	3	5	5	9	65.6	10	7.2	10	4.8
Maintenance	63	56	64	66	2.6	65	(1.2)	63	(3.4)
Equipment	2	13	0	3	.0	2	(25.9)	2	.0
Transfer & Other	0	0	0	0	370.6	0	.0	0	.0
TOTAL	**292**	**300**	**306**	**330**	**7.9**	**343**	**3.7**	**349**	**1.9**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Dietetics.

The Executive Recommendation will:

- Support licensing application and renewal of over 3,200 licensees;
- Allow the board to begin development of an online licensing renewal process and initial application;
- Support response to and investigation of over 100 complaints received annually;
- Support regulation of the practice of dietetics including hearings, adjudication, and discipline; and
- Support education of dietetics students and the general public regarding regulation of the practice of dietetics.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	860-609	Operating Expenses	342,501	348,964
TOTAL FOR PROGRAM				**342,501**	**348,964**

LINE ITEM SUMMARY - Dietetics

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	860-609	Operating Expenses	291,786	299,744	306,208	330,320	342,501	3.7	348,964	1.9
TOTAL General Services Fund Group			**291,786**	**299,744**	**306,208**	**330,320**	**342,501**	**3.7**	**348,964**	**1.9**
TOTAL BOARD OF DIETETICS			**291,786**	**299,744**	**306,208**	**330,320**	**342,501**	**3.7**	**348,964**	**1.9**

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. The commission has six employees with an annual operating budget of $700,000.

More information regarding the Commission on Dispute Resolution is available at http://disputeresolution.ohio.gov/

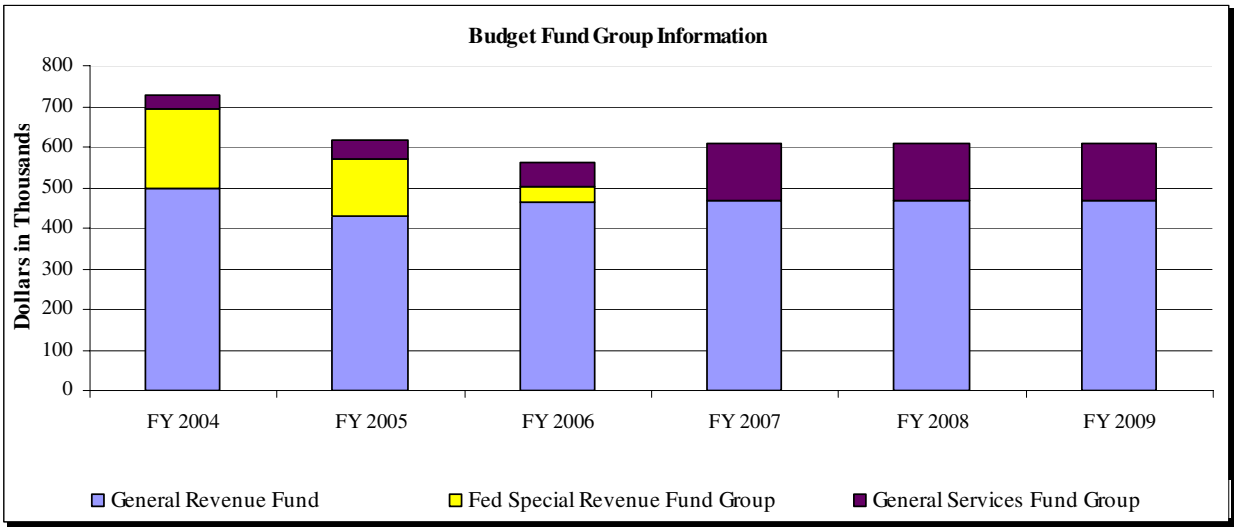
Turnaround Ohio Initiatives

- Promote skills in schools, communities, courts, and state and local government for youth and adults to attain high paying jobs.
- Support high quality early care and education by teaching the life skills necessary for a child to enter school ready to learn.
- Give teachers the tools they need to stimulate student creativity and to grow and improve constructive, nonviolent problem solving skills.
- Expand online and distance learning opportunities for broader distribution of materials and training.

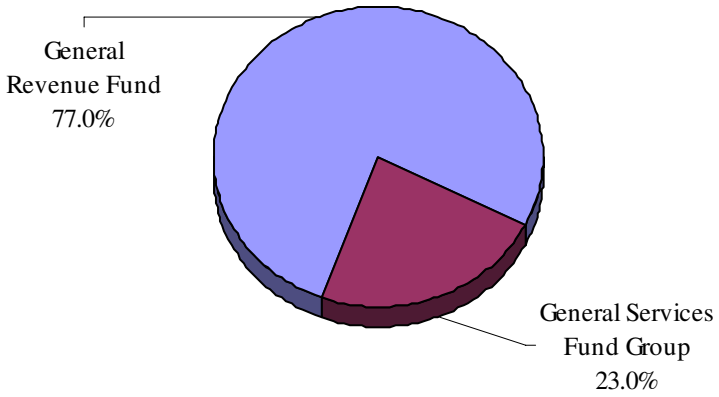
Agency Priorities

- Promote safe school environments conducive to quality teaching and high academic achievement by providing Ohio students (pre-K-12) with constructive, nonviolent conflict management and problem solving skills.
- Improve teacher satisfaction and retention by providing innovative, high quality conflict management and problem solving materials and training to current and future Ohio teachers through pre-service and in-service education.
- Increase attendance and reduce tardiness in Ohio's public elementary, middle, and high schools through truancy mediation prevention programs.
- Provide state and local government officials with dispute resolution services, training and service referrals in partnership with the County Commissioners' Association of Ohio, the Ohio Township Trustees, the Ohio Municipal League, the Ohio Judicial Conference, and other local government entities.
- Provide all state employees with an informal, cost effective, confidential forum for resolving workplace disputes through the Ohio Workplace Mediation Program.
- Serve as a resource for Ohio employers by providing dispute resolution and conflict management information, programs, and services.

Summary of Budget History and Recommendations

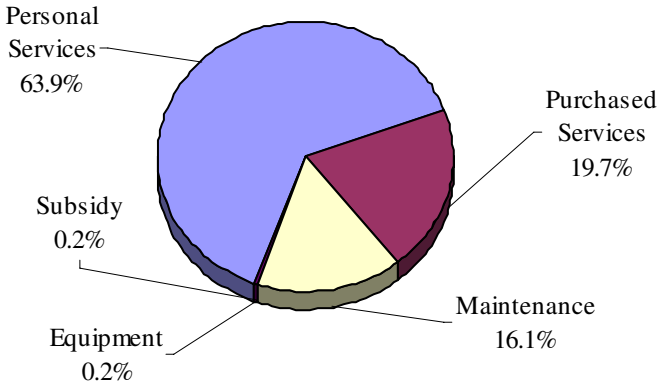


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	499	429	463	470	1.6	470	.0	470	.0
General Services Fund Group	34	47	56	140	150.3	140	.0	140	.0
Fed Special Revenue Fund Group	193	141	41	0	(100.0)	0	.0	0	.0
TOTAL	**726**	**617**	**560**	**610**	**9.0**	**610**	**.0**	**610**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	370	357	352	387	9.9	388	.4	392	1.0
Purchased Services	172	148	61	126	106.4	122	(3.2)	118	(3.3)
Maintenance	95	88	101	86	(15.0)	98	14.6	98	.0
Equipment	14	2	3	4	23.8	1	(73.7)	1	.0
Subsidy	44	22	43	8	(81.1)	1	(87.8)	1	.0
Transfer & Other	31	0	0	0	.0	0	.0	0	.0
TOTAL	**726**	**617**	**560**	**610**	**9.0**	**610**	**.0**	**610**	**.0**

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 government.

Program 01.01: School Programs

This program provides public schools, grades pre-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 quality teaching and high academic achievement. 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.

The Executive Recommendation will:

- Provide Ohio school students (grades pre-K -12), teachers, staff, and administrators, with constructive, nonviolent conflict management training and problem solving skills;

- Increase teacher satisfaction and retention by providing innovative, high quality conflict management and problem solving materials and training to current and future Ohio teachers through pre-service and in-service education;
- Implement building and district-wide conflict management programs in public elementary, middle, and high schools; and
- Integrate conflict management and dispute resolution training and skill building in eight Ohio Department of Youth Services (DYS) facilities and county juvenile detention facilities statewide.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	145-401	Commission Operations	160,494	160,034
GSF	4B6	145-601	Dispute Resolution Programs	60,000	60,000
TOTAL FOR PROGRAM				**220,494**	**220,034**

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 governments, 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.

The Executive Recommendation will:

- Increase attendance and reduce tardiness in over 400 Ohio public elementary, middle, and high schools through the Truancy Prevention through Mediation Program; and
- Provide technical assistance, resource materials, and training to schools, communities, and local courts in 34 Ohio counties to establish and maintain dispute resolution programs, including the Truancy Prevention through Mediation Program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	145-401	Commission Operations	146,993	147,083
GSF	4B6	145-601	Dispute Resolution Programs	30,000	30,000
TOTAL FOR PROGRAM				**176,993**	**177,083**

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 the commission administers the Workplace Mediation Program, the Public Disputes Program, and Conflict Resolution Services for Government Officials.

The Executive Recommendation will:

- Provide, in partnership with the County Commissioners' Association of Ohio, the Ohio Township Trustees, the Ohio Municipal League, the Ohio Judicial Conference, and other local government entities, state and local government officials in all 88 counties, dispute resolution services, training, and service referrals;
- Provide all state employees with an informal, cost effective, confidential forum for resolving workplace disputes through the Ohio Workplace Mediation Program; and

- Serve as a resource for Ohio employers by providing dispute resolution and conflict management information, programs, and services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	145-401	Commission Operations	162,513	162,883
GSF	4B6	145-601	Dispute Resolution Programs	50,000	50,000
TOTAL FOR PROGRAM				**212,513**	**212,883**

LINE ITEM SUMMARY - Dispute Resolution and Conflict Mgt.

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	145-401	Commission Operations	498,934	429,271	462,510	470,000	470,000	.0	470,000	.0
TOTAL General Revenue Fund			**498,934**	**429,271**	**462,510**	**470,000**	**470,000**	**.0**	**470,000**	**.0**
4B6	145-601	Dispute Resolution Programs	34,244	46,812	55,924	140,000	140,000	.0	140,000	.0
TOTAL General Services Fund Group			**34,244**	**46,812**	**55,924**	**140,000**	**140,000**	**.0**	**140,000**	**.0**
3S6	145-602	Dispute Resolution: Federal	193,072	141,306	41,385	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**193,072**	**141,306**	**41,385**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Commission on Dispute Resolutn			**726,250**	**617,389**	**559,819**	**610,000**	**610,000**	**.0**	**610,000**	**.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 308 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 675 and a fiscal year 2007 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.

More information regarding the Department of Education is available at http://www.ode.state.oh.us.

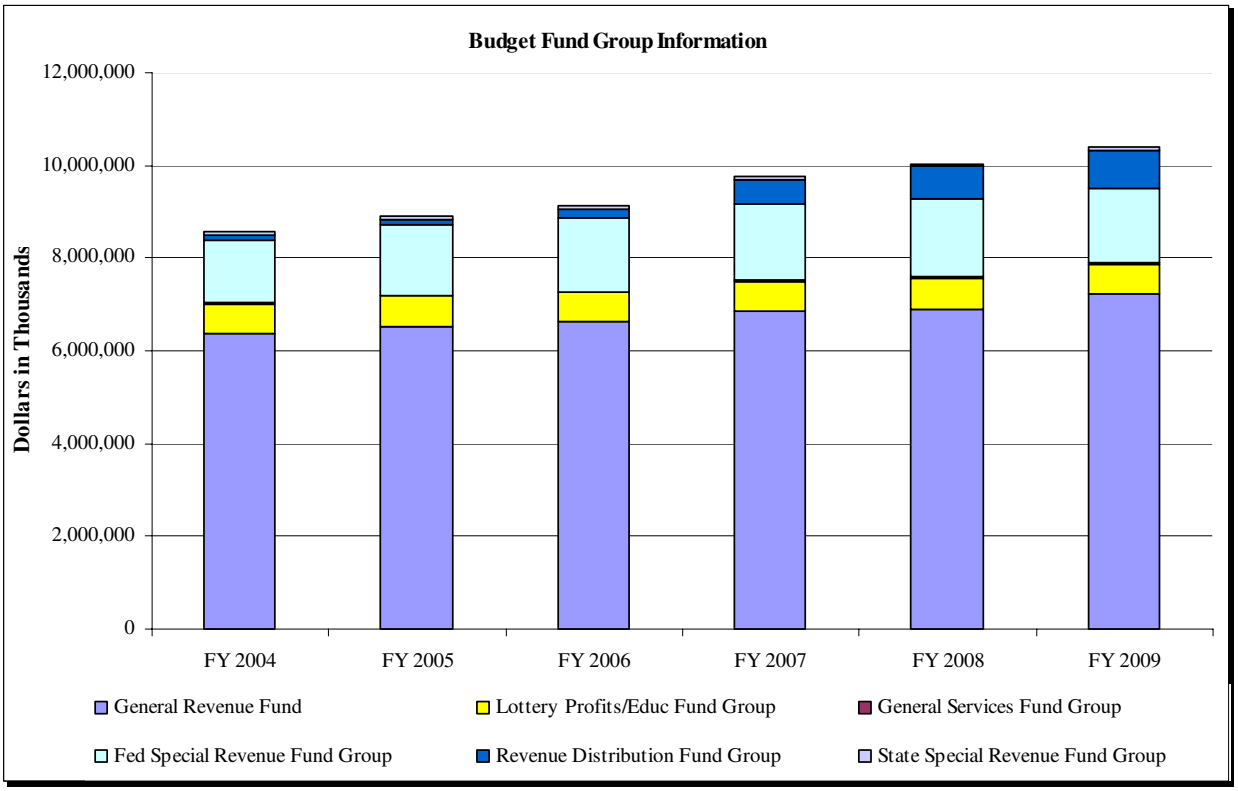
Turnaround Ohio Initiatives

- Provide every child a fair start through access to high-quality early care and education. All children, regardless of race, ethnicity, geographic location or socioeconomic background will receive an education that challenges them, supports them, and prepares them for success.
- Bring educators, parents and businesses together to evaluate and make changes in the way Ohio measures the performance of its students and schools.
- Ensure that Ohio students have high quality teaching and instruction in every classroom.
- Ensure stable, secure and equitable funding for education.

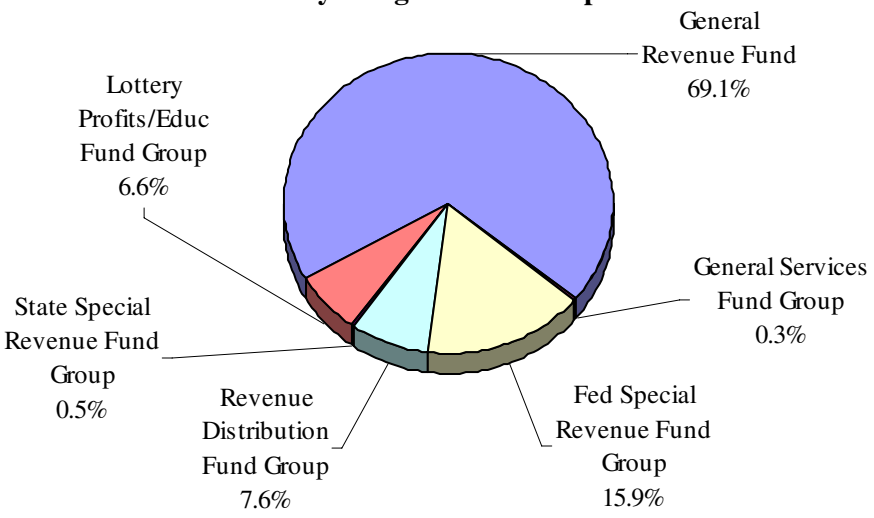
Agency Priorities

- 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.

Summary of Budget History and Recommendations

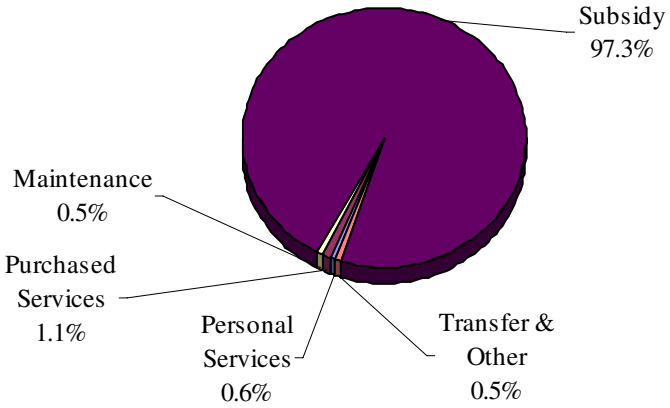


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	6,364,596	6,536,896	6,615,751	6,859,822	3.7	6,903,323	.6	7,213,796	4.5
General Services Fund Group	35,225	28,997	12,233	33,471	173.6	33,201	(.8)	33,566	1.1
Fed Special Revenue Fund Group	1,333,275	1,516,194	1,614,486	1,651,853	2.3	1,665,660	.8	1,571,145	(5.7)
Revenue Distribution Fund Group	108,711	116,521	193,121	521,648	170.1	702,720	34.7	854,440	21.6
State Special Revenue Fund Group	71,167	68,197	39,428	55,385	40.5	49,021	(11.5)	49,366	.7
Lottery Profits/Educ Fund Group	640,900	638,900	637,900	637,900	.0	672,900	5.5	667,900	(.7)
TOTAL	**8,553,874**	**8,905,706**	**9,112,920**	**9,760,079**	**7.1**	**10,026,825**	**2.7**	**10,390,212**	**3.6**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	49,202	52,795	54,203	69,104	27.5	59,308	(14.2)	61,620	3.9
Purchased Services	56,657	106,314	102,825	106,198	3.3	119,243	12.3	113,183	(5.1)
Maintenance	40,554	40,874	38,507	54,654	41.9	47,703	(12.7)	48,128	.9
Equipment	2,592	4,442	2,450	3,145	28.4	2,852	(9.3)	2,632	(7.7)
Subsidy	8,330,767	8,621,315	8,838,478	9,444,626	6.9	9,735,919	3.1	10,125,458	4.0
Transfer & Other	74,102	79,966	76,457	82,351	7.7	61,800	(25.0)	39,192	(36.6)
TOTAL	**8,553,874**	**8,905,706**	**9,112,920**	**9,760,079**	**7.1**	**10,026,825**	**2.7**	**10,390,212**	**3.6**

PROGRAM SERIES 01: Curricula-Assessment-Accountability

This program series includes clear and rigorous academic content standards for what students should know and be able to do. 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 tests) and identifying areas of strength and weakness (diagnostic tests); certifying individual student readiness for high school graduation (Ohio Graduation Tests); determining the status and progress of districts and schools (Local Report Card); providing feedback on program strengths and weaknesses (school improvement); and measuring the effectiveness of school, district, and statewide efforts to improve student achievement in Ohio (accountability).

Program 01.01: Academic Standards and Model Curricula

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. Model curricula are created at the state level for school districts to use in the development of local courses of study that are aligned to the academic content standards.

The Executive Recommendation will:

- Support the further development of academic content standards;
- Fund training for personnel and professional associations in the effective use of standards-based tools; and
- Support Ohio's Partnership for Continued Learning (P-16 Council), in cooperation with the Ohio Board of Regents.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-427	Academic Standards	6,249,818	6,249,818
TOTAL FOR PROGRAM				**6,249,818**	**6,249,818**

Program 01.02: Student Assessments

This program provides for the development and administration (printing, distributing, collecting, scoring, and reporting) of achievement, diagnostic, and graduation tests in mathematics, reading, science, social studies, and writing. The achievement tests, as mandated by state and federal law in grades 3-8, determine whether students are making progress as expected at each grade level and identify students who need intervention. The diagnostic tests are administered in grades K-3 and provide a tool for teachers to check the progress of students toward meeting the academic content standards. The Ohio Graduation Tests (OGTs) ensure that students who graduate have demonstrated achievement at the high school level. The class of 2006 is the last group of students required to pass the ninth grade proficiency tests, and the class of 2007 is the first class required to pass the Ohio Graduation Tests.

The Executive Recommendation will:

- Provide 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;
- Fund the distribution, collection, scoring, and reporting of 4,049,000 achievement tests, 45,000 alternate assessments, and 30,000 Ohio Test of English Language Acquisition (OTELA) in each year of the biennium;
- Support the administration of the Ohio Graduation Tests. The department estimates that approximately 1,385,000 tests will be distributed, collected, scored, and reported for an estimated 140,000 students in fiscal year 2008 and 149,000 students in fiscal year 2009;
- Provide 27,250 special versions of the OGT assessments and provide resource materials to an estimated 161,000 parents;
- Provide for the Kindergarten Readiness Assessment to determine the entry-level literacy skills of children; and

- Provide the teacher training and parental communication necessary to connect the expectations of the academic standards with the assessments.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-437	Student Assessment	79,150,819	78,387,144
FED	3Z2	200-690	State Assessments	12,883,799	12,883,799
SSR	5U2	200-685	National Edu Statistics-NAEP	150,000	150,000
TOTAL FOR PROGRAM				**92,184,618**	**91,420,943**

Program 01.03: Education Accountability

An effective accountability system assigns responsibility, reports results and rewards successes. At the heart of that system is the need to collect, analyze and report data to communicate appropriate information to a variety of audiences. Policy makers want information to help inform decisions. Administrators need data to give guidance about how their programs can operate more effectively. Educators and the general public want 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.

The Executive Recommendation will:

- Fund local report cards for all public schools and districts compiling student performance indicators;
- Compile information for the State Report Card; and
- Support value-added methodology that tracks and measures student growth over time.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-424	Policy Analysis	576,000	611,000
GRF	GRF	200-439	Accountability/Report Cards	8,346,040	8,473,540
FED	3BK	200-628	Longitudinal Data Systems	1,795,570	307,050
SSR	5U2	200-685	National Edu Statistics-NAEP	150,000	150,000
TOTAL FOR PROGRAM				**10,867,610**	**9,541,590**

Program 01.04: 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.

The Executive Recommendation will:

- Provide 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;
- Provide 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;
- Fund the development and implementation of data standards and the design, development, and implementation of a data exchange system to replace the current EMIS; and
- Support payroll and training for data administration managers, programmers, information technology consultants, and database administrators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-446	Educ Mngmt Info System	16,110,510	16,586,082
TOTAL FOR PROGRAM				**16,110,510**	**16,586,082**

PROGRAM SERIES 02: Educator Quality

This program prepares caring, competent and qualified educators for Ohio's schools. The State Board of Education is responsible for: 1) establishing standards and courses of study for the preparation of teachers; 2) providing for the onsite evaluation of colleges and universities desiring to prepare teachers; 3) approving institutions that maintain satisfactory programs; and 4) licensing the graduates of approved programs. Prospective teachers are tested in professional knowledge and teaching content area prior to licensure.

Program 02.01: Educator 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 and involves practitioners in the development and implementation of statewide standards for professional practice by Ohio's teachers and principals. The program also supports alternative preparation programs for teachers and principals.

The Executive Recommendation will:

- Support 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
- Continue to fund, 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 2008	RECOMMENDED FY 2009
GRF	GRF	200-448	Educator Preparation	1,651,000	1,651,000
SSR	5BB	200-696	State Action Educ Leadership	1,250,000	1,250,000
TOTAL FOR PROGRAM				**2,901,000**	**2,901,000**

Program 02.02: Recruitment and Retention

The goal of this program is to create a quality workforce and reduce critical shortages and turnover of highly qualified educators, especially in areas of mathematics, science and building administration. How the state and school districts recognize and reward teachers and principals is critical. Research indicates that using approaches that are based on standards and include options for tiered-career paths contribute to teacher retention. Activities include National Board Certification, which measures a teacher's expertise against high and rigorous standards. Ohio has nearly 3,000 teachers that have attained this high level of certification.

The Executive Recommendation will:

- Support $2,225 of the $2,300 application fee for National Board Certification for over 400 teachers in each fiscal year, and increases stipends for all teachers already attaining National Board Certification and those newly receiving certification in each fiscal year from $1,000 per year to $2,500; and
- Support the Troops to Teachers Program, which supports outreach and recruitment to encourage military personnel to enter the teaching profession utilizing the alternative teacher license. The program has trained over 250 teachers, of which 66 percent are placed in high-need schools and in shortage areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-410	Educator Training	9,450,000	10,450,000
FED	3CG	200-646	Teacher Incentive	6,552,263	3,994,338
FED	374	200-647	Troops to Teachers	100,000	100,000
TOTAL FOR PROGRAM				**16,102,263**	**14,544,338**

Program 02.03: Certification and Licensure

Through licensing standards, this program ensures that each student is served by caring, competent and qualified education professionals who meet the highest academic and ethical standards of the profession. Approximately 100,000 certificates and licenses are issued annually. A new electronic system, Connected Ohio Records for Educators (CORE) allows educators to apply and pay for licenses electronically. This program is supported by teacher licensure fees.

The Executive Recommendation will:

- Support the oversight necessary to issue nearly 100,000 certificates/licenses annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4L2	200-681	Teacher Certification & License	5,966,032	6,323,994
TOTAL FOR PROGRAM				**5,966,032**	**6,323,994**

Program 02.04: Educator Training

This program is designed to help educators increase student achievement. It includes the Entry Year Program for new teachers and principals and intensive training in the mathematics, science and literacy standards. It also provides continued support of school leadership academies. This program 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. Training will be aligned with high-quality educator training standards. The principal source of funding is the federal Improving Teacher Quality Grants.

The Executive Recommendation will:

- Provide funding for Entry Year Programs for an estimated 6,815 new teachers and principals in fiscal year 2008 and 7,900 in fiscal year 2009;
- Support the foundation funding formula, which distributes resources to school districts for both general professional development and professional development specifically for data-based decision making.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-410	Educator Training	9,065,817	9,065,817
GRF	GRF	200-431	School Improvement Initiatives	450,000	450,000
GRF	GRF	200-537	Entry Year for Principals	800,000	800,000
GRF	GRF	200-550	Foundation Funding	20,469,573	21,222,801
FED	3Y6	200-635	Improving Teacher Quality	102,692,685	102,698,246
FED	370	200-624	Exceptional Children Education	399,795	0
SSR	4V7	200-633	Interagency Operational Support	180,000	160,000
TOTAL FOR PROGRAM				**134,057,870**	**134,396,864**

Program 02.05: Math and Science Educator Training

This program provides intensive training in mathematics and science through a statewide system. The goal of the mathematics training is to assist teachers in developing strong mathematics content knowledge and pedagogy, understanding the expectations of the academic content standards in mathematics, and understanding the new statewide assessment program. The goal of the science training is to improve teachers' content understanding in science and prepare them to more effectively teach science.

The Executive Recommendation will:

- Fund 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; and
- Fund the Ohio Science Institute (OSCI), which specifically targets teachers in high need school districts with 20 percent of families below the poverty line.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-427	Academic Standards	3,085,000	3,085,000
FED	3D2	200-667	Honors Scholarship Program	5,008,968	5,100,000
TOTAL FOR PROGRAM				**8,093,968**	**8,185,000**

Program 02.06: Literacy Educator Training

This program provides literacy training through a statewide system designed to assist teachers in developing effective instructional methods, including research-based techniques, standards-based approaches, diagnostic assessments and interventions. Activities include State Institutes for Reading Instruction (SIRI), which provide various training opportunities geared to the specific grade level of the teachers.

The Executive Recommendation will:

- Provide 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 (6 full-time positions;
- Fund 11 university and college faculty serving as field faculty specialists to train 90 literacy specialists in more than 150 schools, and support intervention specialists and language arts curriculum coaches providing assistance in school settings;
- Support Regional Literacy Teams and the Ohio Principals' Literacy Network (OPLN), to facilitate effective literacy programs in schools; and
- Develop materials to help teachers understand the complexities of adolescent literacy development and how adolescents learn, and disseminates these materials statewide.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-433	Literacy Improve & Prof Dev	15,015,000	15,015,000
TOTAL FOR PROGRAM				**15,015,000**	**15,015,000**

PROGRAM SERIES 03: Academic Achievement

This program provides additional assistance to districts, buildings and students 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 03.01: School Improvement

The program provides technical assistance to school districts, especially the lowest-performing districts in district improvement status or districts that have buildings in school improvement or at-risk status. Regional School Improvement Teams (RSITs) provide customized services that assist the district to increase student achievement; are aligned to the district's Comprehensive Continuous Improvement Plan (CCIP); and focus on data analysis, research-based practice, high quality professional development, and resource management. A newly-created Poverty Based Assistance component, which will assist school districts in closing the achievement gap, will provide the necessary resources for school improvement activities.

The Executive Recommendation will:

- Provide school districts with the necessary resources so that they may implement the Ohio School Climate guidelines and create learning environments in which students can learn and teachers can teach at optimal levels of performance;
- Support 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 12 teachers through the Teachers on Loan program, which "loans" master teachers who excel in standards-based education to low-performing districts.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-410	Educator Training	313,000	313,000
GRF	GRF	200-427	Academic Standards	1,179,912	1,179,912
GRF	GRF	200-578	Safe & Supportive Schools Grnt	1,218,555	1,218,555
GSF	4D1	200-602	OH-Prevention/Ed Resource Ctr	832,000	832,000
FED	3BV	200-636	Character Education	700,000	700,000
FED	3CF	200-644	Foreign Language Assistance	85,000	285,000
FED	3D1	200-664	Drug Free Schools	13,347,966	13,347,966
FED	309	200-601	Educationally Disadvantaged Prgs	4,000,000	0
FED	378	200-660	Learn and Serve	1,561,954	1,561,954
TOTAL FOR PROGRAM				**23,238,387**	**19,438,387**

Program 03.02: High School Improvement

These programs will assist districts in transforming their high schools to become schools where all students can be successful, where students are prepared for the global economy and postsecondary education. Activities include Early College High Schools that blend high school and the first years of higher education, resulting in college credit; high school transformation that helps large, urban high schools convert into small, personalized high schools; and initiatives that support the Ohio Core.

The Executive Recommendation will:

- Provide high school students an opportunity to take college-level coursework for both high school and college credit at no cost to the student;
- Support, 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;
- Subsidize the implementation of High Schools That Work in 71 high schools and 34 career centers;
- Fund Ohio Core Support, which will direct resources for high quality teaching towards hard-to-staff schools. Programs supporting the Ohio Core and increasing teacher capacity in the hard-to-staff subject areas in hard-to-staff schools are the One-year Intensive Teacher Preparatory Program; Teacher Preparation through ESC Program; and the Post-Secondary Enrollment Option Supplemental Grant in fiscal year 2009 ($6.5 million); and

- Support two new Challenger Program sites in Cincinnati and New Concord, Ohio. The program, associated with the National Aeronautics and Space Administration, provides focused learning activities for students in the areas of math, science, and technology.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-431	School Improvement Initiatives	9,418,985	10,103,985
GRF	GRF	200-536	Ohio Core Support	9,700,000	15,200,000
GRF	GRF	200-545	Career-Tech Educ Enhancements	3,401,000	3,401,000
GRF	GRF	200-550	Foundation Funding	22,877,317	25,920,001
FED	3D2	200-667	Honors Scholarship Program	1,565,000	1,565,000
FED	3Y2	200-688	21st Century Com Learning Ctr	30,681,554	30,681,554
FED	370	200-624	Exceptional Children Education	573,430	575,454
SSR	4V7	200-633	Interagency Operational Support	80,000	80,000
TOTAL FOR PROGRAM				**78,297,286**	**87,526,994**

Program 03.03: Student Intervention

The program provides opportunities for students who are struggling and those who require alternative strategies to succeed in their education. This program includes initiatives that provide additional assistance to students in academic need, such as tutoring, extended-day instruction, additional classroom teachers or aides, and summer school.

The Executive Recommendation will:

- Fund intervention building blocks for every school district totaling $21 million in fiscal year 2008 and $22 million in fiscal year 2009;
- Fund intervention building blocks for qualifying districts under Poverty Based Assistance totaling $112 million in fiscal year 2008 and $115 million in fiscal year 2009;
- Support Poverty Based Assistance funding on behalf of students with limited English proficiency totaling $10 million in each fiscal year;
- Provide funding to Ohio's 21 urban schools and communities to implement successful, innovative practices in alternative education;
- Fund 100 rural grants to 490 districts, serving approximately 34,000 students, to implement successful, innovative practices in alternative education; and
- Support the monitoring, oversight, and technical support for 122 alternative education grants to urban and rural districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-421	Alternative Education Programs	13,232,665	13,232,665
GRF	GRF	200-447	GED Testing	125,000	125,000
GRF	GRF	200-509	Adult Literacy Edu State Match	130,000	130,000
GRF	GRF	200-550	Foundation Funding	142,927,108	147,054,212
FED	3Y7	200-689	English Language Acquisition	8,000,000	8,000,000
TOTAL FOR PROGRAM				**164,414,773**	**168,541,877**

Program 03.04: Literacy Intervention

These programs are designed to ensure that every child in Ohio reads at grade level or higher. Students benefit from research-based prevention and intervention services in a literature-rich environment that includes age appropriate books and materials, from the services of tutors and paraprofessionals, and from support in the community and at home.

The Executive Recommendation will:

- Fund literacy improvement classroom grants for approximately 150,000 students in grades K-12 across 650 school buildings to implement research-based prevention and intervention to improve students' skills;
- Continue 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 2008	RECOMMENDED FY 2009
GRF	GRF	200-433	Literacy Improve & Prof Dev	900,000	900,000
GRF	GRF	200-566	Literacy Improve-Grants	12,062,336	12,062,336
FED	3Y4	200-632	Reading First	35,215,798	31,215,798
TOTAL FOR PROGRAM				**48,178,134**	**44,178,134**

PROGRAM SERIES 04: School Choice

The purpose of the School Choice program is to meet the diverse educational needs of Ohio students by promoting and supporting educational options and choices. This program includes community schools, the Cleveland Scholarship and Tutoring Program, and the Educational Choice Scholarship Program. The Ohio Department of Education provides oversight, monitoring and technical assistance for these programs. Additionally, the budget will include elimination of the Education Choice program.

The Executive budget proposes assessing the current accountability structures in order to improve the overall school choice system for students and their families. The Executive budget includes a moratorium on new start-up community schools to accomplish the quality review and improve accountability process as called for in the Achieve report, *"Creating a World-Class Education System in Ohio"*. Additionally, the Executive budget includes the following immediate actions to begin the improved accountability process:

- Ensuring that community schools comply with the same accountability requirements as traditional public schools.
- Requiring stronger charter school accountability to ensure that the consumer rights of students and their families are protected and that they benefit from full disclosure.
- Reducing the per-pupil basic aid amount for e-schools to remain consistent with the business model's requirement for significantly fewer teachers, a major cost-driver for traditional public schools.
- Prohibiting the use of for-profit companies as the management company for all charter schools and requiring that existing contracts up for renewal be competitively bid to ensure that taxpayer dollars are protected.
- Enhancing the department of education's authority to oversee charter school sponsors.
- Requiring charter school sponsors to assure the operational capacity of charter schools before the start of each school year.

Program 04.01: 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. There are two types of community schools--new start-ups or conversions. All or a part of a public school in Ohio can be converted to a community school.

The Executive Recommendation will:

- Support the cost of basic aid for more than 80,000 students at 300+ community schools throughout Ohio; and
- Provide training to community school sponsors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-455	Community Schools	1,533,661	1,533,661
GRF	GRF	200-550	Foundation Funding	430,822,076	465,628,571
FED	3T4	200-613	Public Charter Schools	13,850,827	14,212,922
TOTAL FOR PROGRAM				**446,206,564**	**481,375,154**

Program 04.02: Cleveland Scholarships and Tutoring

This program provides scholarships for students residing in the Cleveland Municipal School District to attend private schools or public schools in adjacent school districts. The Cleveland Scholarship and Tutoring Program gives priority to students from low-income families. The 1996-1997 academic year was the first year of operation for grades K-3. The program has since been expanded to include high school students.

The Executive Recommendation will:

- Continue the current level of service to 6,000+ participating students.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-550	Foundation Funding	20,587,887	20,674,747
TOTAL FOR PROGRAM				**20,587,887**	**20,674,747**

Program 04.03: Educational Choice Program

The Educational Choice Scholarship program provided scholarships to students from beginning in school year 2006-2007. Scholarships were provided through a deduction from the student's district of residence and payment was made to each recipient student's parent/guardian to pay tuition at the participating chartered nonpublic school of their choice. State funding supports administration of the program and an online system used for program application, administration and program-related outreach efforts. Less than 25% of the scholarships made available were utilized.

The Executive Recommendation will:

- Discontinue the program and eliminate costs associated with its administrative function.

PROGRAM SERIES 05: 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 05.01: 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; transitional aid guarantee; recalculation for changes in assessed valuations; and funding for educational service centers. The Lottery Profits Education Fund supplements the formula aid funding.

The Executive Recommendation will:

- Provide basic aid support for school districts through a per-pupil basic aid amount of $5,565 in fiscal year 2008 and $5,732 fiscal year 2009, an increase in per –pupil basic aid of three percent in each fiscal year;
- Increase the state share percentage by more than 3 points over the biennium;
- Incorporate Parity Aid and Poverty Based Assistance into Base Cost funding because equity and basic aid are inseparable concepts;
- Increase the equity threshold of Parity Aid to 8 mills in fiscal year 2008 and 8.5 mills in fiscal year 2009, which better enables recipient districts to raise the same amount of local revenue per pupil as wealthier districts;
- Hold districts harmless to formula changes by promising 100% guarantee of prior year funding;
- Simplify the formula by replacing the complicated guarantee structure with a single, bottom line guarantee;
- Fund the charge-off supplement, which helps those school districts that raise less than 23 mills worth of local revenues;
- Fund the excess cost supplement, which caps the local responsibility of special education, transportation, and vocational education at no more than 3.3 mills. State funding pays for any amount in excess of 3.3 mills;
- Equalize; 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.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-550	Foundation Funding	3,952,889,586	4,122,697,139
SSR	5BJ	200-626	Half-Mill Maint Equalization	10,700,000	10,700,000
LPE	017	200-612	Base Cost Funding	650,198,000	667,900,000
TOTAL FOR PROGRAM				**4,613,787,586**	**4,801,297,139**

Program 05.02: 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.

The Executive Recommendation will:

- Provide financial assistance for nonpublic chartered schools to purchase secular services and materials;
- Provide a three percent increase in each fiscal year for reimbursement of costs incurred by chartered nonpublic schools for auxiliary services and mandated administrative services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-511	Auxiliary Services	131,740,457	135,692,670
GRF	GRF	200-532	Nonpublic Admin Reimbursement	59,810,517	61,604,832
SSR	598	200-659	Auxiliary Services Reimburs	1,328,910	1,328,910
TOTAL FOR PROGRAM				**192,879,884**	**198,626,412**

Program 05.03: 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.

The Executive Recommendation will:

- Provide 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; and

- Provide funding for direct hold harmless payments to select school districts and joint vocational school districts that had reductions in utility property valuations as the result of utility deregulation legislation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
RDF	047	200-909	Prop Tax Replace-Business	611,596,856	763,316,819
RDF	053	200-900	Prop Tax Replace-Utility	91,123,523	91,123,523
TOTAL FOR PROGRAM				**702,720,379**	**854,440,342**

PROGRAM SERIES 06: School Operation Support

This program provides funding and support to school districts and other educational entities for various building and maintenance operations including pupil transportation, finance and management services, information technology support, and school food services.

Program 06.01: Pupil Transportation

Funding for pupil transportation partially reimburses districts for the operating costs of transporting public (including community school students) and nonpublic school students to and from school as well as provides partial funding for purchasing school buses. 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.

The Executive Recommendation will:

- Increase state support for transporting approximately 1.2 million students by $4.2 million in each fiscal year;
- Begin the transition to a new, simpler, more efficient transportation formula;
- Support the purchase of more than 225 school buses in each fiscal year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-502	Pupil Transportation	424,783,117	429,030,948
GRF	GRF	200-503	Bus Purchase Allowance	14,000,000	14,000,000
TOTAL FOR PROGRAM				**438,783,117**	**443,030,948**

Program 06.02: 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 helps school districts to restore and maintain fiscal solvency and to implement sound management practices.

The Executive Recommendation will:

- Provide assistance to districts in fiscal distress, especially those districts in fiscal emergency that require a Financial Planning and Supervision Commission to help bring the district back to fiscal solvency;
- Support fiscal planning and coordination; simulation, foundation, and analysis for districts;
- Fund performance audits conducted by the Auditor of State for districts in Fiscal Caution, Fiscal Watch, or Fiscal Emergency; and
- Fund a new initiative in which the Department develops and deploys an analytical tool that promotes efficient practices within school districts. This pilot program will improve data transparency at participating school districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-422	School Management Assistance	2,460,572	2,460,572
GSF	5H3	200-687	School Dist Solvency Fnd	18,000,000	18,000,000
SSR	4R7	200-695	Indirect Operational Support	921,709	963,314
LPE	017	200-682	Lease Rental Reimb Transfer	22,702,000	0
TOTAL FOR PROGRAM				**44,084,281**	**21,423,886**

Program 06.03: Ohio Education Networks

This program provides support for the Ohio Education Computer Network (OECN), which consists of 23 information technology centers (ITCs) and other network support for schools. These lTCs provide services to facilitate the use of computers and information in both administrative and instructional settings for member school districts.

The Executive Recommendation will:

- Support ONEnet Ohio, the physical connection of public and nonpublic school buildings, including community schools and information technology centers (ITC), to the Internet at an estimated $3,000 per building;
- Fund 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;
- Support 23 ITC sites and the Education Management Information System (EMIS) data for school districts;
- Provide administrative software for school district accounting, payroll, and inventory;
- Support the foundation funding formula, which distributes resources to school districts for data-based decision making.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-426	Ohio Educator Computer Ntwk	30,446,197	30,446,197
GRF	GRF	200-431	School Improvement Initiatives	601,165	601,165
GRF	GRF	200-550	Foundation Funding	4,528,372	4,722,497
TOTAL FOR PROGRAM				**35,575,734**	**35,769,859**

Program 06.04: 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.

The Executive Recommendation will:

- Provide more than 83 million subsidized lunches to approximately 600,000 low-income students at 4,166 public and nonprofit private schools, camps, and institutions;
- Provide more than 45 million subsidized breakfasts to approximately 220,000 low-income students at 2,340 public and nonprofit private schools, camps, and institutions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-505	School Lunch State Match	8,998,025	8,998,025
GRF	GRF	200-550	Foundation Funding	3,700,000	3,700,000
FED	3L6	200-617	Federal School Lunch	244,714,211	249,903,970
FED	3L7	200-618	Federal School Breakfast	63,927,606	69,041,814
SSR	455	200-608	Commodity Foods	24,000,000	24,000,000
TOTAL FOR PROGRAM				**345,339,842**	**355,643,809**

Program 06.05: Child and Adult Care Programs

This program provides reimbursement for nutritious snacks as well as breakfast, lunch and dinner to children or adults enrolled at participating day care centers, after-school programs or adult day care centers.

The Executive Recommendation will:

- Provide more than 57 million meals to children or adults enrolled at participating day care centers, after-school programs, or adult day care centers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3L8	200-619	Child/Adult Food Programs	69,280,946	70,691,653
TOTAL FOR PROGRAM				**69,280,946**	**70,691,653**

Program 06.06: Nutrition Programs and Support

This program includes the administrative support and monitoring of federally-funded school food programs. Also, includes federally-funded meals provided to children during extended school vacations and summer school.

The Executive Recommendation will:

- Continue the Summer Foods Program, which serves approximately 48,000 meals daily.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	367	200-607	School Food Services	5,849,748	6,088,737
TOTAL FOR PROGRAM				**5,849,748**	**6,088,737**

PROGRAM SERIES 07: 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 07.01: Special Education Funding

Special education students require an Individualized Education Program (IEP) that specifies additional services the student needs to make progress in the general curriculum. In addition to basic aid support, weighted funding is distributed to districts to provide these special education services for students with disabilities. Per-pupil basic aid and weighted funding for students with disabilities is also distributed to county boards of Mental Retardation and Developmental Disabilities (MR/DDs). These boards operate educational programs in public schools and in separate

educational facilities for students with disabilities. Usually, MR/DDs serve students with more severe disabilities. Weighted funding also supports students with disabilities housed in state institutions that provide education and related services.

The Executive Recommendation will:

- Continue 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; and
- Provide federal Individuals with Disabilities Education Act (IDEA) funding totaling $500 million in fiscal year 2008 and $405 million in fiscal year 2009 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-540	Special Education Enhancements	47,294,617	47,767,563
GRF	GRF	200-550	Foundation Funding	497,801,301	533,596,746
FED	3M2	200-680	Indiv w/ Disab Education Act	500,000,000	405,000,000
TOTAL FOR PROGRAM				**1045,095,918**	**986,364,309**

Program 07.02: Special Education Target Funding

This item includes additional funding for specific special education services. The largest component provides catastrophic aid to districts for high-cost special education students.

The Executive Recommendation will:

- Reimburse 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 $19.8 million in fiscal year 2008 and $20.5 million in fiscal year 2009;
- Maintain 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;
- Maintain funding of $2.8 million in each fiscal year to fund 96 school psychology interns placed in school districts;
- Maintain funding of $1.5 million in each fiscal year to support 60 parent mentors located in districts and educational service centers statewide.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-540	Special Education Enhancements	8,417,771	8,417,771
GRF	GRF	200-550	Foundation Funding	19,250,000	19,500,000
FED	370	200-624	Exceptional Children Education	838,295	0
TOTAL FOR PROGRAM				**28,506,066**	**27,917,771**

PROGRAM SERIES 08: Early Childhood Education

This program series includes developmental and educational services for preschool children. A decade of national research identifies the essential components of quality early education settings, 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 developmental services.

Program 08.01: Early Learning Programs

The Department of Education administers early childhood programs that provide educational services for three- and four-year old children from income-eligible families. In addition, districts with a poverty index of 1.0 or greater are eligible for all day kindergarten funding, with half the funding through formula aid and the other half through Poverty Based Assistance (PBA). Districts are required to use PBA funding for all-day, everyday kindergarten first and expands the allowable expenditure menu to include funding early childhood education, before using funds for other PBA programs.

The Executive Recommendation will:

- Provide all-day, everyday kindergarten services to children in 132 districts that are eligible for all-day kindergarten funding through PBA;
- Increase funding for the Early Childhood Education program by 52.6% in fiscal year 2008 and 8.6% in fiscal year 2009;
- Provide services through the Early Childhood Education program for approximately 5,690 children in fiscal year 2008 and 6,180 children in fiscal year 2009, increasing from 3,740 children in fiscal year 2007 (over 65% increase over the biennium from fiscal year 2007);
- Allow up to 49 new school districts to offer the Early Childhood Education program in fiscal year 2008 and up to an additional 12 new districts in fiscal year 2009; and
- Allow the Department of Education to administer, in coordination with the Ohio Department of Job and Family Services, the Early Learning Initiative program, which provides full-day, full-year services for up to 12,000 children in both fiscal year 2008 and 2009. For ease of administration the appropriation for provider funding has been moved to the budget for the Ohio Department of Job and Family Services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-408	Early Childhood Education	29,002,195	31,502,195
GRF	GRF	200-550	Foundation Funding	139,600,446	143,191,063
FED	3C5	200-661	Early Childhood Education	2,831,100	2,831,100
FED	3H9	200-605	Head Start Collaboration Proj	275,000	275,000
SSR	5W2	200-663	Early Learning Initiative	2,200,000	2,200,000
TOTAL FOR PROGRAM				**173,908,741**	**179,999,358**

Program 08.02: Pre-K Special Education

Preschool special education services are provided to meet the needs of children with disabilities aged three through five. Districts are mandated under federal law to provide a free and appropriate public education to these children and are required to develop individual education plans for these students.

The Executive Recommendation will:

- Support approximately 2,040 preschool special education units.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-540	Special Education Enhancements	82,907,557	83,571,505
FED	3C5	200-661	Early Childhood Education	16,158,679	16,158,679
TOTAL FOR PROGRAM				**99,066,236**	**99,730,184**

Program 08.03: Child Care Licensing

The Department of Education licenses and monitors preschool and school-age child care programs to ensure basic safety and health standards. This responsibility includes all preschool and school-age child care programs operated

by public schools, county boards of mental retardation and developmental disabilities, and eligible chartered nonpublic schools.

The Executive Recommendation will:

- Fund the licensure and inspection of more than 1,900 childcare programs, addressing health and safety standards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-442	Child Care Licensing	1,302,495	1,302,495
TOTAL FOR PROGRAM				**1,302,495**	**1,302,495**

PROGRAM SERIES 09: Career-Technical Education

Ohio's career-technical system offers a sequence of career-technical courses (grades 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 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 09.01: Joint Vocational School Basic

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.

The Executive Recommendation will:

- Provide basic aid support for JVSs through a per-pupil basic aid amount of $5,565 in fiscal year 2008 and $5,732 in fiscal year 2009; and
- Fund a bottom line guarantee that provides each and every JVS with 100% of its prior year total funding in each fiscal year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-550	Foundation Funding	154,239,917	160,318,269
TOTAL FOR PROGRAM				**154,239,917**	**160,318,269**

Program 09.02: Secondary Workforce Development

Secondary workforce development programs and technical and academic curricula are aligned with business, industry and labor expectations, standards and credentialing opportunities as a means to improve Ohio's economic development. Programs are a combination of academic and technical courses or experiences in sixteen 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. A goal of the programs is to establish seamless pathways for student transition from secondary education to postsecondary education.

The Executive Recommendation will:

- Fund approximately 46,000 full-time equivalent (FTE) career-technical students with a focus on certain career fields;

- Fund career-technical education students in institutions operated by the Department of Youth Services, the Department of Rehabilitation and Correction, and the Department of Mental Health;
- Provide 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-427	Academic Standards	1,000,000	1,000,000
GRF	GRF	200-550	Foundation Funding	102,983,382	110,114,762
FED	3L9	200-621	Career-Tech Basic Edu Grant	48,029,701	48,029,701
TOTAL FOR PROGRAM				**152,013,083**	**159,144,463**

Program 09.03: 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.

The Executive Recommendation will:

- Fund about 12,500 full-time equivalent (FTE) career-technical students with a focus on work-based learning experiences; and
- Provide 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-545	Career-Tech Educ Enhancements	2,509,152	2,584,427
GRF	GRF	200-550	Foundation Funding	12,899,511	13,595,967
TOTAL FOR PROGRAM				**15,408,663**	**16,180,394**

Program 09.04: 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, managing resources, communicating effectively and developing leadership skills. They also learn about nutrition and wellness, family and worker relationships, parenting and child development, life planning and career development.

The Executive Recommendation will:

- Fund about 13,300 full-time equivalent (FTE) career-technical students served in school districts, joint vocational school districts, and community schools;
- Maintain $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
- Provide 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 2008	RECOMMENDED FY 2009
GRF	GRF	200-431	School Improvement Initiatives	1,000,000	1,000,000
GRF	GRF	200-550	Foundation Funding	16,043,243	16,752,472
FED	369	200-616	Career Tech Fed Enhancement	346,400	346,400
TOTAL FOR PROGRAM				**17,389,643**	**18,098,872**

Program 09.05: College-Based Career-Technical Education

College-based career-technical education programs, also referred to as Tech Prep, extend 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.

The Executive Recommendation will:

- Support a network of 26 consortia (44 higher education institutions and 92 career-technical planning districts);
- Maintain 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
- Provide federal funding totaling $4.65 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 2008	RECOMMENDED FY 2009
GRF	GRF	200-425	Tech Prep Consortia Support	2,069,217	2,069,217
GRF	GRF	200-545	Career-Tech Educ Enhancements	2,621,507	2,621,507
FED	369	200-616	Career Tech Fed Enhancement	4,653,600	4,653,600
TOTAL FOR PROGRAM				**9,344,324**	**9,344,324**

Program 09.06: CTE Special Programs and Support

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. The program is available in all schools.

The Executive Recommendation will:

- Maintain funding of $300,000 in each fiscal year to enable students in agricultural programs to enroll in a fifth quarter of instruction;
- Maintain GRF 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.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-416	Career-tech Edu State Match	2,233,195	2,233,195
GRF	GRF	200-514	Adult Career-Tech Ed	40,000	40,000
GRF	GRF	200-545	Career-Tech Educ Enhancements	766,992	766,992
GSF	596	200-656	Ohio Career Information System	529,761	529,761
SSR	4V7	200-633	Interagency Operational Support	132,100	136,423
TOTAL FOR PROGRAM				**3,702,048**	**3,706,371**

PROGRAM SERIES 10: Gifted Education

Gifted education 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 or accelerated coursework. Services are provided by local coordinators and intervention specialists, and are funded by both state and local funds. Instruction is based on the identified needs of students and a written education plan. Gifted education requires modifications, such as a differentiated curriculum, more open-ended and abstract tasks, an emphasis on analytical thought and problem solving, and increased emphasis on multidisciplinary and research-focused study. An estimated 16 percent of Ohio students are identified as gifted.

Program 10.01: Gifted Pupil Core

Gifted unit funding supplements basic aid funding by providing coordination and gifted services above those services provided in the general education classroom. Additional funding also assists districts with the purchase of test materials and equipment, in-service and staff training, and employment of additional personnel required to complete the identification of students who are gifted.

The Executive Recommendation will:

- Maintain funding for 1,110 gifted units served in school districts and educational service centers; and
- Maintain 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.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-521	Gifted Pupil Program	46,592,172	46,982,596
TOTAL FOR PROGRAM				**46,592,172**	**46,982,596**

Program 10.02: Gifted Pupil Special Program

This program funds summer institutes for gifted high school students. The institutes are held at public and private universities and colleges across Ohio.

The Executive Recommendation will:

- Continue to fund the 14 Summer Honors Institutes which serve approximately 2,000 students annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-521	Gifted Pupil Program	1,015,858	1,026,017
TOTAL FOR PROGRAM				**1,015,858**	**1,026,017**

PROGRAM SERIES 11: Students At-Risk

This program helps districts and schools improve the teaching and learning of children who are failing, or most at risk of failing, to meet state academic standards. The single largest funding source is the federal Title I program for low-income students. This item includes state funds for children in poverty through poverty-based assistance (PBA). This 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 11.01: Title I Disadvantaged Students

The purpose of Title I is to enable 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.

The Executive Recommendation will:

- Provide federal grants to nearly all districts in Ohio for increased opportunities for disadvantaged students; and
- Support a portion of the administrative costs associated with distribution of grants to districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3M0	200-623	ESEA Title 1A	415,000,000	420,000,000
FED	3Y8	200-639	Rural & Low Income Tech Assist	1,500,000	1,500,000
FED	309	200-601	Educationally Disadvantaged Prgs	8,750,000	8,750,000
TOTAL FOR PROGRAM				**425,250,000**	**430,250,000**

Program 11.02: Poverty-Based Programs

This program provides funds to school districts that incur higher educational costs because of high concentrations of economically disadvantaged students. The state's poverty based assistance program targets funding to those school districts. For most of the PBA programs, districts receive funding based on their poverty index. The poverty index reflects the relationship of a district's percentage of students in poverty compared to the statewide average percentage, with an index of 1.00 representing the statewide average.

The Executive Recommendation will:

- Support a subsidy for districts to provide dropout prevention programs and hire community liaisons and/or attendance officers. Funding totals $24 million in fiscal year 2008 and $25 million in fiscal year 2009;
- Provide funding for class size reduction at $117 million in fiscal year 2008 and $136 million in fiscal year 2009. 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;
- Provide funding for districts with a concentration of school buildings in academic watch or academic emergency above the statewide average. This Poverty Based Assistance aid will assist school districts as they close the achievement gap by enabling them to fund school improvement initiatives for those at-risk students. Funding totals $34 million in each fiscal year, but may increase as school districts earn performance bonuses as they reduce the percentage of buildings in academic watch or emergency.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-550	Foundation Funding	204,559,609	225,208,799
TOTAL FOR PROGRAM				**204,559,609**	**225,208,799**

Program 11.03: Innovative Education Programs

Two federal grants compose the majority of this program. One 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 second federal grant helps districts and schools integrate technology into the English language arts and mathematics academic content standards in grades K-8.

The Executive Recommendation will:

- Provide 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 2008	RECOMMENDED FY 2009
FED	3AF	200-603	Schools Medicaid Admin Claim	486,000	639,000
FED	3M1	200-678	Innovative Education	5,369,100	5,363,706
FED	3S2	200-641	Education Technology	10,000,000	5,000,000
TOTAL FOR PROGRAM				**15,855,100**	**11,002,706**

PROGRAM SERIES 12: Adult Education

Adult education programs teach basic skills and improve the knowledge and skills of the adult workforce. These programs are delivered through a network of 120 Adult Basic and Literacy Education (ABLE) providers, 70 adult career-technical centers and more than 800 approved schools and training agencies for veterans.

The Executive budget includes a provision for the Department of Education to work collaboratively with the Board of Regents to identify adult and career technical education programs that will be transferred to the Board of Regents effective fiscal year 2009. The purpose of this programmatic transfer is to better align adult education and training and improve the overall quality of course and training offerings to increase the skills and improve the employment prospects of adults.

Program 12.01: Adult Workforce Education

This program provides education and training through full-time and part-time adult career-technical training programs. Districts, joint vocational districts and other public educational institutions, including corrections, are eligible for funding.

The Executive Recommendation will:

- Allocate 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 2008	RECOMMENDED FY 2009
GRF	GRF	200-514	Adult Career-Tech Ed	19,441,875	19,441,875
TOTAL FOR PROGRAM				**19,441,875**	**19,441,875**

Program 12.02: Adult Literacy Education

This program provides free instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages (ESOL) and preparation for the General Educational Development (GED) test. Eligible persons include those who have less than a 12th-grade education or its functional equivalence and who are not subject to state compulsory school attendance law.

The Executive Recommendation will:

- Provide competitive grants to 134 instructional programs serving approximately 60,000 adults annually;
- Support the estimated annual cost per enrollee of $458 through a combination of state and federal funding;
- Fund 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
- Reimburse, 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 2008	RECOMMENDED FY 2009
GRF	GRF	200-509	Adult Literacy Edu State Match	8,539,738	8,539,738
FED	366	200-604	Adult Basic Education	19,425,000	20,396,250
TOTAL FOR PROGRAM				**27,964,738**	**28,935,988**

Program 12.03: Veterans Programs

This activity reviews, approves and supervises schools, apprenticeships and on-the-job training programs offering vocational, educational and professional programming to veterans

The Executive Recommendation will:

- Support 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 2008	RECOMMENDED FY 2009
FED	368	200-614	Veterans' Training	710,373	745,892
TOTAL FOR PROGRAM				**710,373**	**745,892**

Program 12.04: Adult Assessment

The General Educational Development (GED) program provides a national test for Ohio adults without a high school diploma. Upon passing the GED, non-graduates receive an Ohio High School Equivalence Diploma.

The Executive Recommendation will:

- Support 79 GED testing centers and 30 additional satellite testing centers; and
- Fund the administrative office, which will process approximately 30,000 GED applications and 26,000 tests.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-447	GED Testing	1,419,360	1,419,360
SSR	454	200-610	Guidance & Testing Srvs Fees	400,000	400,000
TOTAL FOR PROGRAM				**1,819,360**	**1,819,360**

PROGRAM SERIES 13: State Administration and Infrastructure Support

This program includes functions that support agency operations and administration. This includes fiscal administration, human resources, facilities and fleet management, document processing, organizational development and technology infrastructure.

Program 13.01: Administrative Support

This activity includes funding for the administrative functions not directly related to one program, such as human resources, accounting, board relations, policy analysis and communications. This program also includes support for the five administrative centers: Curriculum and Assessment; School Improvement; Teaching Profession; Students, Families and Communities; and School Finance.

The Executive Recommendation will:

- Provide administrative support through fiscal, human resources, and a variety of other services that allow the agency to operate efficiently and effectively; and
- Allow the State Board of Education to bring in experts to inform the Board on areas of policy development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-100	Personal Services	11,533,494	12,110,169
GRF	GRF	200-320	Maintenance and Equipment	4,574,479	4,803,203
GSF	452	200-638	Misc Educational Services	273,166	279,992
FED	3Z3	200-645	Consolidated Fed Grant Admin	8,500,000	8,500,000
SSR	4R7	200-695	Indirect Operational Support	4,528,039	4,847,150
SSR	620	200-615	Educational Improvement Grants	3,000,000	3,000,000
TOTAL FOR PROGRAM				**32,409,178**	**33,540,514**

Program 13.02: Information Technology Infrastructure

This activity includes the development and implementation of new information technologies for meeting the strategic needs of the agency's business centers, making the department's information accessible and enhancing the agency's internet and intranet services. The interactive Local Report Card, interactive continuous improvement planning and other online applications also are included.

The Executive Recommendation will:

- Support information technology services and support to department programs, which include development and maintenance of the network infrastructure and software, purchase of all computer hardware and software, project management, and programming services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	200-420	Computer/Application/Ntwk Dev	5,536,362	5,793,700
GSF	138	200-606	Computer Svs Operational Supp	7,600,091	7,600,091
TOTAL FOR PROGRAM				**13,136,453**	**13,393,791**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 200-410, Educator Training, is shedding a portion of its obligations by spinning off 200-537, Entry Year for Principals program, which will now exist as a stand-alone line item.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	200-410	Educator Training	19,002,057	18,828,817	-0.9%	19,828,817	5.3%
GRF	200-537	Entry Year for Principals	800,000	800,000	0.0%	800,000	0.0%

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	200-100	Personal Services	11,213,947	11,174,342	9,678,768	10,880,655	11,533,494	6.0	12,110,169	5.0
GRF	200-320	Maintenance and Equipment	4,989,036	4,523,134	3,935,862	4,344,235	4,574,479	5.3	4,803,203	5.0
GRF	200-406	Head Start	1,945,982	0	0	0	0	.0	0	.0
GRF	200-408	Early Childhood Education	17,825,893	18,582,812	19,016,392	19,002,195	29,002,195	52.6	31,502,195	8.6
GRF	200-410	Educator Training	23,347,712	27,577,602	19,282,518	19,802,057	18,828,817	(4.9)	19,828,817	5.3
GRF	200-411	Family and Children First	3,324,750	3,125,265	0	0	0	.0	0	.0
GRF	200-416	Career-tech Edu State Match	39,269	0	2,224,309	2,233,195	2,233,195	.0	2,233,195	.0
GRF	200-420	Computer/Application/Ntwk Dev	5,423,991	4,418,074	4,170,219	5,361,525	5,536,362	3.3	5,793,700	4.6
GRF	200-421	Alternative Education Programs	15,304,184	15,136,156	13,344,759	14,032,666	13,482,665	(3.9)	13,482,665	.0
GRF	200-422	School Management Assistance	1,822,044	1,623,649	2,593,664	2,710,572	2,460,572	(9.2)	2,460,572	.0
GRF	200-424	Policy Analysis	565,861	487,927	542,419	556,687	576,000	3.5	611,000	6.1
GRF	200-425	Tech Prep Consortia Support	1,537,926	2,076,080	2,054,232	2,069,217	2,069,217	.0	2,069,217	.0
GRF	200-426	Ohio Educator Computer Ntwk	28,051,278	31,303,989	30,447,712	30,446,197	30,446,197	.0	30,446,197	.0
GRF	200-427	Academic Standards	6,358,178	8,211,392	9,701,755	11,679,181	11,514,730	(1.4)	11,514,730	.0
GRF	200-431	School Improvement Initiatives	10,014,950	9,916,956	19,302,813	23,842,828	12,270,150	(48.5)	12,955,150	5.6
GRF	200-432	School Conflict Management	20,832	0	0	0	0	.0	0	.0
GRF	200-433	Literacy Improve & Prof Dev	14,022,917	17,869,348	10,015,501	16,165,000	15,915,000	(1.5)	15,915,000	.0
GRF	200-437	Student Assessment	35,276,452	31,643,452	59,230,269	60,011,936	79,150,819	31.9	78,387,144	(1.0)
GRF	200-439	Accountability/Report Cards	1,913,474	2,012,953	3,451,844	7,457,290	8,096,040	8.6	8,223,540	1.6
GRF	200-441	American Sign Language	136,943	195,254	0	0	0	.0	0	.0
GRF	200-442	Child Care Licensing	970,074	1,538,620	879,059	1,302,495	1,302,495	.0	1,302,495	.0
GRF	200-444	Professional Recruitment	124,150	0	0	0	0	.0	0	.0
GRF	200-445	OhioReads Volunteer Support	4,350,749	3,510,565	3,708,349	3,905,000	0	(100.0)	0	.0
GRF	200-446	Educ Mngmt Info System	14,673,921	15,198,025	15,563,949	15,674,805	16,110,510	2.8	16,586,082	3.0
GRF	200-447	GED Testing	1,738,152	1,486,406	1,828,630	1,544,360	1,544,360	.0	1,544,360	.0
GRF	200-448	Educator Preparation	9,038	20,915	1,235,277	1,651,000	1,651,000	.0	1,651,000	.0
GRF	200-449	Head Start Plus Start Up	11,000,000	4,479,487	0	0	0	.0	0	.0
GRF	200-452	Educator Standards and Preparation	266,157	530,687	34,057	0	0	.0	0	.0
GRF	200-455	Community Schools	4,057,754	3,940,532	1,488,759	2,942,095	1,533,661	(47.9)	1,533,661	.0
GRF	200-500	School Finance Equity	13,371,385	7,105,137	0	0	0	.0	0	.0
GRF	200-501	Base Cost Funding	4506,711,651	4588,586,502	23,550,182	0	0	.0	0	.0
GRF	200-502	Pupil Transportation	420,271,400	404,301,894	412,170,713	420,577,343	424,783,117	1.0	429,030,948	1.0
GRF	200-503	Bus Purchase Allowance	18,674,944	17,048,756	14,400,931	14,000,000	14,000,000	.0	14,000,000	.0
GRF	200-505	School Lunch State Match	9,033,592	8,990,480	8,986,466	8,998,025	8,998,025	.0	8,998,025	.0
GRF	200-509	Adult Literacy Edu State Match	8,774,250	8,496,363	8,437,205	8,669,738	8,669,738	.0	8,669,738	.0
GRF	200-510	County Commissioners Reimbursement	693,938	0	0	0	0	.0	0	.0
GRF	200-511	Auxiliary Services	127,903,356	127,854,857	127,733,752	127,903,356	131,740,457	3.0	135,692,670	3.0
GRF	200-513	Student Intervention Services	36,666,759	38,874,974	7,377,644	0	0	.0	0	.0
GRF	200-514	Adult Career-Tech Ed	20,044,319	19,819,126	19,608,189	19,481,875	19,481,875	.0	19,481,875	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	200-520	Disadvantaged Pupil Impact Aid	347,031,124	348,588,897	818,731	0	0	.0	0	.0
GRF	200-521	Gifted Pupil Program	46,709,389	47,266,441	47,239,110	47,157,293	47,608,030	1.0	48,008,613	.8
GRF	200-525	Parity Aid	316,164,258	427,388,580	0	0	0	.0	0	.0
GRF	200-532	Nonpublic Admin Reimbursement	55,765,047	54,063,375	56,716,592	58,068,463	59,810,517	3.0	61,604,832	3.0
GRF	200-536	Ohio Core Support	0	0	0	30,000,000	9,700,000	(67.7)	15,200,000	56.7
GRF	200-537	Entry Year for Principals	0	0	0	0	800,000	.0	800,000	.0
GRF	200-540	Special Education Enhancements	133,821,049	129,477,586	129,035,206	135,430,126	138,619,945	2.4	139,756,839	.8
GRF	200-545	Career-Tech Educ Enhancements	13,079,934	12,849,685	10,276,505	9,225,569	9,298,651	.8	9,373,926	.8
GRF	200-546	Charge-Off Supplement	49,812,720	59,199,463	0	0	0	.0	0	.0
GRF	200-550	Foundation Funding	0	0	5500,523,243	5708,762,766	5746,699,328	.7	6034,943,246	5.0
GRF	200-552	County MR/DD Bds Vehicle Purchase	640,000	576,696	473,500	0	0	.0	0	.0
GRF	200-558	Emerg Loan Interest Subsidy	2,728,900	2,001,804	1,265,594	651,404	0	(100.0)	0	.0
GRF	200-566	Literacy Improve-Grants	12,874,776	10,462,342	12,345,523	12,062,336	12,062,336	.0	12,062,336	.0
GRF	200-578	Safe & Supportive Schools Grnt	3,497,353	3,359,886	1,060,932	1,218,555	1,218,555	.0	1,218,555	.0
TOTAL General Revenue Fund			**6364,595,758**	**6536,896,466**	**6615,751,134**	**6859,822,040**	**6903,322,532**	**.6**	**7213,795,695**	**4.5**
138	200-606	Computer Svs Operational Supp	7,218,332	6,870,046	5,344,348	7,600,091	7,600,091	.0	7,600,091	.0
4D1	200-602	OH-Prevention/Ed Resource Ctr	506,100	957,900	0	832,000	832,000	.0	832,000	.0
4L2	200-681	Teacher Certification & License	3,953,093	4,370,210	6,206,889	6,323,832	5,966,032	(5.7)	6,323,994	6.0
452	200-638	Misc Educational Services	191,540	265,537	216,527	266,650	273,166	2.4	279,992	2.5
5B1	200-651	Child Nutrition Services	70,813	0	0	0	0	.0	0	.0
5H3	200-687	School Dist Solvency Fnd	22,825,412	16,066,628	41,000	18,000,000	18,000,000	.0	18,000,000	.0
596	200-656	Ohio Career Information System	460,208	466,870	423,879	448,822	529,761	18.0	529,761	.0
TOTAL General Services Fund Group			**35,225,498**	**28,997,191**	**12,232,643**	**33,471,395**	**33,201,050**	**(.8)**	**33,565,838**	**1.1**
3AF	200-603	Schools Medicaid Admin Claim	0	0	158,138	900,000	486,000	(46.0)	639,000	31.5
3AK	200-692	State Homeland Security	0	55,830	0	0	0	.0	0	.0
3BK	200-628	Longitudinal Data Systems	0	0	28,437	2,788,680	1,795,570	(35.6)	307,050	(82.9)
3BV	200-636	Character Education	0	0	0	488,565	700,000	43.3	700,000	.0
3CF	200-644	Foreign Language Assistance	0	0	0	100,000	85,000	(15.0)	285,000	235.3
3CG	200-646	Teacher Incentive	0	0	0	5,510,860	6,552,263	18.9	3,994,338	(39.0)
3C5	200-661	Early Childhood Education	21,217,863	21,828,552	20,878,919	18,989,779	18,989,779	.0	18,989,779	.0
3D1	200-664	Drug Free Schools	12,594,085	12,379,067	11,780,532	13,347,966	13,347,966	.0	13,347,966	.0
3D2	200-667	Honors Scholarship Program	1,853,985	4,037,228	4,380,731	5,833,965	6,573,968	12.7	6,665,000	1.4
3E2	200-668	AIDS Education Project	67	0	0	0	0	.0	0	.0
3H9	200-605	Head Start Collaboration Proj	204,990	411,989	215,260	275,000	275,000	.0	275,000	.0
3L6	200-617	Federal School Lunch	186,502,818	209,742,574	213,082,902	227,583,653	244,714,211	7.5	249,903,970	2.1
3L7	200-618	Federal School Breakfast	41,538,213	51,607,275	54,584,744	58,405,608	63,927,606	9.5	69,041,814	8.0
3L8	200-619	Child/Adult Food Programs	59,570,746	61,587,360	64,679,007	67,915,843	69,280,946	2.0	70,691,653	2.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
3L9	200-621	Career-Tech Basic Edu Grant	47,649,091	47,286,258	48,299,235	48,029,701	48,029,701	.0	48,029,701	.0
3M0	200-623	ESEA Title 1A	391,410,430	384,512,878	396,584,110	410,000,000	415,000,000	1.2	420,000,000	1.2
3M1	200-678	Innovative Education	14,851,925	13,277,731	7,089,450	11,800,001	5,369,100	(54.5)	5,363,706	(.1)
3M2	200-680	Indiv w/ Disab Education Act	288,124,038	411,527,680	487,004,021	491,894,073	500,000,000	1.6	405,000,000	(19.0)
3R3	200-654	Goals 2000	216,007	1,547	0	0	0	.0	0	.0
3S2	200-641	Education Technology	18,159,398	20,231,594	17,839,465	15,800,000	10,000,000	(36.7)	5,000,000	(50.0)
3T4	200-613	Public Charter Schools	15,241,842	20,885,508	21,450,612	13,498,476	13,850,827	2.6	14,212,922	2.6
3T6	200-611	Class Size Reduction	3,028,708	244,133	0	0	0	.0	0	.0
3U2	200-662	Teacher Quality Enhancement	1,052,893	595,527	748,843	795,280	0	(100.0)	0	.0
3U3	200-665	Reading Excellence Grant Program	0	163,877	0	0	0	.0	0	.0
3X5	200-684	School Renovation/IDEA	16,743,837	4,912,434	723,700	1,460,663	0	(100.0)	0	.0
3Y2	200-688	21st Century Com Learning Ctr	15,880,676	29,098,903	30,657,423	30,681,554	30,681,554	.0	30,681,554	.0
3Y4	200-632	Reading First	23,083,588	31,762,814	46,375,143	31,215,798	35,215,798	12.8	31,215,798	(11.4)
3Y5	200-634	Community Service Grants 06	1,515,155	571,271	307,092	0	0	.0	0	.0
3Y6	200-635	Improving Teacher Quality	97,688,454	103,715,392	106,161,718	104,484,000	102,692,685	(1.7)	102,698,246	.0
3Y7	200-689	English Language Acquisition	4,855,665	7,042,883	7,035,380	7,000,114	8,000,000	14.3	8,000,000	.0
3Y8	200-639	Rural & Low Income Tech Assist	1,438,327	1,481,025	1,132,432	1,300,000	1,500,000	15.4	1,500,000	.0
3Z2	200-690	State Assessments	3,552,270	18,050,518	8,539,937	12,883,799	12,883,799	.0	12,883,799	.0
3Z3	200-645	Consolidated Fed Grant Admin	5,492,946	7,598,877	6,393,174	6,867,070	8,500,000	23.8	8,500,000	.0
309	200-601	Educationally Disadvantaged Prgs	18,222,752	14,584,260	17,427,258	20,865,560	12,750,000	(38.9)	8,750,000	(31.4)
366	200-604	Adult Basic Education	21,039,810	17,902,666	19,422,071	18,500,001	19,425,000	5.0	20,396,250	5.0
367	200-607	School Food Services	9,422,788	10,278,498	11,327,406	11,666,732	5,849,748	(49.9)	6,088,737	4.1
368	200-614	Veterans' Training	517,641	540,319	473,221	691,130	710,373	2.8	745,892	5.0
369	200-616	Career Tech Fed Enhancement	6,551,994	5,264,265	5,138,036	4,895,420	5,000,000	2.1	5,000,000	.0
370	200-624	Exceptional Children Education	2,198,286	1,195,146	2,531,090	3,237,762	1,811,520	(44.1)	575,454	(68.2)
371	200-631	Immigrant Edu Opportunities	198,371	243,593	150,600	181,500	0	(100.0)	0	.0
374	200-647	Troops to Teachers	187,796	617,999	729,412	763,950	100,000	(86.9)	100,000	.0
378	200-660	Learn and Serve	1,467,889	956,666	1,156,939	1,200,000	1,561,954	30.2	1,561,954	.0
TOTAL Fed Special Revenue Fund Group			**1333,275,344**	**1516,194,137**	**1614,486,438**	**1651,852,503**	**1665,660,368**	**.8**	**1571,144,583**	**(5.7)**
047	200-909	Prop Tax Replace-Business	0	0	67,143,154	420,000,000	611,596,856	45.6	763,316,819	24.8
053	200-900	Prop Tax Replace-Utility	108,710,848	116,520,891	125,978,243	101,647,522	91,123,523	(10.4)	91,123,523	.0
TOTAL Revenue Distribution Fund Group			**108,710,848**	**116,520,891**	**193,121,397**	**521,647,522**	**702,720,379**	**34.7**	**854,440,342**	**21.6**
4R7	200-695	Indirect Operational Support	3,918,828	4,911,290	4,959,055	5,449,747	5,449,748	.0	5,810,464	6.6
4V7	200-633	Interagency Operational Support	128,062	185,201	648,382	926,250	392,100	(57.7)	376,423	(4.0)
454	200-610	Guidance & Testing Srvs Fees	161,105	281,199	595,472	300,000	400,000	33.3	400,000	.0
455	200-608	Commodity Foods	17,534,994	16,656,368	16,809,035	24,000,000	24,000,000	.0	24,000,000	.0
5BB	200-696	State Action Educ Leadership	0	474,876	1,225,110	1,199,999	1,250,000	4.2	1,250,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5BJ	200-626	Half-Mill Maint Equalization	0	0	0	10,700,000	10,700,000	.0	10,700,000	.0
5U2	200-685	National Edu Statistics-NAEP	130,098	156,983	162,487	300,000	300,000	.0	300,000	.0
5W2	200-663	Early Learning Initiative	47,411,106	44,151,454	12,729,277	8,200,000	2,200,000	(73.2)	2,200,000	.0
598	200-659	Auxiliary Services Reimburs	1,104,135	1,095,470	1,012,663	1,328,910	1,328,910	.0	1,328,910	.0
620	200-615	Educational Improvement Grants	778,341	284,196	1,286,579	2,980,500	3,000,000	.7	3,000,000	.0
TOTAL State Special Revenue Fund Group			**71,166,669**	**68,197,037**	**39,428,060**	**55,385,406**	**49,020,758**	**(11.5)**	**49,365,797**	**.7**
017	200-612	Base Cost Funding	606,123,500	606,195,300	606,208,300	606,296,800	650,198,000	7.2	667,900,000	2.7
017	200-682	Lease Rental Reimb Transfer	31,776,500	31,704,700	31,691,700	31,603,200	22,702,000	(28.2)	0	(100.0)
020	200-620	Career-Tech School Building Assist	3,000,000	1,000,000	0	0	0	.0	0	.0
TOTAL Lottery Profits/Educ Fund Group			**640,900,000**	**638,900,000**	**637,900,000**	**637,900,000**	**672,900,000**	**5.5**	**667,900,000**	**(.7)**
TOTAL Department of Education			**8553,874,117**	**8905,705,722**	**9112,919,672**	**9760,078,866**	**10026,825,087**	**2.7**	**10390,212,255**	**3.6**

**** Please see the Appropriation Line Item analysis for further detail.**

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.

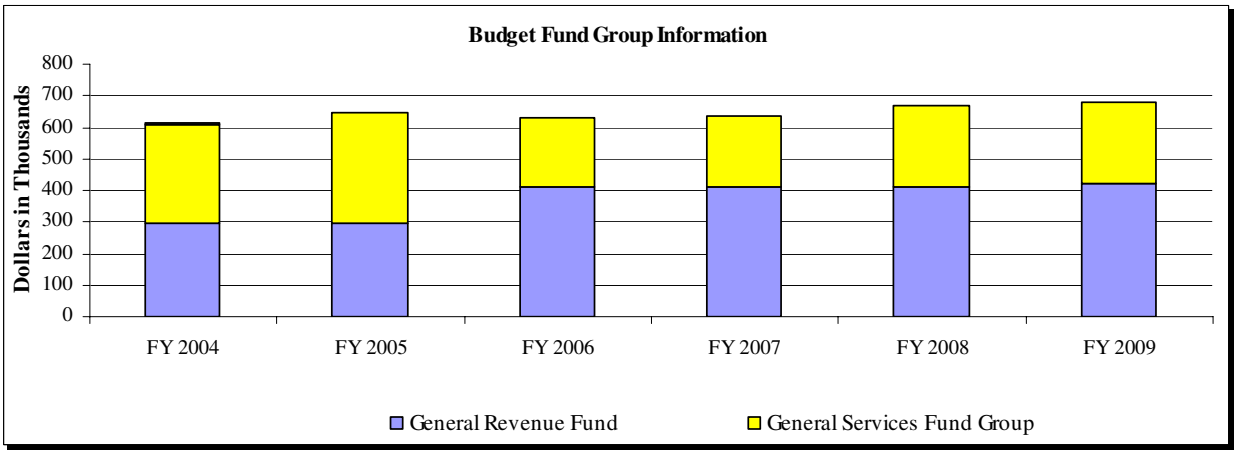
Six of the commission's seven members are appointed by the Governor upon the recommendation of the Democratic and Republican caucuses of the Ohio legislature with the seventh being appointed by the six partisan members of the ELC. The ELC acts on campaign finance-related complaints filed by individuals, 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 $667,000.

More information regarding the Ohio Elections Commission is available at http://elc.ohio.gov/.

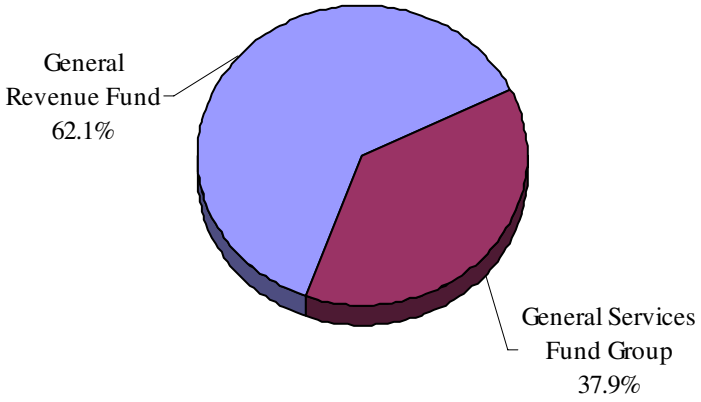
Agency Priority

- Enforce Ohio's campaign finance, false statement, political disclaimer, and corporate electoral activity laws.

Summary of Budget History and Recommendations

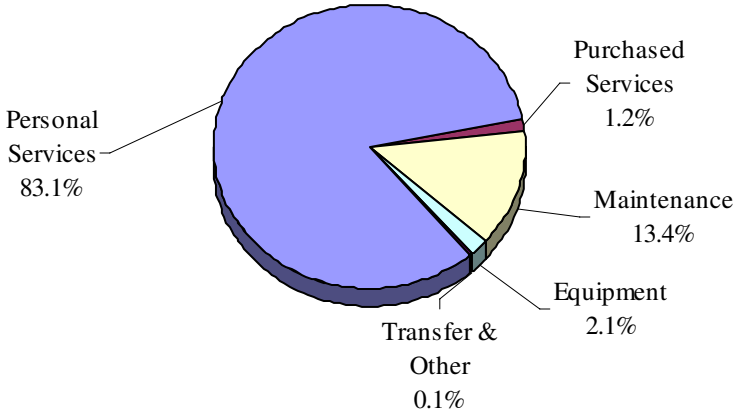


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	294	296	411	412	.1	412	.0	424	3.0
General Services Fund Group	315	349	220	225	2.0	255	13.3	255	.0
TOTAL	**609**	**645**	**632**	**637**	**.8**	**667**	**4.7**	**679**	**1.9**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	502	517	522	541	3.5	556	2.9	564	1.4
Purchased Services	5	8	10	7	(31.5)	8	7.0	8	.0
Maintenance	101	114	99	86	(13.5)	88	3.0	93	5.4
Equipment	0	0	0	3	669.2	14	366.7	14	.0
Transfer & Other	0	6	0	1	.0	1	.0	1	.0
TOTAL	**609**	**645**	**632**	**637**	**.8**	**667**	**4.7**	**679**	**1.9**

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.

The Executive Recommendation will:

- Provide oversight of political party spending, campaign finance laws, and corporate political activity;
- Investigate, review, and determine 800 to 1,000 cases involving unlawful campaign practices and false statements;
- Support the development of advisory opinions by the commission that offer guidance to ensure conformity and adherence to state and federal elections laws; and
- Support three staff members' salaries and statutorily established compensation to the commission's seven members.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	051-321	Operating Expenses	411,623	423,975
GSF	4P2	051-601	Ohio Elections Commission	255,000	255,000
TOTAL FOR PROGRAM				**666,623**	**678,975**

LINE ITEM SUMMARY - Elections Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	051-321	Operating Expenses	293,828	295,941	411,176	411,623	411,623	.0	423,975	3.0
TOTAL General Revenue Fund			**293,828**	**295,941**	**411,176**	**411,623**	**411,623**	**.0**	**423,975**	**3.0**
4P2	051-601	Ohio Elections Commission	314,737	348,648	220,497	225,000	255,000	13.3	255,000	.0
TOTAL General Services Fund Group			**314,737**	**348,648**	**220,497**	**225,000**	**255,000**	**13.3**	**255,000**	**.0**
TOTAL Ohio Elections Commission			**608,565**	**644,589**	**631,673**	**636,623**	**666,623**	**4.7**	**678,975**	**1.9**

Board of Embalmers and Funeral Directors

Role and Overview

The Board of Embalmers and Funeral Directors (FUN) was established to ensure that those who are licensed by the board meet certain minimum criteria to do business in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of approximately $629,000 supports a staff of six in addition to the seven board members. FUN licenses approximately 2,330 embalmers and funeral directors. More information about the Board of Embalmers and Funeral Directors is available at http://www.funeral.ohio.gov/.

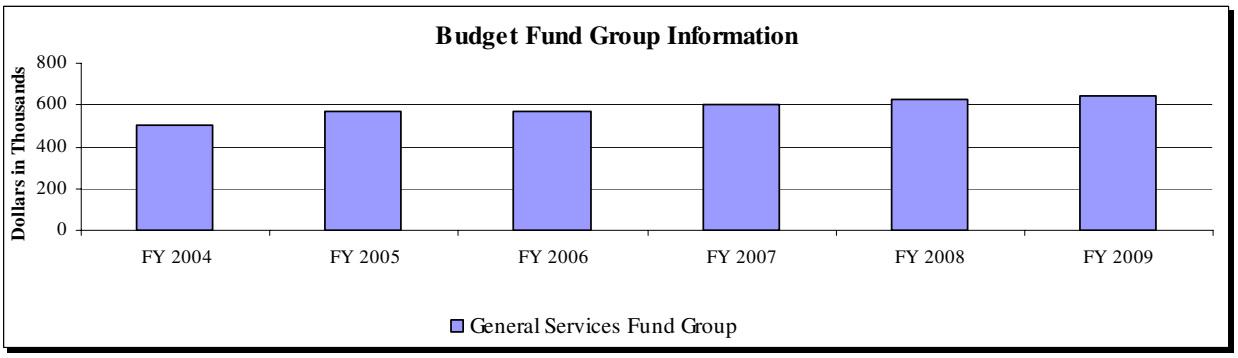
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Continue to operate the Board of Embalmers and Funeral Directors with clear intelligence and accountability to Ohio citizens.
- Develop a comprehensive pre-need law through collaboration with other state agencies, professional associations, and consumers to protect prepaid funeral funds.

Agency Priorities

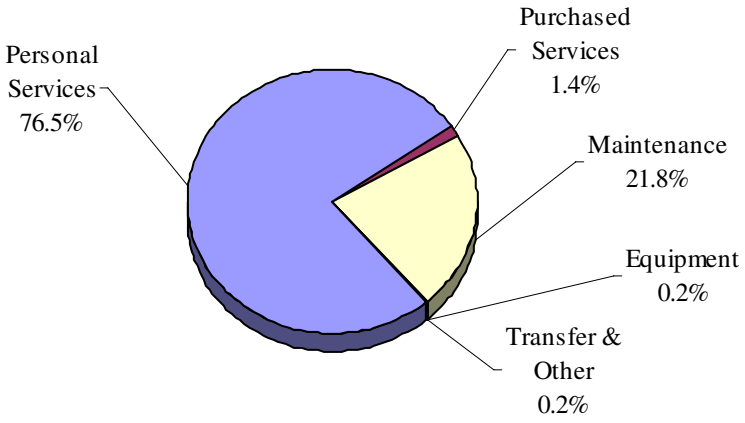
- Guarantee quality standards to license and regulate competent embalmers, funeral directors, and reliable crematory facilities, embalming facilities, and funeral homes.
- Expand website to include educational materials for consumers and licensees.
- Improve process to resolve consumer complaints involving funeral service, payment, and pre-need.
- Create online forms for applications and documents.
- Continue development of item bank for creation of computer-based examination.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	499	567	565	599	6.0	629	5.0	647	2.9
TOTAL	**499**	**567**	**565**	**599**	**6.0**	**629**	**5.0**	**647**	**2.9**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	328	371	397	460	16.0	479	4.2	497	3.7
Purchased Services	38	40	40	14	(65.4)	9	(33.2)	9	.0
Maintenance	121	133	125	124	(1.0)	139	12.0	139	.0
Equipment	1	23	3	1	(74.3)	1	29.9	1	.0
Transfer & Other	11	0	1	1	(11.5)	1	.0	1	.0
TOTAL	**499**	**567**	**565**	**599**	**6.0**	**629**	**5.0**	**647**	**2.9**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Embalmers and Funeral Directors.

The Executive Recommendation will:

- Support annual inspections for 1,300 crematory facilities, embalming facilities, and funeral homes, processing of 509 applicants for embalmer and funeral director registration, and monitoring of apprentices;
- Provide for disciplinary activities including investigations and administrative hearings;
- Provide for the processing of approximately 120 complaints annually; and
- Allow staff to process 2,400 annual pre-need reports.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	881-609	Operating Expenses	628,641	646,602
TOTAL FOR PROGRAM				**628,641**	**646,602**

LINE ITEM SUMMARY - Embalmers and Funeral Directors

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	881-609	Operating Expenses	499,150	567,446	565,011	598,706	628,641	5.0	646,602	2.9
TOTAL General Services Fund Group			**499,150**	**567,446**	**565,011**	**598,706**	**628,641**	**5.0**	**646,602**	**2.9**
TOTAL BOARD OF EMBLMRS & FUNERAL DIR			**499,150**	**567,446**	**565,011**	**598,706**	**628,641**	**5.0**	**646,602**	**2.9**

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 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 is appointed by the Governor for staggered six-year terms. A staff of 28 assists the board, which has an annual budget of approximately $3.3 million. Additional information regarding the State Employment Relations Board is available at http://www.serb.state.oh.us/.

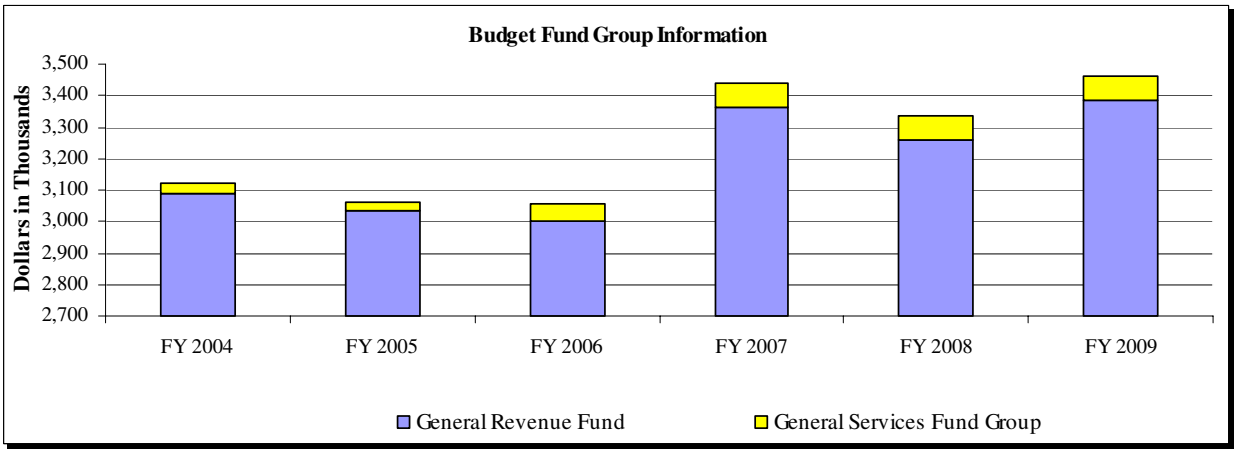
Turnaround Ohio Initiatives

- Assist the Ohio Government Accountability goals by emphasizing collaborative employer-employee relationships.
- Assist the goal of stabilizing health care costs by providing reliable information on health care programs in the public sector and continued participation in health care initiatives.

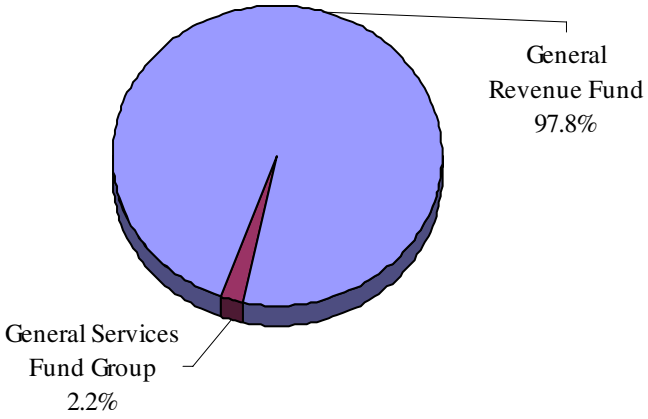
Agency Priorities

- Promote orderly and constructive relationships between all public employers and their employees.
- Maximize efforts to foster collaborative employer-employee relationships by emphasizing mediation processes and training.
- Promote efficiency and public information availability by continuing comprehensive IT initiatives and building on current high level of accessibility.
- Administer and enforce the provisions governing collective bargaining in public employment.

Summary of Budget History and Recommendations

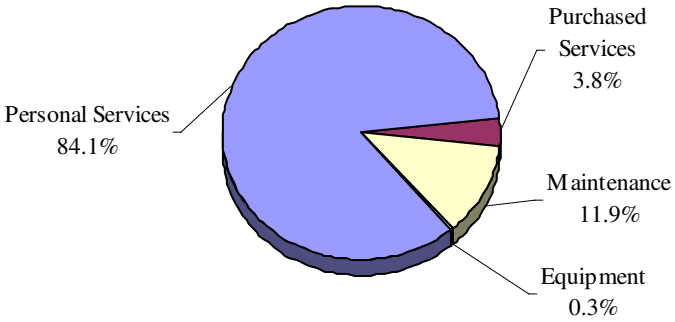


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	3,088	3,032	3,003	3,363	12.0	3,259	(3.1)	3,383	3.8
General Services Fund Group	32	32	52	76	45.3	76	.0	76	.0
TOTAL	**3,120**	**3,064**	**3,055**	**3,439**	**12.6**	**3,334**	**(3.0)**	**3,458**	**3.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	2,514	2,484	2,483	2,881	16.0	2,798	(2.9)	2,914	4.1
Purchased Services	77	71	116	103	(11.4)	128	24.7	128	.0
Maintenance	478	437	386	426	10.4	403	(5.4)	406	.7
Equipment	49	72	69	30	(56.8)	6	(80.0)	11	83.3
Transfer & Other	2	0	0	0	(100.0)	0	.0	0	.0
TOTAL	**3,120**	**3,064**	**3,055**	**3,439**	**12.6**	**3,334**	**(3.0)**	**3,458**	**3.7**

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. Dispute resolution functions are performed during investigations and are also 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 alleged unfair labor practices, and processing petitions to resolve questions concerning representation.

The Executive Recommendation will:

- Allow the board to complete cases within 200 days in the Investigations Section;
- Allow the board place representation cases on the agenda within 230 days;
- Fund dispute prevention work to avert costly, lengthy negotiations and strikes; and
- Support mediation to intervene in contract negotiations as required by statute.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	125-321	Operating Expenses	2,730,549	2,830,884
TOTAL FOR PROGRAM				**2,730,549**	**2,830,884**

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.

The Executive Recommendation will:

- Continue the current level of staffing available for training programs and seminars;
- Fund a basic system for electronic submission of contracts and contract information; and
- Continue the current level of staffing available to analyze public employer labor contracts for information on 103 separate categories of employment terms.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	125-321	Operating Expenses	528,254	551,963
GSF	572	125-603	Training and Publications	75,541	75,541
TOTAL FOR PROGRAM				**603,795**	**627,504**

LINE ITEM SUMMARY - Employment Relations Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	125-321	Operating Expenses	3,087,838	3,031,993	3,002,700	3,363,359	3,258,803	(3.1)	3,382,847	3.8
TOTAL General Revenue Fund			**3,087,838**	**3,031,993**	**3,002,700**	**3,363,359**	**3,258,803**	**(3.1)**	**3,382,847**	**3.8**
572	125-603	Training and Publications	32,279	32,419	51,975	75,541	75,541	.0	75,541	.0
TOTAL General Services Fund Group			**32,279**	**32,419**	**51,975**	**75,541**	**75,541**	**.0**	**75,541**	**.0**
TOTAL Employment Relations Board			**3,120,117**	**3,064,412**	**3,054,675**	**3,438,900**	**3,334,344**	**(3.0)**	**3,458,388**	**3.7**

State Board of Registration for Engineers and Surveyors

Role and Overview

The State Board of Registration for Engineers and Surveyors (ENG) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria for practicing engineering and surveying in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of slightly more than $1 million supports four staff members in addition to eight board members. ENG has nearly 35,000 licensees.

Additional information about the State Board of Registration for Engineers and Surveyors is available at http://www.ohiopeps.org/.

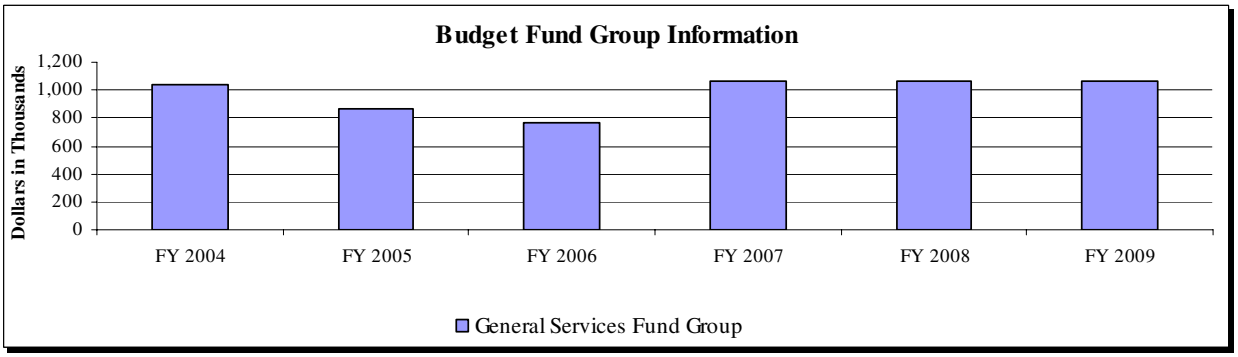
Turnaround Ohio Initiatives

- Ensure that Ohio has the best capable workforce of professional engineers and surveyors through transparent licensing and renewal procedures and through the administration of a continuing professional development program.

Agency Priorities

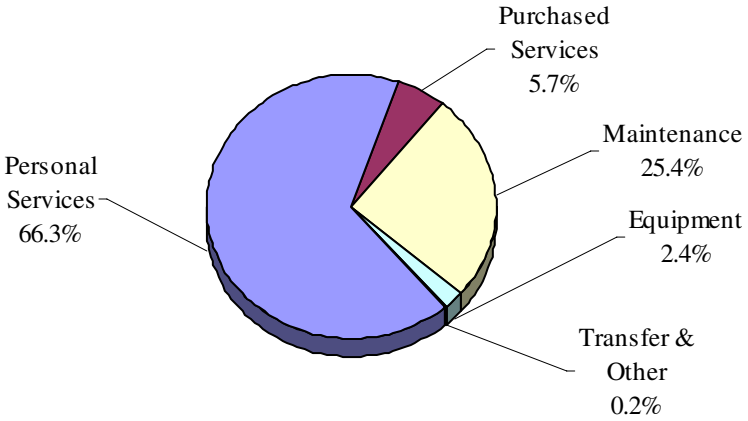
- Protect the safety and welfare of the citizens of Ohio by administering Chapter 4733 of the Revised Code to ensure that only qualified individuals with specialized knowledge and skills engage in the practice of engineering and surveying.
- Enforce established standards for licensure and registration of professional engineers and surveyors through examination, investigation, and continuing education.
- Continue communication with accredited engineering and surveying programs at Ohio universities in partnership with the National Council of Examiners for Engineering and Surveying (NCEES).
- Implement electronic payment of license renewal, expedite examination scoring through coordination with NCEES, and continue website enhancement to provide users with on-line applications, verifications, and instructions.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	1,040	868	761	1,059	39.1	1,059	.0	1,059	.0
TOTAL	**1,040**	**868**	**761**	**1,059**	**39.1**	**1,059**	**.0**	**1,059**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	475	560	477	605	27.0	678	12.0	727	7.2
Purchased Services	70	25	19	50	166.0	55	10.0	65	18.2
Maintenance	466	249	236	386	63.4	306	(20.9)	233	(23.8)
Equipment	26	32	29	15	(47.5)	18	20.0	32	77.8
Transfer & Other	2	2	0	2	515.4	2	.0	2	.0
TOTAL	**1,040**	**868**	**761**	**1,059**	**39.1**	**1,059**	**.0**	**1,059**	**.0**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the State Board of Registration for Engineers and Surveyors.

The Executive Recommendation will:

- Support the continued operations of the eight member board and four staff;
- Provide for continued evaluation of professional credentials, administration of examinations and monitoring of continuing educational achievement; and
- Fund over 100 investigations per fiscal year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	892-609	Operating Expenses	1,058,881	1,058,881
TOTAL FOR PROGRAM				**1,058,881**	**1,058,881**

LINE ITEM SUMMARY - Engineers and Surveyors

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	892-609	Operating Expenses	1,040,455	868,048	760,986	1,058,881	1,058,881	.0	1,058,881	.0
TOTAL General Services Fund Group			**1,040,455**	**868,048**	**760,986**	**1,058,881**	**1,058,881**	**.0**	**1,058,881**	**.0**
TOTAL BOARD OF ENGINEERS & SURVEYORS			**1,040,455**	**868,048**	**760,986**	**1,058,881**	**1,058,881**	**.0**	**1,058,881**	**.0**

Role and Overview

The Ohio Environmental Protection Agency (Ohio 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 treatment and disposal. To carry out these regulatory functions, Ohio EPA: issues permits that govern installation and operation of pollution sources; provides oversight through inspections and sampling; monitors and reports on environmental quality; provides compliance assistance and environmental education to industry and the general public; helps businesses prevent pollution; and takes enforcement actions against violators. Ohio EPA also provides low-interest loans for projects that improve water quality and for some environmental infrastructure, such as sewage and drinking water treatment plants. Using civil penalty monies, Ohio EPA awards grants for environmental education projects and diesel school bus retrofits.

Ohio EPA's director, who is appointed by the governor, oversees about 1,280 employees, including field staff in five district offices throughout the state. District employees draft permits, conduct inspections, monitor environmental conditions, collect samples, initiate enforcement, respond to emergencies and provide information to the regulated community and citizens. Ohio EPA has an annual operating budget of approximately $202.5 million. Additional information regarding the Ohio EPA is available at http://www.epa.state.oh.us/.

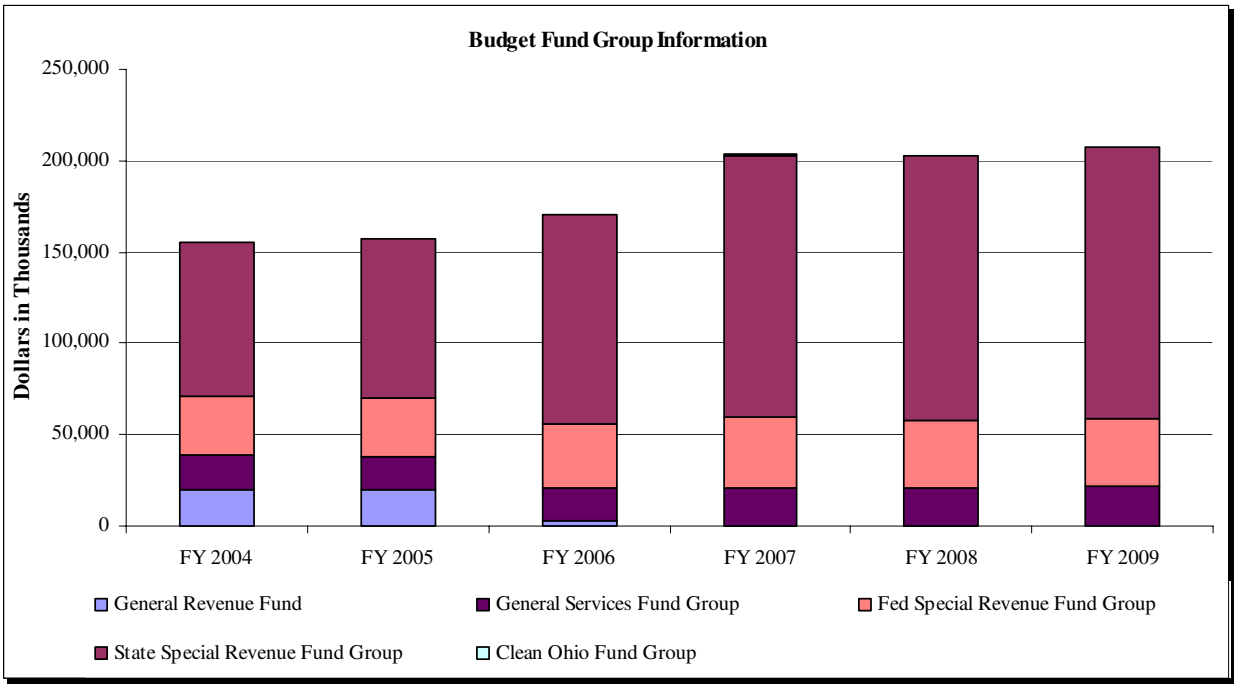
Turnaround Ohio Initiatives

- Focus on alternative energy by providing compliance assistance and processing environmental permits for alternative energy facilities in a timely and efficient manner.
- Continue to make significant efforts to support and promote alternative energy efforts in Ohio such as ethanol production and methanol from landfill gas facilities.
- Develop agency wide guidance documents for ethanol and bio-diesel facilities as well as participate in groups such as the Ohio Wind Working Group (OWWG) to help promote alternative energy.
- Assist in the revitalization of Ohio's cities and towns by reaching out to communities with blighted and contaminated properties, raising awareness of the assistance available for brownfields renewal.
- Become more lean and competitive by reducing the number of funded positions and investing in modern information technology including web based permitting and reporting systems.
- Spur entrepreneurship and enterprise expansion by providing assistance to help small businesses comply with environmental laws and regulations.
- Renew the state's economic infrastructure and natural resources by cleaning up sites contaminated with waste and scrap tires.

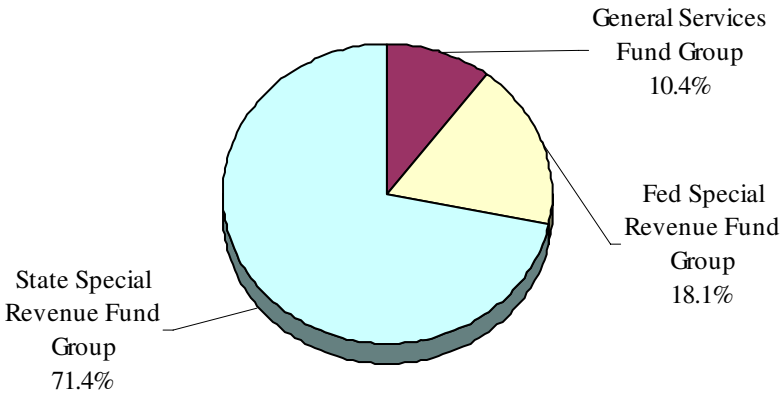
Agency Priorities

- Protect the environment and public health by ensuring compliance with environmental laws and demonstrating leadership in environmental stewardship.
- Make grants to local governments and non-profit organizations to restore and protect Ohio's lakes, streams, and watersheds.
- Oversee and fund cleanup of contaminated sites, including brownfields.
- Issue permits that govern installation and operation of pollution sources and limit the type and amount of pollution that is released into the environment.
- Monitor air and water quality through sampling and laboratory analysis.
- Investigate complaints, conduct inspections and enforce environmental laws.
- Make low-interest loans to build and expand drinking water and wastewater treatment plants.
- Educate Ohio's citizens about environmental issues.
- Provide technical assistance to help businesses comply with environmental laws and reduce the amount of pollution they generate.

Summary of Budget History and Recommendations

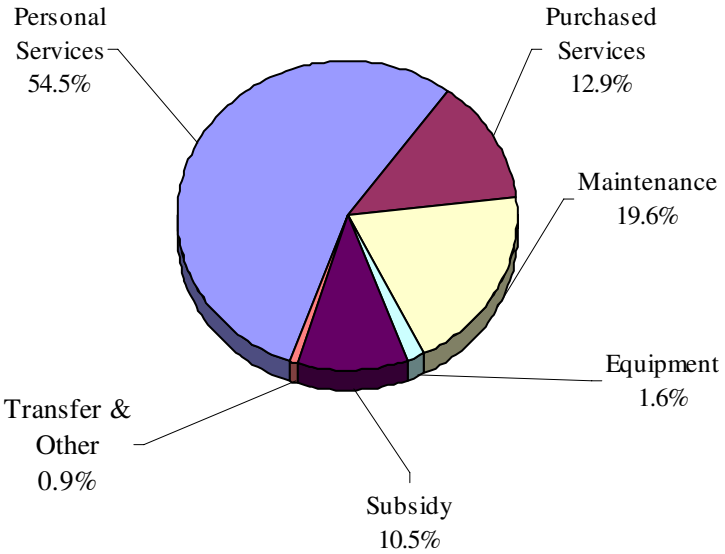


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	20,218	19,738	2,582	0	(100.0)	0	.0	0	.0
General Services Fund Group	18,273	18,416	18,627	20,799	11.7	21,003	1.0	21,544	2.6
Fed Special Revenue Fund Group	32,494	32,163	34,873	38,749	11.1	36,981	(4.6)	37,246	.7
State Special Revenue Fund Group	84,183	87,127	114,134	143,395	25.6	144,363	.7	148,691	3.0
Clean Ohio Fund Group	42	51	91	208	127.6	208	.0	208	.0
TOTAL	**155,210**	**157,496**	**170,308**	**203,151**	**19.3**	**202,554**	**(.3)**	**207,689**	**2.5**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	95,055	95,867	97,302	102,728	5.6	109,365	6.5	114,110	4.3
Purchased Services	6,615	7,763	14,319	28,822	101.3	27,025	(6.2)	26,049	(3.6)
Maintenance	32,384	32,566	33,513	43,577	30.0	39,504	(9.3)	40,778	3.2
Equipment	1,874	2,583	1,921	3,228	68.1	3,445	6.7	3,256	(5.5)
Subsidy	17,017	16,580	20,931	22,384	6.9	21,374	(4.5)	21,593	1.0
Transfer & Other	2,265	2,137	2,321	2,412	3.9	1,840	(23.7)	1,902	3.3
TOTAL	**155,210**	**157,496**	**170,308**	**203,151**	**19.3**	**202,554**	**(.3)**	**207,689**	**2.5**

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 that limit emissions of air pollution. The appropriated levels include funding for the development of plans and implementation of programs to bring Ohio's counties into attainment with the national standards for ozone and fine particulates. 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 are being protected.

The Executive Recommendation will:

- Continue improvement in ambient air quality levels and design plans to meet more stringent eight-hour ozone and particulate matter standards;
- Implement new federal requirements for regional haze, the interstate transport rule, and transportation conformity;
- Administer grants to local air agencies; and
- Work with U.S. EPA to administer the NOx emission-trading program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	357	715-619	Air Pollution Control-Federal	2,593,101	2,593,102
SSR	4K2	715-648	Clean Air - Non Title V	326,627	470,421
SSR	4T3	715-659	Clean Air - Title V Permit Program	4,064,028	4,167,407
SSR	5BC	715-622	Local Air Pollution Control	246,329	246,329
SSR	5BC	715-672	Air Pollution Control	1,143,843	1,143,844
SSR	696	715-643	Air Pollution Control Admin.	187,499	187,500
TOTAL FOR PROGRAM				**8,561,427**	**8,808,603**

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. The program includes the implementation of a combined permit system, where a PTI and state PTO are issued at the same time as a combined Permit to Install and Permit to Operate. DAPC regulates more than 73,000 individual sources of air pollution at 13,000 facilities**.** DAPC also monitors the compliance of more than 1,400 major sources of air pollution to determine if facilities are operating in compliance with their permits. This program also includes the operation of an enforcement program that strives to resolve violations in a fair and efficient manner when they are identified.

The Executive Recommendation will:

- Regulate 73,000 sources of air pollution at 13,000 facilities statewide;
- Upgrade the STARS computer program to assist industrial facilities;
- Implement the New Source Review Reform program; and
- Issue approximately 1,000 permits to install for new industrial projects annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	357	715-619	Air Pollution Control-Federal	3,753,172	3,753,171
SSR	4K2	715-648	Clean Air - Non Title V	2,997,674	3,208,172
SSR	4T3	715-659	Clean Air - Title V Permit Program	13,315,137	13,071,028
SSR	5BC	715-622	Local Air Pollution Control	697,930	697,930
SSR	5BC	715-672	Air Pollution Control	3,327,546	3,327,545
SSR	696	715-643	Air Pollution Control Admin.	502,501	502,500
TOTAL FOR PROGRAM				**24,593,960**	**24,560,346**

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.

The Executive Recommendation will:

- Support the State Emergency Response Commission;
- Provide training and outreach to local emergency planning agencies; and
- Distribute $2.5 million in grants to local emergency planning agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	5BC	715-672	Air Pollution Control	415,943	415,943
SSR	679	715-636	Emergency Planning	2,628,647	2,628,647
TOTAL FOR PROGRAM				**3,044,590**	**3,044,590**

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.

The Executive Recommendation will:

- Identify and characterize air toxics through monitoring and inventory;
- Reduce air toxics through regulatory and voluntary efforts;
- Evaluate and manage risk management plans for unexpected releases of air pollution; and
- Implement the new mercury emissions rules.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	357	715-619	Air Pollution Control-Federal	477,676	477,677
SSR	4K2	715-648	Clean Air - Non Title V	366,520	387,965
SSR	4T3	715-659	Clean Air - Title V Permit Program	1,236,880	1,268,343
SSR	5BC	715-622	Local Air Pollution Control	82,110	82,110
SSR	5BC	715-672	Air Pollution Control	311,958	311,958
SSR	542	715-671	Risk Management Reporting	146,188	146,188
SSR	678	715-635	Air Toxic Release	210,622	210,622
SSR	696	715-643	Air Pollution Control Admin.	60,000	60,000
TOTAL FOR PROGRAM				**2,891,954**	**2,944,863**

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 the Cleveland and Akron areas. 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, 2007. Ohio EPA included legislative language to extend the program until December 31, 2009, as part of the budget proposal. The extension is necessary because the air quality in the Cleveland and Akron areas exceed the national ozone standard to such a degree that federal law requires the operation of the emission testing program.

The Executive Recommendation will:

- Monitor contractors to ensure that tests are properly conducted.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	5BY	715-681	Auto Emissions Test	14,817,105	15,057,814
SSR	592	715-627	Anti Tampering Settlement	9,707	9,707
SSR	602	715-626	Mtr Veh Inspection & Maintenance	157,697	128,876
TOTAL FOR PROGRAM				**14,984,509**	**15,196,397**

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 assesses potentially contaminated sites and achieves cleanups through responding to spills, supporting the federal Superfund cleanup program, requiring responsible parties to conduct cleanups, providing a voluntary cleanup program, and providing input on state-funded Clean Ohio Fund projects.

Program 02.01: Emergency Response (ER)

This statewide 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 during large scale emergencies to coordinate response. Approximately 5,500 spill reports are received per year, of which approximately 1,250 result in an emergency response. ER responded to 203 reports of mercury spillage or potential exposure in fiscal year 2006 recovering and disposing of over 1,000 pounds of elemental mercury.

The Executive Recommendation will:

- Respond to sudden releases of hazardous materials and petroleum;
- Operate the Emergency Response hotline which receives approximately 10,000 calls per year;
- Partner with local and state emergency management officials to minimize and prevent releases to the environment; and

- Administer radiation safety program relating to nuclear power plants including the training, drilling, and equipping of the radiation assessment team.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	5BC	715-678	Corrective Action	327,675	327,675
SSR	500	715-608	Immediate Removal Special Acct	557,257	573,903
SSR	505	715-623	Hazardous Waste Clean-Up	2,582,506	2,719,587
SSR	644	715-631	ER Radiological Safety	286,114	286,114
TOTAL FOR PROGRAM				**3,753,552**	**3,907,279**

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 annually.

The Executive Recommendation will:

- Provide volunteers with processes and technical assistance to clean up polluted sites and return them to productive use. Since 1994, 197 cleanups have been certified;
- Certify 20 laboratories and 110 professionals annually who provide cleanup and analysis services to program applicants; and
- Review voluntary clean up plans and audit 25 percent of completed projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3F3	715-632	Fed Supprtd Cleanup & Response	280,614	280,614
SSR	4R9	715-658	Voluntary Action Program	1,032,098	1,032,098
SSR	5BC	715-678	Corrective Action	852,100	852,100
SSR	505	715-623	Hazardous Waste Clean-Up	269,445	315,425
TOTAL FOR PROGRAM				**2,434,257**	**2,480,237**

Program 02.03: Clean Ohio

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, $120 million in Clean Ohio Revitalization funds has been awarded to 50 brownfield cleanup projects, and leveraged an additional $180 million in private and public investments. A separate Clean Ohio Assistance Fund has provided $32 million for 92 other cleanup projects.

The Executive Recommendation will:

- Assist Ohio Department of Development with policy development for expenditure of program funds; and
- Review applications and oversee implementation of projects. Since the program's inception, 160 projects have been reviewed and 127 funded, encompassing over 2,300 formerly unusable acres.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	5BC	715-617	Clean Ohio	741,646	741,646
SSR	505	715-674	Clean Ohio Environmental Review	109,725	109,725
CLF	5S1	715-607	Clean Ohio Operating	208,174	208,174
TOTAL FOR PROGRAM				**1,059,545**	**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. One hundred fifty one areas have been cleaned up as a direct result of Ohio EPA action. The program seeks public input on investigation results and clean up plans which increases the likelihood of community acceptance and support of the cleanup project.

The Executive Recommendation will:

- Evaluate approximately ten sites contaminated with hazardous substances annually and initiate cleanup when required;
- Administer the orphan drum program, which addresses over 100 abandoned/unknown small scale incidents per year;
- Secure 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
- Leverage federal funds to enhance and support Ohio's programs, including brownfield revitalization and site assessment.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3F3	715-632	Fed Supprtd Cleanup & Response	659,150	659,150
SSR	505	715-623	Hazardous Waste Clean-Up	9,142,200	9,773,458
SSR	541	715-670	Site Specific Cleanup	34,650	34,650
TOTAL FOR PROGRAM				**9,836,000**	**10,467,258**

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 program seeks public input on investigation results and clean up plans which increases the likelihood of community acceptance and support of the cleanup project.

The Executive Recommendation will:

- Oversee investigation, cleanup, and reuse of federal Department of Energy and Department of Defense sites.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3K4	715-634	DOD Monitoring and Oversight	858,250	898,825
FED	3N4	715-657	DOE Monitoring and Oversight	1,071,678	1,110,270
TOTAL FOR PROGRAM				**1,929,928**	**2,009,095**

Program 02.06: Brownfield and Site Assessment

This program facilitates the expansion or redevelopment of abandoned, idled, or under-used industrial and commercial facilities when complicated by real or perceived environmental contamination. The program also completes or facilitates assessment of sites that pose potential threats to human health and the environment and directs them to the appropriate program for final disposition.

The Executive Recommendation will:

- Assist in the revitalization of Ohio's cities and towns by reaching out to communities with blighted and contaminated properties, raising awareness of the assistance available for brownfields renewal and providing access to free technical assistance and assessment.
- Leverage federal funds to enhance and support Ohio's programs, including brownfields revitalization and site assessment.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3F3	715-632	Fed Supprtd Cleanup & Response	1,315,236	1,315,236
TOTAL FOR PROGRAM				**1,315,236**	**1,315,236**

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 and used oil. Activities include conducting inspections, pursuing appropriate enforcement, responding to 400 to 800 complaints annually, reviewing and approving closure/post closure plans and corrective action plans and reports, reviewing and issuing final actions on renewal and modification permit applications, adopting new and revised rules, seeking additional program authorization, and providing technical assistance and educational outreach to the regulated community and the public on regulatory compliance and pollution prevention. The Division of Hazardous Waste Management's (DHWM) hazardous waste universe of regulated facilities includes 44 permitted treatment, storage and disposal facilities, approximately 1,100 large quantity hazardous waste generators, 9,701 small quantity generators, and approximately 7,576 conditionally exempt small quantity generators. Of this total universe of regulated facilities, there are 635 facilities that are subject to RCRA corrective action requirements. DHWM shares the corrective action universe workload with U.S. EPA. Finally, the universe of 368 used oil handlers consists of marketers, blenders, generators and transporters.

The Executive Recommendation will:

- Administer regulatory program for facilities that generate, transport, treat, store and dispose of hazardous wastes, consisting of 44 permitted treatment, storage, and disposal facilities, 1,100 large quantity generators, 9,701 small quantity generators, and 7,756 conditionally exempt small quantity generators;
- Provide technical assistance and outreach to the regulated community on compliance and pollution prevention; and
- Oversee post closure activities at Cozart Landfill.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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	11,711,473	12,200,240
TOTAL FOR PROGRAM				**16,065,092**	**16,553,859**

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 universe of facilities subject to CRO requirements fluctuates in accordance with business decisions that are made on a daily basis. 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.

The Executive Recommendation will:

- Ensure that companies responsibly handle and remove hazardous substances upon closure through providing compliance assistance, oversight, and conducting inspections and enforcement activities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	5BC	715-675	Hazardous Waste	100,847	100,847
TOTAL FOR PROGRAM				**100,847**	**100,847**

PROGRAM SERIES 04: Solid and Infectious Waste

This program series administers the following waste disposal 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.

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 12 million tons are recycled/reused each year. This program involves oversight of 57 operating landfills, 57 transfer facilities, and 423 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.

The Executive Recommendation will:

- Review and issue facility permits, licenses, and registrations;
- Perform inspections and complaint investigations of different types of solid waste facilities such as landfills, incinerators, transfer stations, and compost facilities;
- Update the State Solid Waste Management Plan;
- Review and issue local solid waste management district plans; and
- Provide review and oversight of the implementation of approved local solid waste management district plans.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	4K3	715-649	Solid Waste	13,128,900	13,457,587
TOTAL FOR PROGRAM				**13,128,900**	**13,457,587**

Program 04.02: Infectious Waste Management

This program regulates the generation, treatment, packaging, storage, transportation, and disposal of infectious waste from over 3,343 generators, 96 transporters, and 109 treatment facilities. Specific activities include processing 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.

The Executive Recommendation will:

- Minimize potential transmission of infectious diseases by limiting exposure to and providing labeling of infectious wastes;
- Oversee 96 transporters and 109 facilities that manage and treat waste from 3,343 generators;
- Perform inspections and complaint investigations;
- Review and issue permits, registrations, and certifications; and
- Review alternative treatment technologies to render waste non-infectious.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	4K3	715-649	Solid Waste	453,112	460,991
SSR	660	715-629	Infectious Waste Management	100,000	100,000
TOTAL FOR PROGRAM				**553,112**	**560,991**

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 66 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.

The Executive Recommendation will:

- License facilities that accept construction and demolition debris to deter hazards associated with roadside dumping of debris;
- Oversee 66 C&DD landfills, which accept 14 million cubic yards of debris annually;
- Perform inspections and complaint investigations of C&DD facilities; and
- Enforce Ohio Revised Code regulations at illegal dump sites.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	4U7	715-660	Cnstructn & Demolition Debris	881,561	881,561
SSR	5BT	715-679	C&DD Groundwater Monitoring	571,560	693,267
TOTAL FOR PROGRAM				**1,453,121**	**1,574,828**

Program 04.04: Scrap Tire Management

This program provides oversight and technical assistance to 41 scrap tire facilities, seven mobile recovery facilities, and 67 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.

The Executive Recommendation will:

- Regulate proper disposal of scrap tires through oversight of 41 scrap tire facilities and 67 transporters;
- Oversee cost-effective management of scrap tire abatement projects;
- Review and issue facility permits, licenses, and registrations;
- Perform inspections and complaint investigations of scrap tire collections, storage, recovery, and monofill facilities as well as scrap tire transporters;
- Enforce Ohio Revised Code regulations at illegal dumps; and

- Transfer $1 million annually to the Department of Natural Resources for the Market Development Grant Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 Groundwater 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 citizens are provided adequate supplies of safe drinking water from public water systems that comply with all federal and state drinking water laws. There are approximately 5,400 public water systems in Ohio including about 1,300 community public water systems serving cities, villages, rural communities, and mobile home parks; 950 non-transient non-community systems such as schools and factories; and 3,150 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.

The Executive Recommendation will:

- Oversee 5,400 public water systems to ensure they comply with state and federal safe drinking water laws and provide safe drinking water;
- Review and process over 100,000 sample submission reports to ensure compliance with chemical and bacteriological standards;
- Conduct over 2,200 inspections of public water systems annually to provide technical assistance and ensure compliance with design, operation, and maintenance requirements; and
- Ensure that all Ohio community water systems have contingency plans for provision of safe drinking water under a variety of emergency conditions, provide technical assistance, and offer up to $200,000 in zero interest loans to address emergencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	353	715-612	Public Water Supply	2,659,379	2,652,505
SSR	4K5	715-651	Drinking Water Protection	5,304,383	5,719,151
SSR	5BC	715-673	Drinking Water	2,225,841	2,225,841
TOTAL FOR PROGRAM				**10,189,603**	**10,597,497**

Program 05.02: Public Drinking Water Systems Plan Review

This program ensures that water treatment facilities are properly designed and constructed to provide adequate quantities of safe drinking water through review and approval of engineering plans and new technologies for Ohio's public water systems. 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 5,400 public water systems are required to meet plan approval requirements.

The Executive Recommendation will:

- Review and approve engineering plans for new public water systems and upgrades to existing systems, totaling 1,600 plans annually;

- Review and approve new and innovative treatment technologies not previously approved in Ohio and approve higher production rates for existing technologies, saving public water systems hundreds of millions of dollars; and
- Protect 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 2008	RECOMMENDED FY 2009
SSR	4K5	715-651	Drinking Water Protection	1,650,684	1,871,910
SSR	5BC	715-673	Drinking Water	160,006	160,006
TOTAL FOR PROGRAM				**1,810,690**	**2,031,916**

Program 05.03: Drinking and Wastewater Operator Certification

This program ensures that qualified personnel are operating Ohio's water and wastewater treatment plants. The federal SDWA requires U.S. EPA to issue guidelines specifying minimum standards for the certification (and re-certification) of operators of drinking water systems. This program ensures that operators are familiar with federal and state requirements and know how to operate the plants properly.

The Executive Recommendation will:

- Ensure Ohio's public water systems and wastewater treatment facilities are operated by properly trained and certified individuals;
- Certify 10,000 operators of public drinking water and wastewater systems (4,842 drinking water operators and 5,240 wastewater operators);
- Process applications and administer multiple exams for 1,500 prospective operators annually; and
- Review and approve 1,600 training courses for continuing education credit.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	353	715-612	Public Water Supply	729,240	736,113
SSR	4K5	715-651	Drinking Water Protection	403,876	431,920
SSR	5BC	715-673	Drinking Water	39,900	39,900
TOTAL FOR PROGRAM				**1,173,016**	**1,207,933**

Program 05.04: Pubic Drinking Water Laboratory Certification

This program ensures that data relied upon to make decisions is accurate and reliable by ensuring that the laboratories testing public drinking water samples 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, and laboratory performance is improved through compliance reviews and inspections, review of quality assurance plans, education, and enforcement.

The Executive Recommendation will:

- Cooperate 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 2008	RECOMMENDED FY 2009
SSR	4K5	715-651	Drinking Water Protection	645,333	670,617
SSR	5BC	715-673	Drinking Water	124,503	124,503
TOTAL FOR PROGRAM				**769,836**	**795,120**

Program 05.05: Ground Water Characterization and Protection

This program ensures the protection of human health and the environment by characterizing and protecting the quality of Ohio's ground water supply, which is used by nearly 95 percent of all public water systems and over a million additional homes through a private well to supply their daily water needs. 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.

The Executive Recommendation will:

- Collect, compile, and analyze data to characterize ground water quality conditions in Ohio, document ground water contamination, and identify causes and effects of ground water contamination;
- Collect ground water quality samples from 212 wells statewide to define background water quality conditions in Ohio's major aquifers;
- Review hydro geologic 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
- Review approximately 3,000 documents annually from waste handling facilities to ensure compliance with ground water related regulatory compliance.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3BU	715-684	Water Quality Protection Fund	650,000	650,000
SSR	5BC	715-667	Groundwater	1,059,989	1,059,989
SSR	5H4	715-664	Groundwater Support	2,503,933	2,715,340
TOTAL FOR PROGRAM				**4,213,922**	**4,425,329**

Program 05.06: Underground Injection Control

This program ensures the protection of Ohio's ground water supply through regulation of Class I, IV, and V underground injection control wells. Class I wells inject fluids into deep geologic formations and are strictly regulated to prevent migration of fluids into an underground source of drinking water. There are ten active permitted Class I wells located at three facilities. Class V wells 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. Ohio EPA has inventoried over 15,000 Class V wells, and estimates that an additional 20,000 to 30,000 to exist. Class IV wells inject hazardous materials into or above an underground source of drinking water, and therefore, such wells are prohibited.

The Executive Recommendation will:

- Issue permits, conduct field inspections, witness tests, review operating and monitoring reports, and track compliance of Ohio's ten Class I deep underground injection wells for the disposal of hazardous and non-hazardous fluids;
- Conduct inspections and maintain 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
- Investigate 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 2008	RECOMMENDED FY 2009
FED	362	715-605	Underground Injection Control-Fed'l	111,874	111,874
SSR	4J0	715-638	Underground Injection Control	458,418	458,418
SSR	5BC	715-667	Groundwater	33,752	33,752
TOTAL FOR PROGRAM				**604,044**	**604,044**

Program 05.07: Drinking Water Source Protection

This program ensures the long-term availability of adequate supplies of safe drinking water through assessment and protection of sources of drinking water from contamination. Ohio's Source Water Assessment and Protection and Wellhead Protection Programs have recently completed source water assessment reports for all 5,400 public water systems as required by the Safe Drinking Water Act. The program's next emphasis is to promote initiatives at the state and local level to implement protection strategies for sources that were determined most susceptible to contamination.

The Executive Recommendation will:

- Complete assessments of the source water for all 5,400 public water systems to determine the susceptibility of the source water to contamination;
- Assist all public water systems in taking actions to prevent contamination and protect source waters for current and future users; and
- Work with other local officials and regulatory programs to promote preferential recognition of source water protection areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3T3	715-669	Drinking Water SRF	1,381,718	1,451,373
SSR	4K5	715-651	Drinking Water Protection	165,277	174,134
TOTAL FOR PROGRAM				**1,546,995**	**1,625,507**

Program 05.08: Drinking Water Assistance Fund

In 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. This program administers Ohio's loan program, as required by the 1996 amendments, using the Water Supply Revolving Loan Account to support the financial capability of Ohio's public water systems to provide safe drinking water to Ohio's citizens. Since 1998, the program has issued loans for over $437 million.

The Executive Recommendation will:

- Administer the Water Supply Revolving Loan Account providing below market interest rate loans for the planning, design, and construction of new public water systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3T3	715-669	Drinking Water SRF	1,462,205	1,526,625
TOTAL FOR PROGRAM				**1,462,205**	**1,526,625**

PROGRAM SERIES 06: Surface Water Programs

The Surface Water Program series protects human health and the environment through activities designed to achieve and maintain water quality. These activities include codifying standards for Ohio's surface waters, monitoring and

assessment of surface waters, restoring impaired streams, protecting Lake Erie, regulating of 3,000 wastewater treatment facilities, regulating wetlands and the discharge of storm water, and incentive-based pollution control measures that focus on restoration and protection of surface waters.

Program 06.01: Water Quality

This program protects water quality using 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); and 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.

The Executive Recommendation will:

- Establish water quality standards, monitor and assess the condition of Ohio's surface waters, and prepare total maximum daily load (TMDL) analyses to determine appropriate measures to restore water quality;
- Issue Sport Fish Consumption Advisories;
- Prepare technical development and update the annual State Water Quality Management Plan; and
- Investigate and respond to pollution spills and other complaints.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3BU	715-684	Water Quality Protection Fund	2,220,000	2,240,000
FED	3F5	715-641	Nonpoint Source Pollution Mngt	1,890,000	1,745,000
SSR	4K4	715-650	Surface Water Protection	720,000	720,000
SSR	5BC	715-624	Surface water	2,409,800	2,688,000
SSR	699	715-644	Water Pollution Control Admin.	750,000	750,000
TOTAL FOR PROGRAM				**7,989,800**	**8,143,000**

Program 06.02: Nonpoint Source Pollution Control

This program supports clean water by funding incentive-based pollution control efforts for landowners to prevent unregulated polluted runoff from reaching streams. Ohio receives $6 million in federal Section 319 funding annually. Approximately $4.5 million is passed through to local and state agencies, universities, and watershed groups resulting in 40 to 60 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.

The Executive Recommendation will:

- Award and distribute $4.5 million annually to local and state agencies, universities, and environmental groups for nonpoint source pollution control implementation plans and projects;
- Conduct site visits to provide technical and fiscal assistance; and
- Conduct outreach workshops to communities and sub grantees.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3F5	715-641	Nonpoint Source Pollution Mngt	5,660,000	5,850,000
SSR	4K4	715-650	Surface Water Protection	135,000	135,000
SSR	5BC	715-624	Surface water	662,950	533,300
TOTAL FOR PROGRAM				**6,457,950**	**6,518,300**

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.

The Executive Recommendation will:

- Minimize introduction of pollutants into storm water discharges that enter surface waters; and
- Issue and enforce 3,000 permits, review 200 prevention plans, and perform approximately 300 municipal storm water management annual audits.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3BU	715-684	Water Quality Protection Fund	405,000	410,000
SSR	4K4	715-650	Surface Water Protection	950,000	950,000
SSR	5BC	715-624	Surface water	502,600	590,600
TOTAL FOR PROGRAM				**1,857,600**	**1,950,600**

Program 06.04: National Pollutant Discharges Elimination System (NPDES)

This program establishes pollution 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 permit holders and their compliance, and provide technical assistance to small communities to improve operations and help bring them into compliance. The program also regulates the disposal of sewage sludge generated from the treatment of municipal wastewater and the beneficial use of other waste materials.

The Executive Recommendation will:

- Seek to meet water quality goals by permitting point sources of pollution;
- Issue permits for 100 major facilities and 1,100 minor facilities;
- Implement sewage sludge program to minimize nuisance odors and pollution from the land application sites; and
- Conduct inspections to ensure appropriate operation of wastewater treatment facilities and initiate appropriate enforcement actions.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3BU	715-684	Water Quality Protection Fund	2,075,000	2,070,000
SSR	4K4	715-650	Surface Water Protection	5,818,000	6,483,000
SSR	5BC	715-624	Surface water	1,793,963	1,588,713
TOTAL FOR PROGRAM				**9,686,963**	**10,141,713**

Program 06.05: Section 401 Certification/Wetlands Permitting

This program regulates activities in wetlands and streams at approximately 125 sites per year. These activities include dredging, relocating streams, and filling 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.

The Executive Recommendation will:

- Minimize impacts of development on wetlands and other waters through regulatory activities;
- Issue 200 permits annually; and

- Develop technical field methods to assess wetland quality and potential impacts to water quality from new developments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3BU	715-684	Water Quality Protection Fund	590,000	640,000
SSR	4K4	715-650	Surface Water Protection	545,002	545,000
SSR	5BC	715-624	Surface water	569,800	626,600
SSR	5N2	715-613	Dredge and Fill	30,000	30,000
TOTAL FOR PROGRAM				**1,734,802**	**1,841,600**

Program 06.06: Lake Erie Restoration and Resource Management

This program focuses on protecting and restoring water quality for near-shore acres of Lake Erie. The program implements 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 protection and restoration efforts for areas with significant environmental impairment. The program also works with public and private sectors on a bi-national lake wide management plan. State of Ohio priorities for the lake are addressed through support to the Lake Erie Commission and the Lake Erie Protection & Restoration Plan.

The Executive Recommendation will:

- Protect and restore the areas of concern for the Maumee, Black, Cuyahoga, and Ashtabula rivers as well as the Lake Erie watershed;
- Coordinate remedial dredging on the Ashtabula River; and
- Provide 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 2008	RECOMMENDED FY 2009
FED	3BU	715-684	Water Quality Protection Fund	575,000	300,000
SSR	4K4	715-650	Surface Water Protection	55,000	55,000
SSR	5BC	715-624	Surface water	66,400	245,700
TOTAL FOR PROGRAM				**696,400**	**600,700**

Program 06.07: Wastewater Construction Plan Approvals

This program protects water quality by ensuring that wastewater treatment systems are adequate and that animal feeding operations (AFOs) are operating in a manner protective of human health and the environment. This program implements the Permit to Install (PTI) requirements for the construction of wastewater systems for municipalities, industries, and commercial operations (includes sewer extensions, treatment plants, pump stations, and storage tanks). Over 2,400 PTIs are issued annually. AFOs are required to obtain discharge permits if they have discharges to surface waters. Ohio EPA oversees the water quality issues related to all AFOs, while the Ohio Department of Agriculture regulates construction and operational issues.

The Executive Recommendation will:

- Review permits to install for proposed wastewater treatment and disposal systems in order to minimize negative impacts to water quality;
- Conduct inspections, fieldwork, permitting, and enforcement related to Animal Feeding Operations; and
- Provide technical assistance to communities, new industries, and developments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4K4	715-650	Surface Water Protection	2,400,000	2,795,000
SSR	5BC	715-624	Surface water	2,791,900	2,524,500
TOTAL FOR PROGRAM				**5,191,900**	**5,319,500**

PROGRAM SERIES 07: Environmental Education

This program series administers the Ohio Environmental Education Fund (OEEF) and Clean Diesel School Bus Fund (CDSBF). The OEEF provides 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. The CDSBF provides approximately $750,000 in grants to Ohio school districts to retrofit diesel buses with pollution control equipment.

Program 07.01: Environmental Education Grants

This program provides 18 to 20 large grants (up to $50,000) and 20 to 25 smaller grants (up to $5,000) annually to applicants across Ohio, funded by one-half the civil penalties collected for violations of Ohio's air and water pollution laws. Grants support projects such as water quality monitoring by schools and watershed groups; teacher training and seminars for citizens on technical aspects of environmental issues; and educational tools to help farmers and small businesses understand Ohio's environmental regulations. The program also provides $50,000 annually for 18 scholarships to environmental science and engineering students at Ohio universities.

The Executive Recommendation will:

- Provide up to $1 million in grants annually for environmental education projects that emphasize sound science and help Ohio students, the general public and regulated community understand environmental issues;
- Provide outreach to schools, the general public and regulated community about environmental subjects, including grant writing workshops, presentations, and published articles; and
- Encourage Ohio students to pursue professional careers in environmental science by providing $50,000 annually in scholarships at Ohio colleges and universities through a partnership with the Ohio Academy of Science.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	6A1	715-645	Environmental Education	1,500,000	1,500,000
TOTAL FOR PROGRAM				**1,500,000**	**1,500,000**

Program 07.02: Clean Diesel School Bus Grants

This program uses penalties collected by Ohio EPA's enforcement programs to reduce student exposure to pollutants in diesel exhaust. Grants (up to $100,000) are awarded to Ohio school districts to install filters and catalysts on school buses, and convert to cleaner fuels. Priority is given to school districts in counties not meeting national air quality standards, and districts that have anti-idling policies in place for their bus fleets. In 2006, the program retrofitted 293 school buses and eliminated more than four tons of air pollution.

The Executive Recommendation will:

- Provide up to $600,000 annually to retrofit school buses with pollution control equipment and/or to use cleaner fuels that reduce air pollution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	5CD	715-682	Clean Diesel School Buses	600,000	600,000
TOTAL FOR PROGRAM				**600,000**	**600,000**

PROGRAM SERIES 08: Compliance Assistance and Pollution Prevention

This program series provides free 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: Compliance Assistance and Pollution Prevention

This program assists Ohio businesses and provides free technical assistance 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 companies with completion of permit applications. In addition, the program works to integrate pollution prevention concepts into Ohio EPA's other environmental programs.

The Executive Recommendation will:

- Develop and implement pollution prevention initiatives that effectively reduce pollutants in Ohio through source reduction and environmentally sound recycling;
- Provide technical assistance to businesses, government, and others regarding environmental regulations, permitting and pollution prevention; and
- Assist Ohio businesses to become more competitive, and reduce operating and waste disposal costs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	4K3	715-649	Solid Waste	350,833	364,267
SSR	4T3	715-659	Clean Air - Title V Permit Program	308,053	326,806
SSR	5BC	715-676	Assistance and Prevention	700,302	700,302
SSR	5DW	715-683	Automotive Mercury Switch Prgm	60,000	60,000
TOTAL FOR PROGRAM				**1,419,188**	**1,451,375**

PROGRAM SERIES 09: Environmental Financial Assistance

This program series delivers technical and financial assistance to Ohio communities for local water supply and water quality projects through two state revolving loan funds and two federal grant programs. The division assists applicants in the development of the technical content and administration of their projects and in the preparation of their loan application materials.

Program 09.01: Water Pollution Control Loans Fund

This program has provided $3.6 billion of below-market interest rate loans for wastewater treatment system improvements and for a variety of nonpoint source pollution control actions since 1989. The loan fund uses traditional and innovative financing mechanisms to assist the planning, design and construction of large and small public sewers and treatment plants, the remediation of brownfields sites, and the restoration of sub-standard water bodies. 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 and for the elimination of public health threats caused by failing septic systems.

The Executive Recommendation will:

- Provide $500 million in financing for public health and water quality;
- Save 160 Ohio communities $128 million in interest expense;
- Assist the protection and restoration of 20 water bodies with $30 million in no-repayment financing; and
- Assist ten communities in accessing federal grants for up to 55 percent of their total project costs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3F2	715-630	Revolving Loan Fund-Operating	563,536	775,600
SSR	676	715-642	Water Pollutn Cntrl Loan Admin	4,409,625	4,409,625
TOTAL FOR PROGRAM				**4,973,161**	**5,185,225**

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.

The Executive Recommendation will:

- Provide $130 million in financing for public health and Safe Drinking Water Act compliance;
- Save 58 Ohio water systems $29 million in interest expense;
- Provide ten economically disadvantaged water systems $5 million to reduce the costs of their construction projects; and
- Assist 12 communities in accessing federal grants for up to 55 percent of their total project cost.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	676	715-642	Water Pollutn Cntrl Loan Admin	475,000	475,000
TOTAL FOR PROGRAM				**475,000**	**475,000**

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.

The Executive Recommendation will:

- Produce 45 environmental impact assessments of major power utility infrastructure construction actions annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	676	715-642	Water Pollutn Cntrl Loan Admin	80,000	80,000
TOTAL FOR PROGRAM				**80,000**	**80,000**

PROGRAM SERIES 10: Special Investigations

This program series conducts investigations into alleged environmental violations that potentially involve criminal activities. The Office of Special Investigation (OSI) is unique in that it is the only group within the Ohio EPA expressly formed to handle complex environmental criminal investigations in all program areas.

Program 10.01: Special Investigations

This program investigates potential criminal violations of environmental laws and regulations. In addition, members of the Office of Special Investigation (OSI) serve on Ohio EPA's Weapons of Mass Destruction Evidence Response Team and are trained to work as first responders in hazardous environments. OSI has been recognized as 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 wastes; illegal bypassing of wastewater treatment systems; open burning; illegal hazardous waste abandonment; and falsification of wastewater and drinking water documents.

The Executive Recommendation will:

- Investigate and prosecute criminal violators of environmental laws and regulations, resulting in approximately 30 convictions per year; and
- Participate 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3F3	715-632	Fed Supprtd Cleanup & Response	295,000	295,000
SSR	505	715-623	Hazardous Waste Clean-Up	1,339,028	1,339,028
TOTAL FOR PROGRAM				**1,634,028**	**1,634,028**

PROGRAM SERIES 11: Environmental Laboratory Services

This program series supports the agency's mission of protecting the environment and public health by providing the scientific data needed for agency staff to make well-informed decisions, and by providing inspection, certification technical assistance services to external laboratories also providing data used by Ohio EPA. This information is used by agency staff to develop accurate standards, permits and licenses to operate for drinking water and wastewater treatment facilities, industries, landfills and other regulated entities, and to develop solutions to environmental problems that are both appropriate and cost-effective.

Program 11.01: Analytical Laboratory Services

This program provides analyses of over 9,300 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 quantify environmental conditions and ensure that pollutants do not pose a problem for human health or the environment.

The Executive Recommendation will:

- Provide laboratory services primarily to divisions within Ohio EPA, and limited services to other public entities; and
- Provide capacity to analyze 9,300 samples and generate over 280,000 inorganic and organic analyses and 220 bioassay and chlorophyll tests annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	199	715-602	Laboratory Services	442,646	435,526
SSR	4K4	715-650	Surface Water Protection	2,061,998	2,132,000
SSR	5BC	715-677	Laboratory	1,039,429	1,040,293
TOTAL FOR PROGRAM				**3,544,073**	**3,607,819**

Program 11.02: Laboratory Certification and Assistance

This program includes Voluntary Action Program (VAP) and drinking water laboratory certification activities. To ensure the safety of water from public water systems, approximately 450 inspections of drinking water laboratories are completed each year, and certified as having proper equipment, adequate facilities, and trained staff that use proper analytical techniques. This program also coordinates U.S. EPA's proficiency testing program for wastewater laboratories. Based on these test results, performance audit inspections of wastewater laboratories are conducted. DES staff members also respond to 6,400 requests annually to provide training and technical assistance within and outside Ohio EPA.

The Executive Recommendation will:

- Certify 350 laboratories statewide to perform drinking water testing;
- Inspect and recommend laboratories for certification under the Voluntary Action Program (currently 21 labs participate);
- Respond to 3,200 drinking water technical questions, and 3,200 non-drinking water and VAP questions annually; and
- Coordinate U.S. EPA's Discharge Monitoring Report-Quality Assurance proficiency testing program for wastewater laboratories in Ohio.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	199	715-602	Laboratory Services	715,928	738,048
SSR	5BC	715-677	Laboratory	176,904	176,040
TOTAL FOR PROGRAM				**892,832**	**914,088**

PROGRAM SERIES 12: Program Management

This program series includes five district and nine 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 12.01: 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. Program Management provides information technology database and network administration; public information, including coordination of hundreds of public meetings and thousands of press releases each year; fiscal administration; personnel, labor, and equal employment opportunity services; legal assistance; and facilities management.

The Executive Recommendation will:

- Provide infrastructure administration and management for the agency, including the Director's Office, five district offices, and seven administrative offices;
- Provide information technology services including systems development, database, and network administration;
- Respond to public inquiries, organize and moderate public meetings, and educate the public about environmental issues as well as the agency's goals and objectives; and
- Provide fiscal, personnel, legal, facilities management, and equal employment opportunity services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	219	715-604	Central Support Indirect	16,474,276	17,000,962
GSF	4A1	715-640	Operating Expenses	3,369,731	3,369,731
FED	3V7	715-606	Agency wide Grants	500,000	500,000
TOTAL FOR PROGRAM				**20,344,007**	**20,870,693**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line items 715-611, Wastewater Pollution, 715-620, Urban Stormwater, 715-628, Clean Water Act 106, 715-633, Water Quality Management, and 715-639, Remedial Action Plan, are merged into 715-684, Water Quality Protection, to consolidate similar funding grants and program activities.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
352	715-611	Wastewater Pollution	-	-	-	-	-
3J1	715-620	Urban Stormwater	-	-	-	-	-
3K2	715-628	Clean Water Act 106	-	-	-	-	-
3F4	715-633	Water Quality Management	-	-	-	-	-
3K6	715-639	Remedial Action Plan	-	-	-	-	-
3BU	715-684	Water Quality Protection	5,890,101	6,515,000	0.0%	6,310,000	-3.1%

LINE ITEM SUMMARY - Environmental Protection Agency

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	715-403	Clean Ohio	706,434	737,703	96,058	0	0	.0	0	.0
GRF	715-501	Local Air Pollution Control	1,075,083	1,026,369	128,297	0	0	.0	0	.0
GRF	717-321	Surface Water	8,940,839	8,803,683	1,130,222	0	0	.0	0	.0
GRF	718-321	Groundwater	1,152,502	1,070,600	161,106	0	0	.0	0	.0
GRF	719-321	Air Pollution Control	2,439,981	2,390,184	311,771	0	0	.0	0	.0
GRF	721-321	Drinking Water	2,604,438	2,518,692	350,412	0	0	.0	0	.0
GRF	723-321	Hazardous Waste	105,777	99,947	12,606	0	0	.0	0	.0
GRF	724-321	Pollution Prevention	716,219	691,424	88,032	0	0	.0	0	.0
GRF	725-321	Laboratory	1,238,526	1,207,757	153,463	0	0	.0	0	.0
GRF	726-321	Corrective Actions	1,238,391	1,191,230	149,688	0	0	.0	0	.0
TOTAL General Revenue Fund			**20,218,190**	**19,737,589**	**2,581,655**	**0**	**0**	**.0**	**0**	**.0**
199	715-602	Laboratory Services	948,820	946,458	992,520	1,083,574	1,158,574	6.9	1,173,574	1.3
219	715-604	Central Support Indirect	14,284,290	14,567,088	14,761,674	16,345,806	16,474,276	.8	17,000,962	3.2
4A1	715-640	Operating Expenses	3,039,919	2,902,892	2,873,070	3,369,731	3,369,731	.0	3,369,731	.0
TOTAL General Services Fund Group			**18,273,029**	**18,416,438**	**18,627,264**	**20,799,111**	**21,002,581**	**1.0**	**21,544,267**	**2.6**
3BU	715-684	Water Quality Protection Fund	0	0	0	0	6,515,000	**	6,310,000	**
3F2	715-630	Revolving Loan Fund-Operating	31,848	30,552	30,703	293,129	563,536	92.2	775,600	37.6
3F3	715-632	Fed Supprtd Cleanup & Response	2,413,686	2,422,285	1,631,702	2,777,648	2,550,000	(8.2)	2,550,000	.0
3F4	715-633	Water Quality Management	765,481	758,513	580,608	455,000	0	**	0	**
3F5	715-641	Nonpoint Source Pollution Mngt	4,998,229	6,023,336	7,700,001	6,700,000	7,550,000	12.7	7,595,000	.6
3J1	715-620	Urban Stormwater	311,827	384,418	218,582	404,999	0	**	0	**
3K2	715-628	Clean Water Act 106	4,407,155	4,331,951	4,652,835	4,331,001	0	**	0	**
3K4	715-634	DOD Monitoring and Oversight	899,151	626,578	629,795	1,450,333	858,250	(40.8)	898,825	4.7
3K6	715-639	Remedial Action Plan	390,684	248,834	315,608	319,100	0	**	0	**
3N1	715-655	Pollution Prevention Grants	10,172	0	0	0	0	.0	0	.0
3N4	715-657	DOE Monitoring and Oversight	2,488,346	1,967,468	1,687,558	3,231,963	1,071,678	(66.8)	1,110,270	3.6
3T1	715-668	Rural Hardship Grant	424,273	0	0	0	0	.0	0	.0
3T3	715-669	Drinking Water SRF	1,999,685	1,975,129	2,185,565	2,482,910	2,843,923	14.5	2,977,998	4.7
3V7	715-606	Agencywide Grants	73,416	277,704	339,598	479,115	500,000	4.4	500,000	.0
352	715-611	Wastewater Pollution	264,441	430,132	340,063	380,001	0	**	0	**
353	715-612	Public Water Supply	2,666,211	2,600,670	2,767,071	3,883,748	3,388,619	(12.7)	3,388,618	.0
354	715-614	Hazardous Waste Management-Federal	4,039,092	5,288,044	4,246,385	4,203,891	4,203,891	.0	4,203,891	.0
357	715-619	Air Pollution Control-Federal	6,208,316	4,695,992	7,440,233	7,243,950	6,823,949	(5.8)	6,823,950	.0
362	715-605	Underground Injection Control-Fed'l	101,833	101,663	107,027	111,874	111,874	.0	111,874	.0
TOTAL Fed Special Revenue Fund Group			**32,493,846**	**32,163,269**	**34,873,334**	**38,748,662**	**36,980,720**	**(4.6)**	**37,246,026**	**.7**
4J0	715-638	Underground Injection Control	378,704	386,814	355,685	458,418	458,418	.0	458,418	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Environmental Protection Agency

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K2	715-648	Clean Air - Non Title V	1,815,429	2,634,023	2,117,793	2,528,062	3,690,821	46.0	4,066,558	10.2
4K3	715-649	Solid Waste	11,695,633	11,812,808	12,297,701	14,282,845	13,932,845	(2.5)	14,282,845	2.5
4K4	715-650	Surface Water Protection	8,604,618	9,540,999	9,276,035	11,115,000	12,685,000	14.1	13,815,000	8.9
4K5	715-651	Drinking Water Protection	5,377,491	6,093,758	5,670,276	7,492,036	8,169,553	9.0	8,867,732	8.5
4P5	715-654	Cozart Landfill	60,845	45,720	42,094	149,728	149,728	.0	149,728	.0
4R5	715-656	Scrap Tire Management	4,888,561	5,648,749	4,641,634	8,500,000	6,000,000	(29.4)	6,000,000	.0
4R9	715-658	Voluntary Action Program	605,248	731,179	1,022,491	1,032,098	1,032,098	.0	1,032,098	.0
4T3	715-659	Clean Air - Title V Permit Program	15,363,603	15,888,222	15,725,147	16,180,980	18,924,098	17.0	18,833,584	(.5)
4U7	715-660	Cnstructn & Demolition Debris	217,434	221,836	632,136	881,561	881,561	.0	881,561	.0
5BC	715-617	Clean Ohio	0	0	646,379	741,646	741,646	.0	741,646	.0
5BC	715-622	Local Air Pollution Control	0	0	898,071	1,026,369	1,026,369	.0	1,026,369	.0
5BC	715-624	Surface water	0	0	7,247,297	8,797,413	8,797,413	.0	8,797,413	.0
5BC	715-667	Groundwater	0	0	953,707	1,093,741	1,093,741	.0	1,093,741	.0
5BC	715-672	Air Pollution Control	0	0	4,026,801	5,199,290	5,199,290	.0	5,199,290	.0
5BC	715-673	Drinking Water	0	0	2,230,864	2,550,250	2,550,250	.0	2,550,250	.0
5BC	715-675	Hazardous Waste	0	0	88,240	100,847	100,847	.0	100,847	.0
5BC	715-676	Assistance and Prevention	0	0	585,335	700,302	700,302	.0	700,302	.0
5BC	715-677	Laboratory	0	0	1,053,158	1,216,333	1,216,333	.0	1,216,333	.0
5BC	715-678	Corrective Action	0	0	1,028,719	1,179,775	1,179,775	.0	1,179,775	.0
5BT	715-679	C&DD Groundwater Monitoring	0	0	0	0	571,560	.0	693,267	21.3
5BY	715-681	Auto Emmissions Test	0	0	6,939,966	14,614,405	14,817,105	1.4	15,057,814	1.6
5CD	715-682	Clean Diesel School Buses	0	0	0	850,000	600,000	(29.4)	600,000	.0
5DW	715-683	Automotive Mercury Switch Prgm	0	0	0	60,000	60,000	.0	60,000	.0
5H4	715-664	Groundwater Support	1,634,938	1,786,824	1,844,078	2,408,871	2,503,933	3.9	2,715,340	8.4
5N2	715-613	Dredge and Fill	28,408	26,525	29,610	30,000	30,000	.0	30,000	.0
500	715-608	Immediate Removal Special Acct	309,787	346,681	319,629	482,000	557,257	15.6	573,903	3.0
503	715-621	Hazardous Waste Facility Management	10,014,021	8,831,851	9,600,081	11,711,473	11,711,473	.0	12,200,240	4.2
503	715-662	Hazardous Waste Facility Board	95,865	0	0	0	0	.0	0	.0
505	715-623	Hazardous Waste Clean-Up	10,354,392	11,141,777	12,295,941	15,248,578	13,333,179	(12.6)	14,147,498	6.1
505	715-674	Clean Ohio Environmental Review	32,500	0	0	109,725	109,725	.0	109,725	.0
541	715-670	Site Specific Cleanup	8,166	156,414	1,020,205	119,650	34,650	(71.0)	34,650	.0
542	715-671	Risk Management Reporting	134,365	134,137	124,378	146,188	146,188	.0	146,188	.0
592	715-627	Anti Tampering Settlement	0	0	1,477	9,707	9,707	.0	9,707	.0
6A1	715-645	Environmental Education	1,428,008	1,386,776	1,403,031	1,500,000	1,500,000	.0	1,500,000	.0
602	715-626	Mtr Veh Inspection & Maintenance	1,424,248	1,428,521	1,182,497	118,861	157,697	32.7	128,876	(18.3)
644	715-631	ER Radiological Safety	182,754	215,137	232,255	286,114	286,114	.0	286,114	.0
660	715-629	Infectious Waste Management	157,067	147,948	152,009	100,000	100,000	.0	100,000	.0
676	715-642	Water Pollutn Cntrl Loan Admin	4,428,982	4,462,549	4,561,679	4,964,625	4,964,625	.0	4,964,625	.0
678	715-635	Air Toxic Release	288,872	206,977	181,131	192,000	210,622	9.7	210,622	.0
679	715-636	Emergency Planning	2,857,963	2,551,810	2,566,758	2,828,647	2,628,647	(7.1)	2,628,647	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Environmental Protection Agency

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
696	715-643	Air Pollution Control Admin.	1,249,070	974,019	679,592	1,637,764	750,000	(54.2)	750,000	.0
699	715-644	Water Pollution Control Admin.	545,597	325,151	460,310	749,999	750,000	.0	750,000	.0
TOTAL State Special Revenue Fund Group			**84,182,569**	**87,127,205**	**114,134,190**	**143,395,301**	**144,362,570**	**.7**	**148,690,706**	**3.0**
5S1	715-607	Clean Ohio Operating	41,887	51,398	91,450	208,174	208,174	.0	208,174	.0
TOTAL Clean Ohio Fund Group			**41,887**	**51,398**	**91,450**	**208,174**	**208,174**	**.0**	**208,174**	**.0**
TOTAL Environmental Protection Agy			**155,209,521**	**157,495,899**	**170,307,893**	**203,151,248**	**202,554,045**	**(.3)**	**207,689,173**	**2.5**

**** Please see the Appropriation Line Item analysis for further detail.**

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 the fields of pollution control and abatement technology, ecology, public health, environmental law, and economics of natural resource development. 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 $574,000.

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.

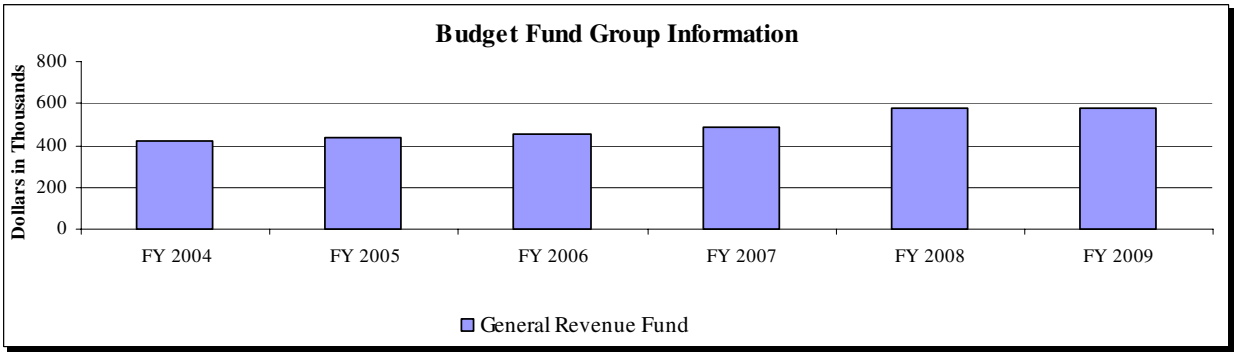
Turnaround Ohio Initiatives

- Continue to provide an unbiased appeal forum for all affected entities and citizens throughout the state to resolve environmental matters and ensure lawful and reasonable decision making by governmental agencies including the Ohio Environmental Protection Agency, the State Fire Marshal, the State Emergency Response Commission, the Department of Agriculture, and county and local boards of health.

Agency Priorities

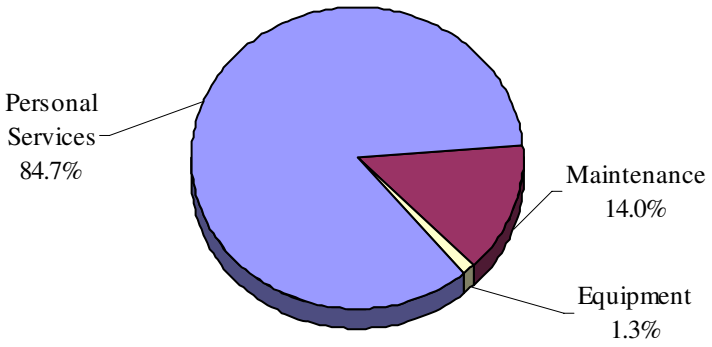
- Continue to hear and resolve environmental appeals in accordance with Ohio Revised Code.
- Ensure quality and efficient decisions of appeals brought before the commission.
- Responsibly and effectively fulfill the commission's statutory mandate within the appropriated operating funds.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	418	437	456	484	6.2	574	18.7	574	(.1)
TOTAL	**418**	**437**	**456**	**484**	**6.2**	**574**	**18.7**	**574**	**(.1)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	360	378	379	405	6.9	480	18.6	491	2.3
Maintenance	58	60	66	66	.5	84	26.8	77	(8.2)
Equipment	0	0	11	13	15.5	10	(20.0)	5	(50.0)
TOTAL	**418**	**437**	**456**	**484**	**6.2**	**574**	**18.7**	**574**	**(.1)**

PROGRAM SERIES 01: Environmental Review Appeals Commission

This program series supports the Environmental Review Appeals Commission's duties to hear and resolve environmental appeals in accordance with Ohio Revised Code.

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. The decision in many cases establishes statewide legal precedents.

The Executive Recommendation will:

- Fund the day-to-day operations of the commission including maintaining the two current staff members; and
- Allow the commissioners to hear and resolve appeals.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	172-321	Operating Expenses	574,375	573,575
TOTAL FOR PROGRAM				**574,375**	**573,575**

LINE ITEM SUMMARY - Environmental Review Appeals Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	172-321	Operating Expenses	418,166	437,471	455,655	483,859	574,375	18.7	573,575	(.1)
TOTAL General Revenue Fund			**418,166**	**437,471**	**455,655**	**483,859**	**574,375**	**18.7**	**573,575**	**(.1)**
TOTAL Environmental Review Appeals			**418,166**	**437,471**	**455,655**	**483,859**	**574,375**	**18.7**	**573,575**	**(.1)**

eTech Ohio Commission

Role and Overview

The eTech Ohio Commission (eTech Ohio) was created in Am. Sub. H.B. 66, the operating budget bill for the fiscal year 2006-2007 biennium, from the merger of the Ohio SchoolNet Commission (NET) and the Ohio Educational Telecommunications Network Commission (OEB). As a result of this consolidation, eTech Ohio has assumed responsibility for managing a statewide telecommunications infrastructure that links together Ohio K-12 classrooms, public broadcasting affiliates, and other educational entities. In addition to offering technical services, eTech Ohio also provides state funding to Ohio's public broadcasting affiliates; technology funding and grants to Ohio schools; and professional development and training to teachers, administrators, and school district technical staff. Through the creation of eTech Ohio, the state has realized significant operating cost efficiencies while advancing the learning of Ohioans through the use of technology. Further, through the work of eTech Ohio, the state has also enabled local education entities to achieve additional operating efficiencies.

A 13-member commission guides the activities of eTech Ohio, which in fiscal year 2006 spent $35.2 million, including $6.1 million from tobacco settlement revenues. During its first biennium of operation, eTech Ohio completed the following major initiatives: consolidated the K-12 community's network infrastructure and the Educational Telecommunications Network (which provides connectivity to Ohio's public broadcasters), internally assumed responsibility for providing network management services and videoconferencing services to eTech Ohio constituents, enhanced and developed additional eLearning online professional development course offerings, supported the development of the Data Driven Decisions for Academic Achievement (D3A2) initiative, piloted the Ohio Students Choosing Online Resources for Educational Success (Ohio SCORES) project, and hosted two annual Educational Technology Conferences serving a combined total of over 12,000 participants. In addition to these major projects, eTech Ohio has implemented technology solutions that enable the agency to streamline IT and business office processes.

More information regarding the eTech Ohio Commission is available at http://www.etech.ohio.gov/.

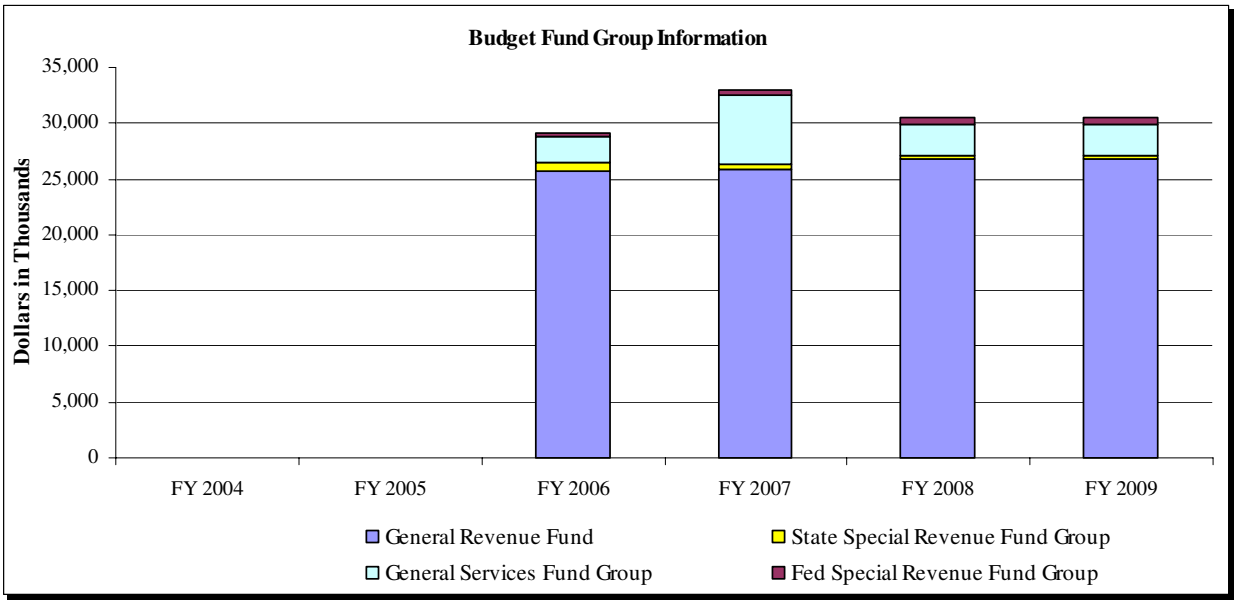
Turnaround Ohio Initiatives

- Drive down the three major cost barriers to expanding the use of online learning—online hosting, professional development, and course content.
- Provide professional development to build the capacity of teachers to provide online instruction and create and customize online course content through the Ohio SCORES pilot project.
- Continue supporting the consolidated networks of the K-12 community, Ohio's public television stations, and other educational content providers on OSCnet through a partnership with the Ohio Supercomputer Center and the Department of Education.
- Modernize the delivery methods used to deliver programming to public broadcasting affiliates, thus enabling the transmission of more programming while using less bandwidth on the existing network.

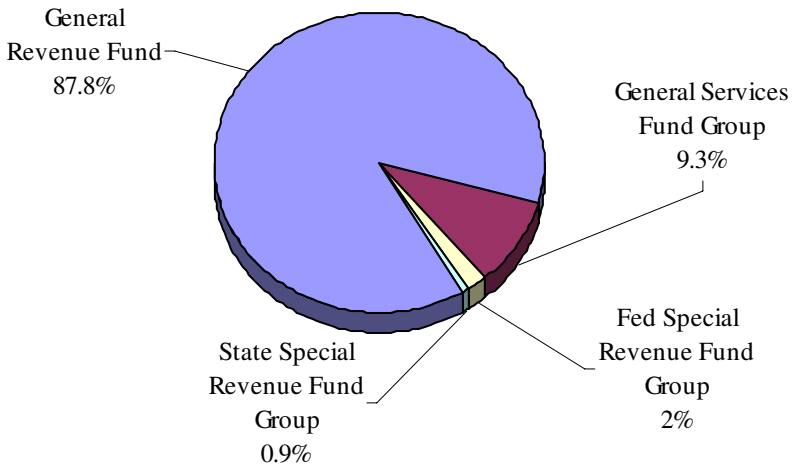
Agency Priorities

- Offer a statewide open-source Learning Management System that will be a low-cost option for hosting online courses, through a partnership with the Ohio Learning Network.
- Begin supporting Internet Protocol Videoconferencing (IP Video) services for customers, thus increasing the availability of videoconferencing services throughout Ohio.

Summary of Budget History and Recommendations

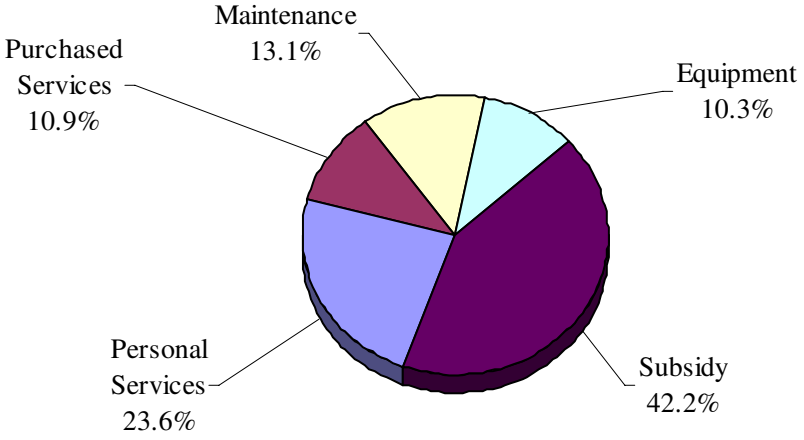


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	0	0	25,677	25,791	.4	26,762	3.8	26,762	.0
General Services Fund Group	0	0	2,352	6,145	161.3	2,847	(53.7)	2,847	.0
Fed Special Revenue Fund Group	0	0	336	589	75.4	589	.0	589	.0
State Special Revenue Fund Group	0	0	789	530	(32.8)	275	(48.1)	275	.0
TOTAL	**0**	**0**	**29,154**	**33,055**	**6.2**	**30,474**	**(18.5)**	**30,474**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	0	0	5,930	10,925	84.2	7,096	(35.0)	7,291	2.8
Purchased Services	0	0	2,390	10	(99.6)	3,315	33,047.4	3,339	.7
Maintenance	0	0	4,997	4,955	(.8)	4,044	(18.4)	3,918	(3.1)
Equipment	0	0	1,942	3,095	59.4	3,057	(1.2)	3,191	4.4
Subsidy	0	0	13,711	13,700	(0.0)	12,962	(5.4)	12,735	(1.7)
Transfer & Other	0	0	184	370	100.7	0	(100.0)	0	.0
TOTAL	**0**	**0**	**29,154**	**33,055**	**13.4**	**30,474**	**(7.8)**	**30,474**	**.0**

PROGRAM SERIES 01: Professional Development

This program series includes various programs intended to provide professional development opportunities to Ohio educators focusing on the integration of technology in the classroom.

Program 01.01: Online Professional Development for Teachers

This program is responsible for developing and disseminating online and face-to-face technology training and technology integration professional development programs. eTech Ohio oversees the development and implementation of these programs, which are aligned with educational standards.

The Executive Recommendation will:

- Develop and maintain low-cost online professional development courses for teachers;
- Offer over 50 existing courses in over 200 sections serving over 1,600 educators a year;
- Provide free access to a library of eTech Ohio technology integration and educational resources; and
- Continue second and third-year implementation of the Ohio Students Choosing On-line Resources for Educational Success (Ohio SCORES) pilot project - an Ohio Core initiative to increase the capacity of Ohio teachers to provide online instruction.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-406	Tech & Instructional Prof Dev	1,978,325	1,978,260
GRF	GRF	935-321	Operations	1,297,495	1,290,592
GSF	5D4	935-640	Conference/Special Purposes	496,000	526,000
TOTAL FOR PROGRAM				**3,771,820**	**3,794,852**

Program 01.02: Professional Development for Technology Coordinators

This program provides professional development programming for school district Technology Coordinators and support personnel who are responsible for supporting classroom technologies.

The Executive Recommendation will:

- Provide consolidated purchasing for face-to-face and online training for school district technology staff at significantly reduced cost;
- Support the Technology Training Academy and Summer Summit, which are attended by over 400 and 500 district technical personnel, respectively, each year;
- Provide free access to an online knowledge database and reference materials designed to support district technology staff; and
- Support consulting services related to the federal E-Rate programs, which provide schools and libraries with approximately $65 million per year in telecommunications discounts.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	504,990	504,214
GRF	GRF	935-406	Tech & Instructional Prof Dev	704,081	704,093
GSF	5D4	935-640	Conference/Special Purposes	12,500	12,500
TOTAL FOR PROGRAM				**1,221,571**	**1,220,807**

Program 01.03: Competitive and Formula Professional Development Grants

This program provides technological professional development subsidies to school districts on a proportional basis according to an eligible entity's number of teachers. Additionally, eTech Ohio administers a competitive professional development grant that is designed to identify and support new and emerging educational technologies and teaching practices.

The Executive Recommendation will:

- Distribute approximately $2.6 million in technology related professional development grants to school districts and community schools in operation for at least one year; and
- Provide up to $200,000 per year in competitive professional development grants to support the use of action research on new and emerging educational technologies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	180,429	178,977
GRF	GRF	935-406	Tech & Instructional Prof Dev	2,827,698	2,827,687
TOTAL FOR PROGRAM				**3,008,127**	**3,006,664**

Program 01.04: Education Technology Grant Administration

This program currently administers federal grants for improving academic achievement through the use of technology and a Bill and Melinda Gates Foundation grant to provide technology training to school district administrators.

The Executive Recommendation will:

- Support several dozen new and continuation federal Enhancing Education Through Technology (EETT) competitive grants to improve student achievement through the use of technology; and
- Use remaining funds from a Gates Foundation grant to train superintendents and principals in using technology to improve academic performance.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	188,471	185,716
GRF	GRF	935-406	Tech & Instructional Prof Dev	6,890	6,900
FED	3S3	935-606	Fed Enhancing Edu Tech Grants	589,363	589,363
SSR	5T3	935-607	Gates Foundation	200,000	200,000
TOTAL FOR PROGRAM				**984,724**	**981,979**

Program 01.05: State Technology Conference

This program includes eTech Ohio's annual Educational Technology Conference for Ohio educators. This conference is one of the four largest educational technology conferences in the nation and annually provides learning and professional development opportunities to over 6,500 attendees and participants.

The Executive Recommendation will:

- Support the eTech Ohio Educational Technology Conference, Ohio's premiere education technology professional development event;
- Provide a forum for over 6,500 participants to receive training and share best practices regarding new and emerging educational tools and techniques; and
- Continue to support Ohio's national leadership in using technology for learning as the fourth largest educational technology conference in the nation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	935-321	Operations	559,201	551,445
GRF	GRF	935-406	Tech & Instructional Prof Dev	21,251	21,246
GSF	5D4	935-640	Conference/Special Purposes	1,313,317	1,283,317
TOTAL FOR PROGRAM				**1,893,769**	**1,856,008**

PROGRAM SERIES 02: Network and Infrastructure

This program series includes programs that support software applications development, network operating and maintenance costs, and grants for school computers and video conferencing.

Program 02.01: Applications Development

This program supports eTech Ohio's costs for software and applications development. These applications allow eTech Ohio to provide a variety of online resources and tools to school districts. Districts use these tools for technology planning, assessing their technology integration, and qualifying for state and federal funding.

The Executive Recommendation will:

- Maintain the basic software and applications development functions that support all eTech Ohio programs; and
- Support Biennial Educational Technology Assessment (BETA), an assessment of technology in schools; Technology Planning Tool (TPT), an online tool to support the development of technology plans that are required for state and federal grants; Opportunity Tracking, an online grant application and registration system; and Equipment and Services Catalog, providing discounted technology pricing.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	935-321	Operations	1,214,169	1,206,086
GRF	GRF	935-406	Tech & Instructional Prof Dev	799,799	799,845
TOTAL FOR PROGRAM				**2,013,968**	**2,005,931**

Program 02.02: Video Distance Learning

This program supports grants for the use of interactive video conferencing for educational purposes.

The Executive Recommendation will:

- Complete funding of Telecommunity grants that are supported from two telecommunications settlement funds; and
- Support grants to develop and maintain an online catalog of interactive videoconferencing resources that are available to schools.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	935-321	Operations	74,942	74,244
GRF	GRF	935-406	Tech & Instructional Prof Dev	2,423	2,428
SSR	4W9	935-630	Telecommunity	25,000	25,000
SSR	4X1	935-634	Distance Learning	50,000	50,000
TOTAL FOR PROGRAM				**152,365**	**151,672**

Program 02.03: Transmission and Network Services

This program supports eTech Ohio's costs associated with providing a statewide telecommunications network; network operations center; video network operations center; master control services; satellite uplink/downlink services; and multimedia content archiving and storage services. These services are available to participating schools, public broadcasting affiliates, and radio reading services for the visually impaired.

The Executive Recommendation will:

- Continue to manage and provide Network Operation Center (NOC) services for the telecommunication network that connects public schools and public broadcasters to each other and the internet using OSCnet;
- Consolidate network funding sources to enable greater efficiencies in operating, purchasing, and maintaining network infrastructure for eTech Ohio customers;
- Support broadcast network infrastructure to enable the archiving and delivery of public television, radio, and radio reading service programming to public broadcasters; and
- Provide statewide educational videoconferencing technical support and bridging services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	2,526,354	2,556,517
GRF	GRF	935-403	Technical Operations	3,597,390	3,597,389
GSF	4F3	935-603	Affiliate Services	1,000,000	1,000,000
TOTAL FOR PROGRAM				**7,123,744**	**7,153,906**

Program 02.04: SchoolNet Plus

This program includes eTech Ohio's staff costs to administer the SchoolNet Plus grants that are funded with tobacco settlement revenues. Through fiscal year 2008, this program will have provided funding to public schools to provide one computer for every five students through the eighth grade.

The Executive Recommendation will:

- Administer a grant program, funded through the Tobacco Budget, to support the purchase of one computer for every five students.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	34,792	34,907
GRF	GRF	935-406	Tech & Instructional Prof Dev	884	892
TOTAL FOR PROGRAM				**35,676**	**35,799**

PROGRAM SERIES 03: Educational Resources

This program series includes operating subsidies provided to Ohio's public television and radio affiliates, radio reading services, the Statehouse News Bureau (SNB), and Ohio Government Television (OGT) Services.

Program 03.01: Educational Resource Grants

This program provides operating subsidies to Ohio's eight public television stations, 13 public radio stations, and eight radio reading services.

The Executive Recommendation will:

- Distribute operating subsidies to support public television, public radio, radio reading services for the visually impaired, and education technology entities that provide educational programming to schools; and

- Negotiate statewide licenses to reduce the cost of acquiring Instructional Television programming that is broadcast for use in schools.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	203,687	201,681
GRF	GRF	935-404	Telecom Operating Subsidy	3,632,413	3,632,413
GRF	GRF	935-406	Tech & Instructional Prof Dev	1,260,000	1,260,000
GRF	GRF	935-539	Educational Technology	4,139,551	4,139,551
TOTAL FOR PROGRAM				**9,235,651**	**9,233,645**

Program 03.02: Statehouse News Bureau and Ohio Governmental Television Support

This program provides operating subsidies to SNB, which reports on legislative and government activities, and OGT Services, which records and broadcasts General Assembly sessions as well as other executive and judicial branch proceedings.

The Executive Recommendation will:

- Distribute operating subsidies to the Statehouse News Bureau and OGT Services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	935-321	Operations	46,388	46,542
GRF	GRF	935-401	Statehouse News Bureau	244,400	244,400
GRF	GRF	935-402	Ohio Gov't Telecom Studio	716,417	716,417
GSF	4T2	935-605	Gov't Television/Telecom Ops	25,000	25,000
TOTAL FOR PROGRAM				**1,032,205**	**1,032,359**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 935-403, Technical Operations, consolidates previously separate network funding for K-12 public schools (935-539, Educational Technology) and public television stations.

Line item 935-406, Tech & Instructional Prof Dev, includes the continuation of funding for Ohio SCORES, for which first-year funding in fiscal year 2007 came from 935-640, Conference/Special Purposes.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	935-403	Technical Operations	3,597,390	3,597,390	0.0%	3,597,389	0.0%
GRF	935-406	Tech & Instructional Prof Dev	8,607,144	7,601,351	-11.7%	7,601,351	0.0%
GRF	935-539	Educational Technology	4,162,771	4,139,551	-0.6%	4,139,551	0.0%
5D4	935-640	Conference/Special Purposes	1,996,817	1,821,817	-8.8%	1,821,817	0.0%

Line Item Notes

935-603, Affiliate Services: This equipment line item supported from transmission tower rental revenue is reduced to more nearly reflect actual expenditures. For additional information, please refer to Program 02.03, Transmission and Network Services.

935-605, Gov't Television/Telecom Ops: This supplemental line item supported from OGT Services contract revenue is reduced to more nearly reflect actual expenditures. For additional information, please refer to Program 03.02, Statehouse News Bureau and Ohio Governmental Television Support.

935-630, Telecommunity: The appropriations for the biennium will finish out these telecommunications settlement funds for distance learning initiatives. For additional information, please refer to Program 02.02, Video Distance Learning.

935-634, Distance Learning: The appropriations for the biennium will finish out these telecommunications settlement funds for distance learning initiatives. For additional information, please refer to Program 02.02, Video Distance Learning.

LINE ITEM SUMMARY - eTech Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	935-321	Operations	0	0	7,042,529	6,830,917	6,830,918	.0	6,830,921	.0
GRF	935-401	Statehouse News Bureau	0	0	244,400	244,400	244,400	.0	244,400	.0
GRF	935-402	Ohio Gov't Telecom Studio	0	0	716,417	716,417	716,417	.0	716,417	.0
GRF	935-403	Technical Operations	0	0	1,760,074	1,768,150	3,597,390	103.5	3,597,389	.0
GRF	935-404	Telecom Operating Subsidy	0	0	3,632,413	3,632,413	3,632,413	.0	3,632,413	.0
GRF	935-406	Tech & Instructional Prof Dev	0	0	5,998,988	6,607,144	7,601,351	15.0	7,601,351	.0
GRF	935-539	Educational Technology	0	0	6,282,004	5,992,011	4,139,551	(30.9)	4,139,551	.0
TOTAL General Revenue Fund			**0**	**0**	**25,676,825**	**25,791,452**	**26,762,440**	**3.8**	**26,762,442**	**.0**
4F3	935-603	Affiliate Services	0	0	678,771	2,000,000	1,000,000	(50.0)	1,000,000	.0
4T2	935-605	Gov't Television/Telecom Ops	0	0	0	150,000	25,000	(83.3)	25,000	.0
5D4	935-640	Conference/Special Purposes	0	0	1,673,150	3,996,817	1,821,817	(54.4)	1,821,817	.0
TOTAL General Services Fund Group			**0**	**0**	**2,351,921**	**6,146,817**	**2,846,817**	**(53.7)**	**2,846,817**	**.0**
3S3	935-606	Fed Enhancing Edu Tech Grants	0	0	336,001	589,363	589,363	.0	589,363	.0
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**336,001**	**589,363**	**589,363**	**.0**	**589,363**	**.0**
4W9	935-630	Telecommunity	0	0	188	12,890	25,000	93.9	25,000	.0
4X1	935-634	Distance Learning	0	0	277,004	317,312	50,000	(84.2)	50,000	.0
5T3	935-607	Gates Foundation	0	0	511,790	200,000	200,000	.0	200,000	.0
TOTAL State Special Revenue Fund Group			**0**	**0**	**788,982**	**530,202**	**275,000**	**(48.1)**	**275,000**	**.0**
S87	935-602	Edu Technology Trust Fund	0	0	6,071,296	4,350,000	0	(100.0)	0	.0
TOTAL Tobacco Settlement Fund			**0**	**0**	**6,071,296**	**4,350,000**	**0**	**(100.0)**	**0**	**.0**
TOTAL ETECH OHIO COMMISSION			**0**	**0**	**35,225,025**	**37,407,834**	**30,473,620**	**(18.5)**	**30,473,622**	**.0**

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 issue legal advisory opinions that provide protection to the requestor, oversee financial disclosure, investigate unethical conduct that can lead to criminal prosecution, 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.

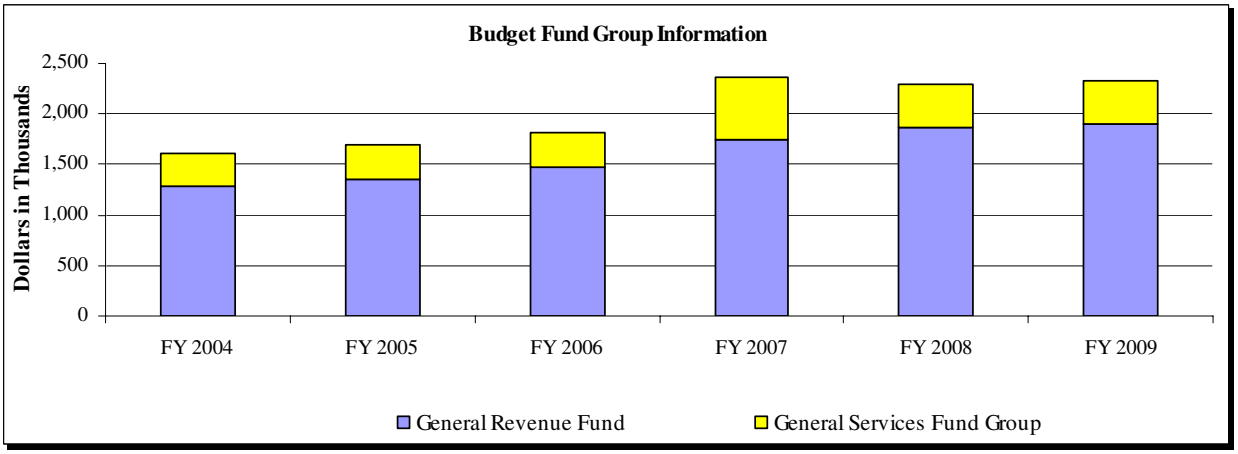
The commission's annual budget of approximately $2.3 million is funded primarily by the General Revenue Fund; the balance of funding is derived from the collection of financial disclosure filing fees and occasional court-ordered restitution payments.

More information regarding the Ethics Commission is available at http://www.ethics.ohio.gov/.

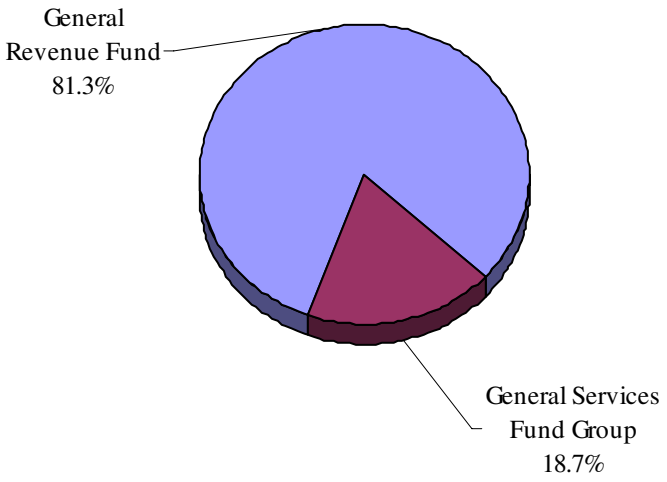
Agency Priority

- Promote and enforce ethical conduct in public service to strengthen the public's confidence that state and local government business is conducted with impartiality and integrity.

Summary of Budget History and Recommendations

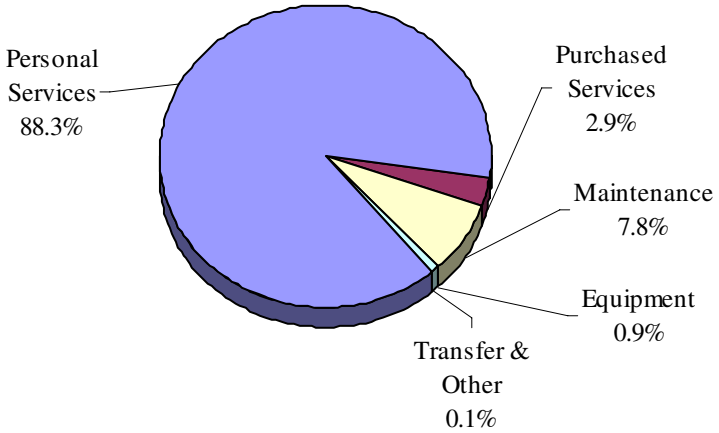


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,281	1,357	1,476	1,742	18.1	1,863	6.9	1,902	2.1
General Services Fund Group	321	331	335	613	83.0	433	(29.4)	433	.0
TOTAL	**1,602**	**1,689**	**1,810**	**2,355**	**30.1**	**2,296**	**(2.5)**	**2,335**	**1.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	1,423	1,472	1,563	2,031	30.0	1,999	(1.6)	2,090	4.6
Purchased Services	4	7	10	102	877.5	94	(7.4)	42	(55.0)
Maintenance	165	177	166	180	8.2	180	.0	180	.0
Equipment	9	32	69	40	(42.2)	20	(50.0)	20	.0
Transfer & Other	1	1	2	2	26.6	2	.0	2	.0
TOTAL	**1,602**	**1,689**	**1,810**	**2,355**	**30.1**	**2,296**	**(2.5)**	**2,335**	**1.7**

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 legal advisory opinions; education and public information; financial disclosure; and investigations/enforcement, including 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 legal 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 legal 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. The law thereby encourages officials to ask questions before they take action.

The Executive Recommendation will:

- Provide for the commission to prepare approximately 150 advisory opinions and handle over 3,000 telephone calls each year to interpret the ethics law and related statutes on behalf of public officials, employees, the general public, and the media.
- Support 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
- Allow the commission and government entities to avoid costs related to unethical behavior, the investigation thereof, and resulting penalties to the public agency, by decreasing the likelihood that unethical behavior will occur if advice is sought and followed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	146-321	Operating Expenses	372,693	394,270
GSF	4M6	146-601	Operating Expenses	74,312	74,312
TOTAL FOR PROGRAM				**447,005**	**468,582**

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 sessions, telephone assistance, and the commission's website. Each year commission staff conduct educational presentations and provide helpful answers to general questions throughout the state. This program also incorporates the commission's statutory responsibility to review and recommend ethics-related legislation to the General Assembly.

The Executive Recommendation will:

- Support 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;
- Fund three 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
- Fund 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	146-321	Operating Expenses	263,335	277,371
GSF	4M6	146-601	Operating Expenses	65,826	65,826
TOTAL FOR PROGRAM				**329,161**	**343,197**

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.

The Executive Recommendation will:

- Enable the commission to administer nearly 11,000 statements per year and individually review more than 2,500 of these for specific potential conflicts of interest each year; and
- Support 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 recently updated financial disclosure information database.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	146-321	Operating Expenses	286,124	244,796
GSF	4M6	146-601	Operating Expenses	85,812	85,812
TOTAL FOR PROGRAM				**371,936**	**330,608**

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. Because such allegations raise questions of potential criminal misconduct, the Ethics Commission reports its findings to the appropriate prosecuting authority in such

cases and as violations (penalized as either criminal felonies or misdemeanors) are evidenced. Investigations require objective and factual review, first-person interviews, subpoenaed documents and records. The commission investigates allegations of ethical 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. Investigative efforts by the commission have led to numerous public corruption convictions and court-ordered restitution to the public.

The Executive Recommendation will:

- Enable the ten 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;
- Allow 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 continue to be available to assist prosecutors as such cases proceed through the justice system; and
- Support the application of alternative resolution 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	146-321	Operating Expenses	776,876	821,838
GSF	4M6	146-601	Operating Expenses	169,593	169,593
TOTAL FOR PROGRAM				**946,469**	**991,431**

Program 01.05: Program Management

This program provides general shared operating and administrative support costs needed to support all other program areas within the Ohio Ethics Commission such as human resources, information technology, and fiscal management.

The Executive Recommendation will:

- Provide funding for the shared (overhead) costs of all the program areas, such as office space, equipment, maintenance, and supplies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	146-321	Operating Expenses	164,000	164,000
GSF	4M6	146-601	Operating Expenses	37,000	37,000
TOTAL FOR PROGRAM				**201,000**	**201,000**

LINE ITEM SUMMARY - Ethics Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	146-321	Operating Expenses	1,280,809	1,357,230	1,475,573	1,742,213	1,863,028	6.9	1,902,275	2.1
TOTAL General Revenue Fund			**1,280,809**	**1,357,230**	**1,475,573**	**1,742,213**	**1,863,028**	**6.9**	**1,902,275**	**2.1**
4M6	146-601	Operating Expenses	320,801	331,480	334,644	612,543	432,543	(29.4)	432,543	.0
TOTAL General Services Fund Group			**320,801**	**331,480**	**334,644**	**612,543**	**432,543**	**(29.4)**	**432,543**	**.0**
TOTAL Ethics Commission			**1,601,610**	**1,688,710**	**1,810,217**	**2,354,756**	**2,295,571**	**(2.5)**	**2,334,818**	**1.7**

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 $14.7 million. Additional information about the Expositions Commission is available at http://www.ohioexpocenter.com/.

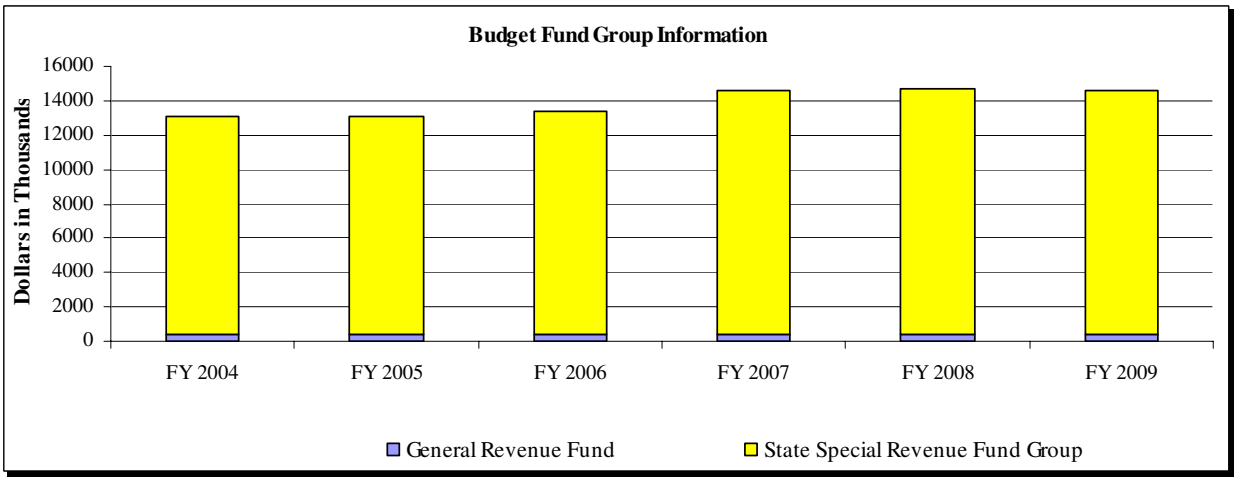
Turnaround Ohio Initiatives

- Operate the Ohio Expositions Commission with a high level of transparency and accountability to Ohio citizens.
- Operate and promote efficient management and effective administration of the Ohio Expo Center within legislative mandates.

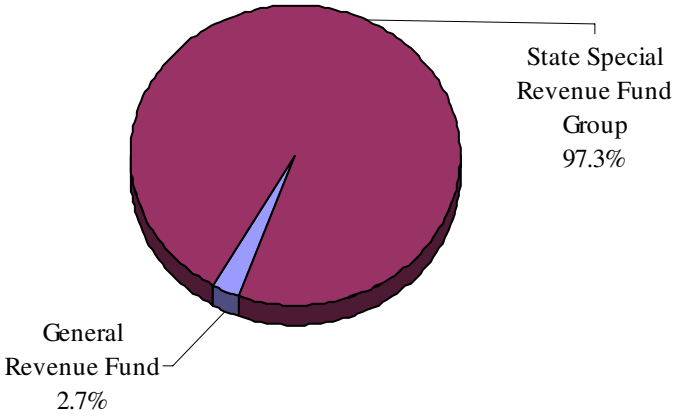
Agency Priorities

- Commit to creating a nationally recognized event venue and producing the highest quality state agricultural fair in order to be recognized as a unique, dynamic and profitable facility.
- Provide a facility which is safe, clean, versatile, comfortable, appealing, user friendly, and accessible.
- Utilize assets efficiently to build a strong financial position.
- Produce a diverse, entertaining, well attended and family-oriented annual state fair.
- Maintain a profitable schedule of Expo events and provide quality customer service in order to excel within the event industry.

Summary of Budget History and Recommendations

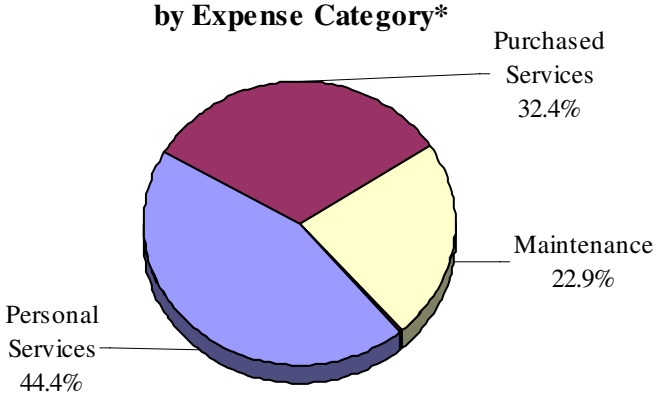


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	437	433	400	400	.0	400	.0	400	.0
State Special Revenue Fund Group	12,642	12,640	12,934	14,163	9.5	14,289	.9	14,163	(.9)
TOTAL	**13,078**	**13,072**	**13,334**	**14,563**	**9.2**	**14,689**	**.9**	**14,563**	**(.9)**

FY 2008-09 Biennial Appropriation by Expense Category*



*Expense categories accounting for less than 0.1% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	5,171	5,081	5,482	5,871	7.1	6,583	12.1	6,416	(2.5)
Purchased Services	2,790	2,682	2,537	2,663	4.9	4,809	80.6	4,674	(2.8)
Maintenance	5,019	5,271	5,250	5,737	9.3	3,267	(43.1)	3,443	5.4
Equipment	23	2	0	51	.0	5	(89.8)	6	5.0
Transfer & Other	76	36	63	241	280.1	25	(89.6)	25	.0
TOTAL	**13,078**	**13,072**	**13,334**	**14,563**	**9.2**	**14,689**	**.9**	**14,563**	**(.9)**

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 are held annually 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.

The Executive Recommendation will:

- Continue the current level of 70 employees and provide funding to operate the Expo Center and the Ohio State Fair; and
- Provide support to the Junior Fair Program and the All Ohio Fair Band and Choir.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
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	6,455,356	6,448,991
SSR	640	723-603	State Fair Reserve	125,337	0
TOTAL FOR PROGRAM				**7,500,693**	**7,368,991**

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.

The Executive Recommendation will:

- Provide resources to operate the Expo Center year-round for non-fair events.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
SSR	506	723-601	Operating Expenses	7,187,959	7,194,324
TOTAL FOR PROGRAM				**7,187,959**	**7,194,324**

LINE ITEM SUMMARY - Expositions Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	723-403	Junior Fair Subsidy	436,902	432,546	400,000	400,000	400,000	.0	400,000	.0
TOTAL General Revenue Fund			**436,902**	**432,546**	**400,000**	**400,000**	**400,000**	**.0**	**400,000**	**.0**
4N2	723-602	Ohio State Fair Harness Racing	459,857	449,850	444,170	520,000	520,000	.0	520,000	.0
506	723-601	Operating Expenses	12,181,725	12,189,867	12,489,450	13,643,315	13,643,315	.0	13,643,315	.0
640	723-603	STATE FAIR RESERVE	0	0	0	0	125,337	.0	0	(100.0)
TOTAL State Special Revenue Fund Group			**12,641,582**	**12,639,717**	**12,933,620**	**14,163,315**	**14,288,652**	**.9**	**14,163,315**	**(.9)**
TOTAL Expositions Commission			**13,078,484**	**13,072,263**	**13,333,620**	**14,563,315**	**14,688,652**	**.9**	**14,563,315**	**(.9)**

Role and Overview

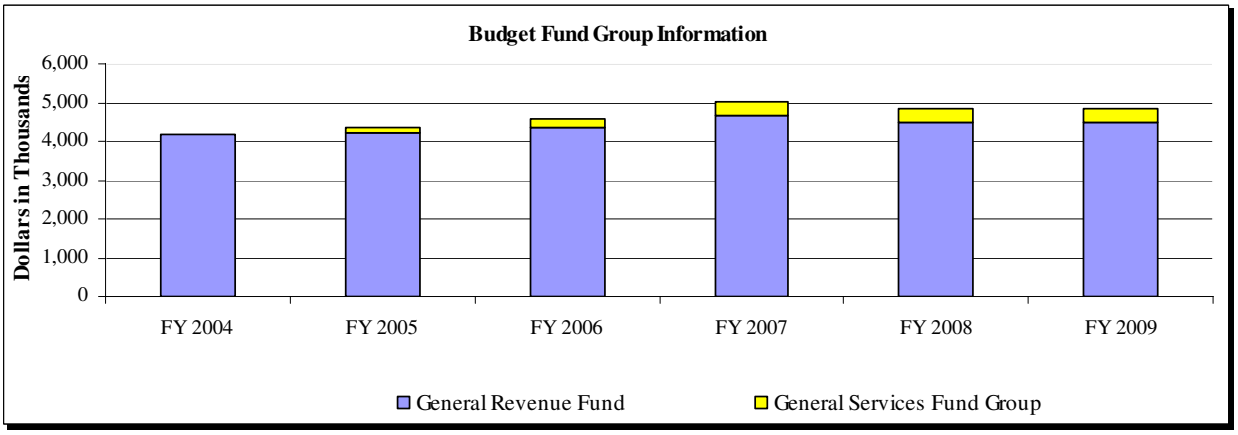
The Office of the Governor (GOV) performs the duties of the chief executive officer of the state as outlined in the Ohio Constitution and the Ohio Revised Code. The budget for the Governor also includes funding for the Office of the Lieutenant Governor, whose role is to assist the Governor in the performance 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 55 employees and an annual budget of about $4.8 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.

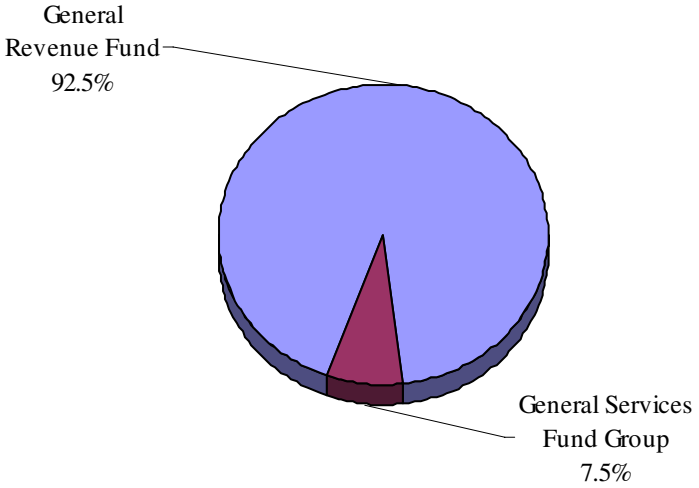
The Lieutenant Governor is a constitutional officer elected jointly with the Governor every four years. The Lieutenant Governor is a member of the Governor's cabinet and may be appointed by the Governor to lead a cabinet agency or be given any special assignment the Governor considers necessary.

All Turnaround Ohio initiatives are considered high priorities by the Office of the Governor. Additional information regarding the Office of the Governor is available at http://www.governor.ohio.gov/.

Summary of Budget History and Recommendations

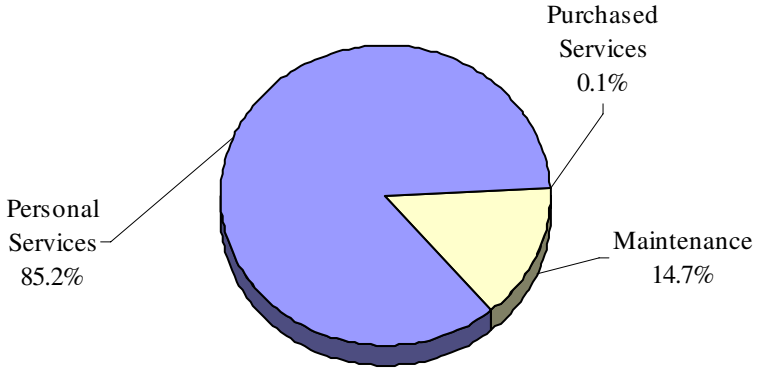


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	4,156	4,208	4,360	4,672	7.2	4,476	(4.2)	4,487	.2
General Services Fund Group	0	154	210	355	69.1	365	3.0	365	.0
TOTAL	**4,156**	**4,363**	**4,570**	**5,027**	**10.0**	**4,842**	**(3.7)**	**4,853**	**.2**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	3,594	3,709	3,756	4,446	18.4	4,121	(7.3)	4,132	.3
Purchased Services	17	50	129	5	(96.1)	5	.0	5	.0
Maintenance	538	565	562	576	2.6	712	23.6	712	.0
Equipment	2	39	122	0	(100.0)	3	.0	3	.0
Transfer & Other	5	0	0	0	.0	0	.0	0	.0
TOTAL	**4,156**	**4,363**	**4,570**	**5,027**	**10.0**	**4,842**	**(3.7)**	**4,853**	**.2**

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.

The Executive Recommendation will:

- Support 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 2008	FY 2009
GRF	GRF	040-321	Operating Expenses	3,754,045	3,754,045
GRF	GRF	040-403	Federal Relations	435,443	435,443
GSF	5AK	040-607	Federal Relations	365,149	365,149
TOTAL FOR PROGRAM				**4,554,637**	**4,554,637**

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.

The Executive Recommendation will:

- Support 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 2008	FY 2009
GRF	GRF	040-408	Office of Veterans' Affairs	287,000	298,000
TOTAL FOR PROGRAM				**287,000**	**298,000**

LINE ITEM SUMMARY - Governor

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	040-321	Operating Expenses	3,601,970	3,540,594	3,678,792	3,981,582	3,754,045	(5.7)	3,754,045	.0
GRF	040-403	Federal Relations	321,152	422,618	420,951	422,760	435,443	3.0	435,443	.0
GRF	040-408	Office of Veterans' Affairs	232,420	245,036	260,238	267,923	287,000	7.1	298,000	3.8
TOTAL General Revenue Fund			**4,155,542**	**4,208,248**	**4,359,981**	**4,672,265**	**4,476,488**	**(4.2)**	**4,487,488**	**.2**
5AK	040-607	Federal Relations	0	154,490	209,590	354,514	365,149	3.0	365,149	.0
TOTAL General Services Fund Group			**0**	**154,490**	**209,590**	**354,514**	**365,149**	**3.0**	**365,149**	**.0**
TOTAL Office of the Governor			**4,155,542**	**4,362,738**	**4,569,571**	**5,026,779**	**4,841,637**	**(3.7)**	**4,852,637**	**.2**

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 1,400 employees and an annual budget of approximately $618 million. The department partners with 134 local health districts that are each governed by a locally appointed board of health and a health commissioner.

More information regarding the Department of Health is available at http://www.odh.ohio.gov.

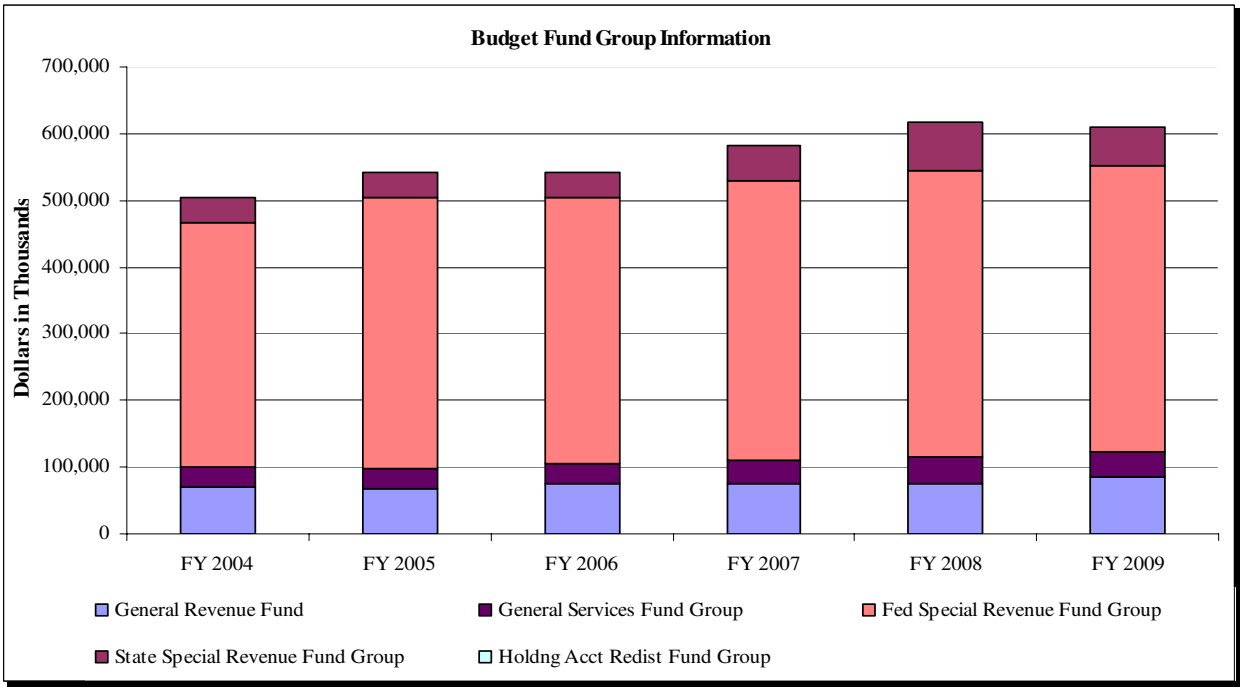
Turnaround Ohio Initiatives

- Improve management and prioritization of prevention programming and improve health outcomes and reduce minority health disparities through the Healthy Ohio initiative.
- Expand the Help Me Grow Program, which provides early intervention services to ensure that Ohio's children get off to a healthy start.

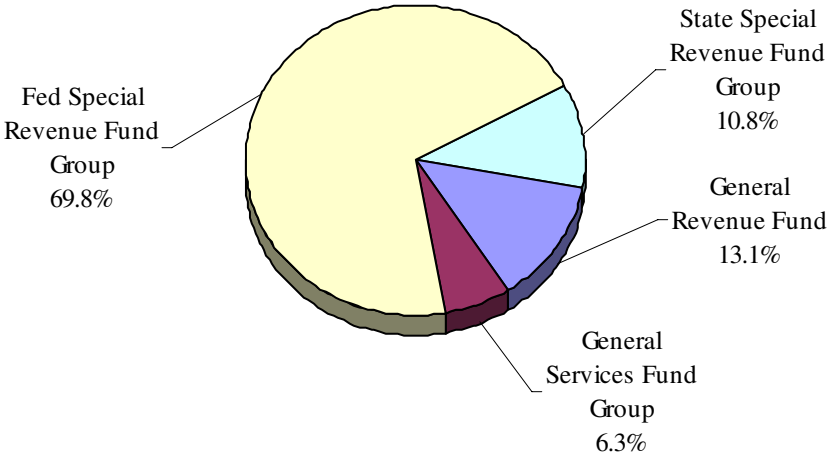
Agency Priorities

- Assure public health preparedness and security.
- Prevent disease and the spread of disease.
- Work to eliminate health disparities.
- Assure the quality and safety of health care facilities and services.
- Encourage healthy choices to reduce the incidence of chronic diseases.
- Assure access to healthcare for Ohio's most vulnerable populations.

Summary of Budget History and Recommendations

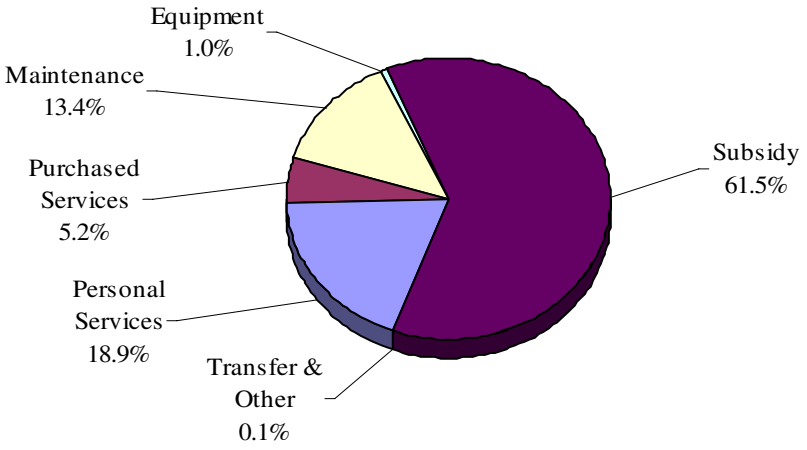


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	69,702	67,873	75,537	76,291	1.0	76,100	(.3)	85,169	11.9
General Services Fund Group	30,132	30,759	30,891	34,679	12.3	38,679	11.5	38,679	.0
Fed Special Revenue Fund Group	365,818	405,857	396,893	419,458	5.7	428,559	2.2	428,559	.0
State Special Revenue Fund Group	39,049	37,286	39,778	52,128	31.0	74,710	43.3	57,420	(23.1)
Holding Acct Redist Fund Group	52	67	57	90	57.9	90	.0	90	.0
TOTAL	**504,753**	**541,843**	**543,157**	**582,646**	**7.3**	**618,138**	**6.1**	**609,916**	**(1.3)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	92,674	95,433	96,718	108,971	12.7	113,950	4.6	118,307	3.8
Purchased Services	23,075	42,149	27,822	33,131	19.1	31,999	(3.4)	31,611	(1.2)
Maintenance	67,512	69,854	73,466	78,362	6.7	89,510	14.2	74,523	(16.7)
Equipment	5,346	6,917	7,570	10,229	35.1	6,408	(37.4)	5,301	(17.3)
Subsidy	313,814	318,342	336,307	350,696	4.3	375,531	7.1	379,467	1.0
Capital Improvements	426	65	0	0	.0	0	.0	0	.0
Transfer & Other	1,907	9,083	1,273	1,256	(1.4)	740	(41.1)	707	(4.4)
TOTAL	**504,753**	**541,843**	**543,157**	**582,646**	**7.3**	**618,138**	**6.1**	**609,916**	**(1.3)**

PROGRAM SERIES 01: Disease Prevention

This program series prevents disease 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.

The Executive Recommendation will:

- Fund the purchase of 585,000 doses of vaccines per year for public clinics and the Vaccines for Children Program;
- Update and maintain the immunization registry;
- Provide HIV testing and counseling to 40,000 individuals per year and fund an informational hotline;
- Prevent the spread of a new strain of raccoon rabies throughout Ohio by cooperating in a multi-state program to vaccinate wild raccoons in eastern Ohio. ODH partially funds the effort, purchasing about 500,000 vaccine-laden baits annually. Without intervention, raccoon rabies could result in substantial increases in domestic animal rabies and human rabies exposures. There has been a tenfold increase in human rabies treatments where this strain has become established; and
- Fund the testing of 400,000 mosquitoes, 1,000 ticks, and 2,000 birds for the West Nile virus.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-407	Animal Borne Disease and Prevention	2,345,744	2,344,922
GRF	GRF	440-418	Immunizations	9,306,613	9,303,680
GRF	GRF	440-444	AIDS Prevention and Treatment	1,634,413	1,639,569
GRF	GRF	440-446	Infectious Disease Prevention	200,000	200,000
GRF	GRF	440-451	Lab and Public Health Prevention	294,593	279,780
GSF	142	440-646	Agency Health Services	2,000	1,900
FED	387	440-602	Preventive Health Block Grant	21,015	21,014
FED	392	440-618	Federal Public Health Programs	14,807,061	15,013,380
SSR	4L3	440-609	Miscellaneous Expenses	40,507	40,507
TOTAL FOR PROGRAM				**28,651,946**	**28,844,752**

Program 01.02: Healthy Ohio

This program reduces the incidence of chronic diseases such as heart disease, diabetes, and cancer by promoting healthy choices and by providing education and screenings for breast and cervical cancer. The program also reduces the risks for injuries by providing infant car seats.

The Executive Recommendation will:

- Reduce 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 and/or to effectively manage their disease;
- Reduce the number of children injured or killed in motor vehicle collisions by providing child passenger safety seats and appropriate education to parents and/or care givers;
- Provide information and strategies to increase physical activity, improve nutrition, and reduce the use of tobacco products for students and school staff to improve health;
- Provide screening exams and education for 11,000 low-income women ages 50 to 64 on early detection of breast and cervical cancer;
- Provide programs that prevent sexual violence and promote women's health: and
- Encourage people to choose healthy behaviors by working with businesses, schools, and state employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-407	Animal Borne Disease and Prevention	31,444	32,828
GRF	GRF	440-418	Immunizations	59,449	61,005
GRF	GRF	440-437	Healthy Ohio	1,502,618	2,855,553
GRF	GRF	440-451	Lab and Public Health Prevention	1,015,372	1,041,906
GSF	142	440-646	Agency Health Services	144,731	143,705
FED	320	440-601	Maternal Child Health Block Grant	172,412	172,412
FED	387	440-602	Preventive Health Block Grant	7,263,860	7,233,609
FED	392	440-618	Federal Public Health Programs	7,552,219	7,654,941
SSR	4L3	440-609	Miscellaneous Expenses	300,750	300,750
SSR	4T4	440-603	Child Highway Safety	233,894	233,894
TOTAL FOR PROGRAM				**18,276,749**	**19,730,603**

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. This program investigates and evaluates public health threats posed by the release of hazardous materials, and samples and analyzes water from selected public beaches.

The Executive Recommendation will:

- Fund food protection certification courses and course providers and certify 6,000 individuals in food protection;
- Facilitate annual reviews, approval, and monitoring of engineering plans for 300 swimming pools/spas, 70 manufactured home parks, 15 marinas, 35 RV parks, and 10 flood plain permits;
- Investigate and evaluate the threat to public health from hazardous materials spills; and
- Facilitate registration of 1,400 private water system contractors and surveys of private water systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-451	Lab and Public Health Prevention	766,354	816,984
GRF	GRF	440-454	Local Environmental Health	889,752	889,752
FED	387	440-602	Preventive Health Block Grant	202,317	216,044
FED	392	440-618	Federal Public Health Programs	1,074,658	1,127,394
SSR	470	440-647	Fee Supported Programs	3,118,774	3,126,024
SSR	5ED	440-651	Smoke Free Indoor Air	800,000	800,000
TOTAL FOR PROGRAM				**6,851,855**	**6,976,198**

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.

The Executive Recommendation will:

- Provide necessary resources to protect citizens against select agent incidents and public health emergencies, such as anthrax and smallpox; and
- Fund over four million tests a year for reference microbiology services, newborn screening, radiological chemistry tests, laboratory training and preparedness services, food borne disease tests, HIV tests, outbreak tests, stereotyping of infectious disease specimens, and tuberculosis tests.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-407	Animal Borne Disease and Prevention	29,000	24,000
GRF	GRF	440-444	AIDS Prevention & Treatment	239,999	232,272

GRF	GRF	440-451	Lab and Public Health Prevention	2,252,114	2,260,340
GSF	142	440-646	Agency Health Services	3,000	2,900
GSF	211	440-613	Central Support Indirect Costs	770,000	770,000
GSF	473	440-622	Lab Operating Expenses	4,916,579	4,914,457
FED	392	440-618	Federal Public Health Programs	716,235	723,897
SSR	610	440-626	Radiation Emergency Response	189,463	184,128
TOTAL FOR PROGRAM				**9,116,390**	**9,111,994**

Program 01.05: Radiation Protection

This program ensures that public exposure to sources of radiation is reduced to levels as low as reasonably achievable by licensing and inspecting facilities using radioactive material, and registering and inspecting facilities using x-ray equipment and particle accelerators. The program also conducts radon testing in schools, responds to radiation incidents, and conducts security inspections of nuclear facilities.

The Executive Recommendation will:

- Provide quality assurance inspections at 100 hospitals;
- Fund 15,000 registrations, including amendments, for x-ray facilities each year;
- Fund 6,500 licensing actions annually for x-ray equipment operators;
- Provide for the licensing of 630 facilities and the annual inspection of 300 facilities using radioactive material;
- Provide for radiological emergency response activities;
- Provide for the annual inspection of 6,000 x-ray machines and 150 equipment assemblers and maintainers; and
- Provide quality assurance inspections at 100 hospitals.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-451	Lab and Public Health Prevention	172,006	188,566
GSF	142	440-646	Agency Health Services	27,269	28,595
FED	392	440-618	Federal Public Health Programs	878,531	922,094
SSR	470	440-647	Fee Supported Programs	5,103,602	5,096,113
SSR	5B5	440-616	Quality, Monitoring, and Inspection	377,316	377,315
SSR	610	440-626	Radiation Emergency Response	602,034	604,324
TOTAL FOR PROGRAM				**7,160,758**	**7,217,007**

Program 01.06: Alcohol Testing and Permit

This program regulates the chemical testing of persons operating vehicles under the influence of alcohol or drugs. Activities include training for all permit holders; inspecting breath alcohol instrumentation; breath testing site and laboratories; issuing permits to breathe instrument operators, alcohol, and drug testing laboratories; and evaluating proficiency examinations for all permit holders.

The Executive Recommendations will:

- Train and issue permits to approximately 10,000 breath alcohol instrument operators;
- Issue permits to approximately 49 drug and 209 alcohol testing laboratories; and
- Provide expert court testimony.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	5C0	440-615	Alcohol Testing and Permit	1,393,537	1,391,110
TOTAL FOR PROGRAM				**1,393,537**	**1,391,110**

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.

The Executive Recommendation will:

- Provide 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. Five major surveillance systems collect information on over 100,000 case reports annually; and
- Fund statewide cancer surveillance.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-407	Animal Borne Disease and Prevention	45,913	50,351
GRF	GRF	440-412	Cancer Incidence Surveillance System	1,002,619	1,002,619
GRF	GRF	440-444	AIDS Prevention & Treatment	39,549	41,059
GRF	GRF	440-451	Lab and Public Health Prevention	521,331	526,457
GSF	142	440-646	Agency Health Services	3,000	2,900
FED	387	440-602	Preventive Health Block Grant	284,458	299,480
FED	392	440-618	Federal Public Health Programs	4,156,919	4,411,678
SSR	4L3	440-609	Miscellaneous Expenses	8,507	8,507
TOTAL FOR PROGRAM				**6,062,296**	**6,343,051**

Program 01.08: Second Chance

This program provides funding for local projects to increase awareness about the need for organ donation.

The Executive Recommendation will:

- Provide $800,000 per year for a comprehensive statewide marketing campaign to increase registered donors as part of the National Donor Designation Collaborative Project;
- Provide funding for brochures for the Ohio Bureau of Motor Vehicle offices and driver education decision kits for state licensed driving schools; and
- Provide funding for national donor family recognition.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	5D6	440-620	Second Chance Trust	1,054,951	1,054,951
TOTAL FOR PROGRAM				**1,054,951**	**1,054,951**

Program 01.09: Prevention Program Support

This program provides leadership and technical assistance to the division including development, review, and comment on legislation and regulations pertinent to division specific programs. The program plays a leadership role in the development of public health policy at the national, state, and local levels. In addition, program activities include coordinating and planning activities for disaster preparedness readiness and response, environmental health, infectious disease prevention and control, the identification and addressing of lifestyle risk factors for chronic diseases, the prevention of injury, increased public safety and protection through radiological protection, alcohol testing, and the public health laboratory.

The Executive Recommendation will:

- Provide programmatic and policy development operations for prevention programs;
- Provide medical direction and coordination of prevention programs;
- Provide policy development and coordination for public health preparedness initiatives and program management; and

- Provide administration program activities for prevention programs including human resource coordination, overall administrative management, rule review and development, budget/purchasing support, and grant/contract support.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-418	Immunizations	34,553	35,930
GRF	GRF	440-444	AIDS Prevention and Treatment	18,733	19,794
GRF	GRF	440-451	Lab and Public Health Prevention	967,569	870,607
GSF	473	440-622	Lab Operating Expenses	37,466	39,588
FED	387	440-602	Preventive Health Block Grant	55,009	56,512
SSR	470	440-647	Fee Supported Programs	38,050	38,289
SSR	5C0	440-615	Alcohol Testing and Permit	61,868	64,295
TOTAL FOR PROGRAM				**1,213,248**	**1,125,015**

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.

The Executive Recommendation will:

- Provide treatment for approximately 20,000 children with medically handicapping conditions;
- Provide diagnostic services for over 5,000 children;
- Provide service coordination for approximately 1,500 children;
- Provide insurance premiums for 28 adults with hemophilia;
- Fund eight Regional Comprehensive Genetic Centers in Ohio that provide clinical services and education to over 67,000 individuals; and
- Provide prescription medication and medical supplies to 115 adults with cystic fibrosis.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-452	Child & Family Health Services Match	19,512	19,733
GRF	GRF	440-505	Medically Handicapped Children	10,791,784	10,791,784
GRF	GRF	440-507	Targeted Health Care Services Over 21	1,681,023	1,681,023
FED	320	440-601	Maternal Child Health Block Grant	7,057,330	6,877,570
FED	392	440-618	Federal Public Health Programs	372,601	369,463
SSR	4D6	440-608	Genetics Services	3,317,000	3,317,000
SSR	4F9	440-610	Sickle Cell Disease Control	1,035,344	1,035,344
SSR	4L3	440-609	Miscellaneous Expenses	550	550
SSR	470	440-647	Fee Supported Programs	169,000	169,000
SSR	477	440-627	Med Handicapped Children Audit	3,693,016	3,693,016
SSR	666	440-607	Medically Hndp Children County Assessment	14,320,687	14,320,687
TOTAL FOR PROGRAM				**42,457,847**	**42,275,170**

Program 02.02: Child and Family Health

This program helps to eliminate health disparities and improve access to health care for low-income women, infants, and children by funding community-based organizations to provide public health programs and safety net medical services (e.g., prenatal, child health, family planning, care coordination); implementing a systems approach to

prenatal smoking cessation; administering pediatric medical specialty clinics in underserved rural counties; providing public/professional education, environmental investigation, case management, data collection, and analysis to reduce lead poisoning; providing screening, education, and clinical hearing and vision services; funding perinatal system quality improvement in six regional perinatal centers; providing education, risk reduction, and grief support regarding the sudden and unexpected death of infants; and administering the child fatality review process in Ohio.

The Executive Recommendation will:

- Identify community health issues and provide focused direct health care and other support services such as care coordination and risk reduction education to over 77,000 low-income pregnant women and children, and 110,000 women's health and family planning clients;
- Train and certify 5,000 preschool vision screeners and provide protective eyewear to approximately 28,000 children;
- Provide a total of $1.4 million per year to community health centers including Federally Qualified Health Centers (FQHCs);
- Provide $3 million for uncompensated care and $500,000 for emergency medical assistance in fiscal year 2009 to offset funding historically received through the Tobacco Budget Bill; and
- Track all instances of Sudden Infant Death Syndrome in the state and provide support and bereavement services to families.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-416	Child and Family Health Services	6,153,051	6,263,618
GRF	GRF	440-452	Child and Family Health Services Match	315,518	328,160
GRF	GRF	440-511	Uncompensated Care/Emrgncy Medical Assistance	0	3,500,000
FED	320	440-601	Maternal Child Health Block Grant	14,356,811	14,197,645
FED	389	440-604	Women, Infants and Children	37,773	39,283
FED	392	440-618	Federal Public Health Programs	8,623,705	8,658,728
SSR	4V6	440-641	Save Our Sight	1,767,994	1,767,994
SSR	470	440-647	Fee Supported Programs	18,840	18,840
TOTAL FOR PROGRAM				**31,273,692**	**34,774,268**

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.

The Executive Recommendation will:

- Provide referral and case management services to 5,800 low-income Ohioans who need dental care but lack dental insurance;
- Fund dental safety net and access to dental care subgrant programs at 11 to 16 local agencies to provide dental care to Ohioans with poor access to oral health care;
- Fund school-based dental sealant programs in 18 to 20 schools providing preventive dental sealants in over 40 counties to approximately 20,000 children;
- Provide financial assistance to communities that are beginning to fluoridate their water supplies or communities that need to replace fluoridation equipment, and fund the school-based Fluoride Mouth-rinse Program for over 40,000 elementary school children in 215 schools in communities without optimal fluoridation; and
- Fund the student loan repayment program for five dentists willing to serve in underserved areas.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-416	Child and Family Health Services	733,306	733,306
GRF	GRF	440-452	Child and Family Health Services Match	260,659	229,085

FED	320	440-601	Maternal Child Health Block Grant	2,878,603	2,944,540
FED	392	440-618	Federal Public Health Programs	88,991	94,372
TOTAL FOR PROGRAM				**3,961,559**	**4,001,303**

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 program participants in some specified counties to purchase fresh fruits and vegetables from farmers' markets.

The Executive Recommendation will:

- Provide nutritious foods and services including nutrition and breast feeding education, immunization screening, and health care referral to 270,000 income eligible pregnant and postpartum women, infants, and children; and
- Provide $18 in coupons to 44,000 women and children in 64 counties to enable them to purchase fresh produce at Ohio's farmers' markets.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	389	440-604	Women, Infants and Children	229,880,557	229,871,406
SSR	4L3	440-609	Miscellaneous Expenses	11,077	11,077
TOTAL FOR PROGRAM				**229,891,634**	**229,882,483**

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 birth to three) 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.

The Executive Recommendation will:

- Provide home visits by a registered nurse to over 31,000 first time and teen parents to include parenting education on child health, safety, and development and local community resources;
- Provide developmental, hearing, and vision screening, developmental assessments, service coordination, and family support to approximately 55,000 infants and toddlers at risk for developmental delays or with a developmental disability;
- Facilitate collaboration with institutions of higher education to develop multi-media materials for parents and providers on emerging language and literacy for children ages birth to five, including children with special needs;
- Train a minimum of 1,400 child care providers on child development, screening for developmental milestones, and on providing child care to children with special health care needs;
- Provide information and referrals to over 35,000 callers to the department's Helpline 24 hours a day, seven days a week; and
- Provide parenting guidance to parents with children in cases where child abuse has been substantiated.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-416	Child and Family Health Services	357,503	369,874
GRF	GRF	440-459	Help Me Grow	10,923,397	15,039,347
FED	320	440-601	Maternal Child Health Block Grant	1,038,689	1,126,824
FED	392	440-618	Federal Public Health Programs	21,063,802	20,857,717
SSR	470	440-647	Fee Supported Programs	792	792
TOTAL FOR PROGRAM				**33,384,183**	**37,394,554**

Program 02.06: Community Health Services and System 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.

The Executive Recommendation will:

- Provide primary medical care services to between 160,000 and 205,000 low-income uninsured patients at 115 federally qualified health center sites (FQHCs);
- Fund the operation of two black lung clinics, which provide screening and pulmonary rehabilitation services to approximately 3,000 active and retired miners;
- Provide assistance to 7,500 people diagnosed with HIV through access to life-saving medications, health insurance, case management, emergency assistance, and home care;
- Provide training and technical assistance to 800 school nurses;
- Fund the School Emergency Preparedness Program, training 400 school and local health department nurses on first responder skills targeted to the school population. Over 5,000 school emergency and pandemic flu tool kits will be distributed to school districts, school buildings, and local health districts;
- Provide technical assistance to Health Professional Shortage Areas, submit 14 applications annually to the Federal Shortage Branch, and place primary care, dental, or mental health professionals in underserved areas;
- Assist 34 Critical Access Hospitals in receiving certification and fund 36 quality improvement projects in small rural hospitals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-416	Child and Family Health Services	952,147	996,100
GRF	GRF	440-444	AIDS Prevention and Treatment	5,225,433	5,225,433
GRF	GRF	440-452	Child and Family Health Services Match	380,392	396,036
GSF	142	440-646	Agency Health Services	100,000	100,000
FED	320	440-601	Maternal Child Health Block Grant	1,490,165	1,624,864
FED	392	440-618	Federal Public Health Programs	19,796,506	19,929,422
SSR	4L3	440-609	Miscellaneous Expenses	42,607	42,607
SSR	470	440-647	Fee Supported Programs	82,343	82,343
TOTAL FOR PROGRAM				**28,069,593**	**28,396,805**

Program 02.07: Research and Evaluation

This program conducts data gathering activities to evaluate programs for processes and outcomes and to conduct epidemiologic studies including surveillance and research. Progress in meeting health objectives is measured and data are used to inform program and policy decisions.

The Executive Recommendation will:

- Assure that data needs of all the six bureaus in the division are met. Data research and evaluation activities include the Block Grant, the Minority Health Data, and the Data Disclosure Reports.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	320	440-601	Maternal Child Health Block Grant	1,471,020	1,546,672
FED	389	440-604	Women, Infants and Children	136,773	143,381
FED	392	440-618	Federal Public Health Programs	542,422	575,572
SSR	5CN	440-645	Choose Life	75,000	75,000
TOTAL FOR PROGRAM				**2,225,215**	**2,340,625**

Program 02.09: Family and Community Health Program Support

This program provides leadership and technical assistance to the division including development, review, and comment on legislation and regulations pertinent to division specific programs. The program plays a leadership role in the development of public health policy at the national, state, and local levels. In addition, program responsibilities include activities related to improving oral health in Ohio; improvement of the health status and prevention of health problems among Ohio's at-risk women, infants, and children; comprehensive genetic services, diagnostic and treatment services for medically handicapped children; early intervention, family planning, and other community-based services for underserved populations.

The Executive Recommendation will:

- Provide leadership, policy development coordination, and management to the division's bureaus; and
- Manage 35 federally funded grants and 18 state funding sources, grants to local partners, and distribution of Choose Life funds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-416	Child and Family Health Services	751,867	684,976
GRF	GRF	440-452	Child and Family Health Services Match	47,936	51,003
FED	320	440-601	Maternal Child Health Block Grant	560,605	535,108
FED	389	440-604	Women, Infants and Children	22,348	23,381
FED	392	440-618	Federal Public Health Programs	59,532	62,285
SSR	4G0	440-637	Birth Certificate Surcharge	5,000	5,000
TOTAL FOR PROGRAM				**1,447,288**	**1,361,753**

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 assure the highest quality of care through initial survey for licensing and/or certification, and periodic monitoring of licensed and certified long-term care facilities for continued compliance with applicable federal and state rules and regulations.

The Executive Recommendation will:

- Support the licensing and regulation of 991 certified nursing facilities, 531 residential care facilities, and 417 intermediate care facilities for people with mental retardation;
- Operate three models that seek to improve long-term care residents' activities of daily living (ADL) through clinical practices including: maintenance of fluids, urinary incontinence program, and staff retention; and
- Fund the investigation of all allegations of serious threats or harm to long-term care residents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-453	Health Care Quality Assurance	4,839,197	4,839,197
FED	391	440-606	Medicaid/Medicare	16,542,565	16,542,565
SSR	470	440-647	Fee Supported Programs	5,000	5,000
SSR	5B5	440-616	Quality, Monitoring, and Inspection	12,232	12,232
TOTAL FOR PROGRAM				**21,398,994**	**21,398,994**

Program 03.02: Regulatory Compliance

This 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 approves life safety code surveys and waivers.

The Executive Recommendation will:

- Maintain 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 2008	RECOMMENDED FY 2009
GRF	GRF	440-453	Health Care Quality Assurance	802,503	802,503
FED	391	440-606	Medicaid/Medicare	732,715	739,715
TOTAL FOR PROGRAM				**1,535,218**	**1,542,218**

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 property at long-term and residential care facilities; and receives and processes all acute and long-term healthcare complaints for the state.

The Executive Recommendation will:

- Assure performing 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;
- Fund site inspections for 8,500 clinical laboratories;
- Assure field investigations of allegations of abuse, neglect, and misappropriation of property for residents of long-term care and residential facilities; and
- Facilitate processing and triage of 8,000 healthcare complaints and facility related incidents each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-453	Health Care Quality Assurance	956,852	956,852
FED	391	440-606	Medicaid/Medicare	1,317,122	1,317,122
FED	392	440-618	Federal Public Health Programs	556,905	576,904
SSR	470	440-647	Fee Supported Programs	2,145,406	2,145,406
SSR	471	440-619	Certificate of Need	768,345	797,345
TOTAL FOR PROGRAM				**5,744,630**	**5,793,629**

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.

The Executive Recommendation will:

- Support licensing of hospital maternity units, neonatal units in children's hospitals, maternity homes, and freestanding birthing centers;
- Fund licensing and inspection of 712 adult care facilities; and
- Support 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-453	Health Care Quality Assurance	1,546,282	1,546,282
FED	391	440-606	Medicaid/Medicare	3,325,306	3,318,306
SSR	470	440-647	Fee Supported Programs	425,740	425,740
SSR	471	440-619	Certificate of Need	70,023	70,023
SSR	5B5	440-616	Quality, Monitoring, and Inspection	300,291	300,291
TOTAL FOR PROGRAM				**5,667,642**	**5,660,642**

Program 03.05: Licensure, Certification, and Support Operations

This program provides licensure, consultation, and support to nursing homes, health care facilities; responds to public information requests related to Medicare/Medicaid certified health care facilities and state licensed facilities; serves as the central repository for the receipt, review, and dissemination of certification actions; maintains records of nurse aides with findings of abuse, neglect, or misappropriation of property; and maintains the listing of individuals meeting the test requirements for employment in long-term care settings.

The Executive Recommendation will:

- Fund support activities related to licensing and certification of health care or residential care facilities, including research and verification of information that health care providers furnish; maintain custody of records related to survey and certification activities (data repository); respond to public information requests relating to survey reports and data sets; receive hospital registration data that relate to corporate ownership, the number and type of services the hospital provides, and number of beds and beds use.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	440-453	Health Care Quality Assurance	803,281	803,281
FED	391	440-606	Medicaid/Medicare	1,672,949	1,672,949
SSR	470	440-647	Fee Supported Programs	658,938	658,938
SSR	5B5	440-616	Quality, Monitoring, and Inspection	73,028	73,028
TOTAL FOR PROGRAM				**3,208,196**	**3,208,196**

Program 03.06: Quality Assurance Program Support

This program provides leadership and technical assistance to the division including development, review, and comment on legislation and regulations pertinent to division specific programs. The program plays a leadership role in the development of public health policy at the national, state, and local levels. In addition, program responsibilities include: activities related to licensure, certification, and the registration of health care professionals, facilities, services, products, and laboratories; attending hearings and preparation of testimony and amendments for consideration by the Ohio General Assembly; development, monitoring, and negotiating the Medicare/Medicaid

Survey and Certification Budget; providing educational resources to nursing facilities to improve the quality of care and life for nursing home residents and inspecting nurse aide training and competency evaluation programs.

The Executive Recommendation will:

- Provide leadership, policy development coordination, and management to division's bureaus;
- Fund overseeing implementation and coordination of the Centers for Medicare and Medicaid Services (CMS) information technology initiatives and coordination of the Quality Improvement & Evaluation System (QIES) at the state agency level;
- Fund the Policy, Projects and Research Section (PPRS) to helps carry out the health care facility licensing and health care service data collection and reporting requirements arising out of Senate Bill 50; help programs with rule revisions and drafts; and
- Fund Technical Assistance Program (TAP) implementing education modules and providing expert technical consultation to nursing facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	440-453	Health Care Quality Assurance	1,305,613	1,305,613
GSF	698	440-634	Nurse Aide Training	170,000	170,000
FED	391	440-606	Medicaid/Medicare	1,260,302	1,260,302
FED	392	440-618	Federal Public Health Programs	23,470	23,814
SSR	470	440-647	Fee Supported Programs	427,494	427,495
SSR	471	440-619	Certificate of Need	30,632	30,632
SSR	5B5	440-616	Quality, Monitoring, and Inspection	75,612	75,613
SSR	5L1	440-623	Nursing Facility Tech Assistance Program	664,282	698,595
TOTAL FOR PROGRAM				**3,957,405**	**3,992,064**

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.

The Executive Recommendation will:

- Fund all activities required to administer, maintain, and secure all births, deaths, fetal deaths, and other vital statistics in the state. There are approximately 148,000 births, 108,000 deaths, 80,000 marriage abstracts, 57,000 paternity actions, 45,000 divorce abstracts processed annually;
- Fund continuation of the vital statistics modernization and move to a paperless system, and continue digitization of all state vital records;
- Fund implementation of measures to prevent fraud and identity theft and comply with REAL ID and Intelligence Reform Act of 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	142	440-646	Agency Health Services	1,146,216	1,146,216
FED	392	440-618	Federal Public Health Programs	649,999	650,000
SSR	4G0	440-636	Heirloom Birth Certificate	5,000	5,000
SSR	470	440-647	Fee Supported Programs	15,658,805	13,617,701
SSR	5G4	440-639	Adoption Services	20,000	20,000
090	R14	440-631	Vital Statistics	70,000	70,000
TOTAL FOR PROGRAM				**17,550,020**	**15,508,917**

Program 04.02: All Hazards Preparedness

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 program plays a leadership role in the development of preparedness policy at the national, state, and local levels. 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.

The Executive Recommendation will:

- Assure the care and treatment of Ohioans during a public health emergency (e.g. pandemic flu) by providing vaccination or preventive medication, managing large numbers of hospital patients, preventing disease spread, and providing temporary shelter;
- Investigate outbreaks of disease and determine the source and cause;
- Provide information to Ohioans through communication with response partners and direct public and media communication;
- Assure plans address Ohio risks and vulnerabilities, may be effectively implemented, and efficiently manage resources;
- Assure that all local health departments have disaster plans and that hospital and public health plans are coordinated across communities and jurisdictions;
- Develop and maintain capacity to detect a bioterrorism event through epidemiological surveillance, the state public health laboratory, and the laboratory response network;
- Assure that the public health workforce is prepared to participate with the National Incident Management System; and
- Maintain 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 2008	RECOMMENDED FY 2009
GRF	GRF	440-451	Lab and Public Health Prevention	95,911	100,610
FED	392	440-618	Federal Public Health Programs	55,694,659	55,006,554
SSR	5EC	440-650	Health Emergency	15,312,500	0
SSR	610	440-626	Radiation Emergency Response	58,503	61,548
TOTAL FOR PROGRAM				**71,161,573**	**55,168,712**

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 134 local health departments

The Executive Recommendation will:

- Provide over $3.3 million per year in subsidy funds that are distributed to 134 local health departments based on a per capita formula. Funds are used to ensure local compliance with public health standards; and

- Fund 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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.

The Executive Recommendation will:

- Fund 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 activities promoting National Employee Health and Fitness Day and Healthy Ohioans Challenge; and
- Fund wellness and S.H.A.P.E. (Safety & Health Awareness for Public Employees) programs which include 22 educational programs, 20 screenings, 46 weight clubs, 37 blood drives, 30 yoga classes, 53 walking clubs, 32 Weight Watcher's at Work sessions, 14 offerings of mammograms, 77 upper body relaxation offerings, and 42 exercises classes.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	142	440-646	Agency Health Services	2,035,699	2,035,699
GSF	211	440-613	Central Support Indirect Costs	85,312	88,790
SSR	470	440-647	Fee Supported Programs	93,459	93,459
TOTAL FOR PROGRAM				**2,214,470**	**2,217,948**

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.

The Executive Recommendation will:

- Fund participation in approximately 40 Health and Wellness Fairs, reaching around 6,000 state employees;
- Fund approximately 180 Employee Assistance Program training events, reaching over 4,000 state employees;
- Provide Critical Incident Stress Debriefings (CISDs) and Intervention Services (including intervention services for Organization in Transition) on an as needed basis to all state employees; and
- Provide Employee Assistance Program resource seminars to more then 30 state agencies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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.

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.

The Executive Recommendation will:

- Fund all central administration activities – information technology services and support, human resources services, legal, budget, accounting, grants management, internal audits, EEO, public affairs, purchasing and facilities administration;
- Provide for rent and utilities payments, administration and monitoring of 11 physical locations including district offices where department employees conduct their business;
- Provide for hardware and software maintenance for over 1,400 laptop and desktop computers;
- Provide for application maintenance for over 50 internal applications and provide project management for almost 20 applications in development stages;
- Enable 24/7 web services and support for continuously increasing number of external and internal customers, host multiple department's websites; and
- Provide for necessary tenant improvement related to building renovation (e.g., office systems, data wiring).

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	211	440-613	Central Support Indirect Costs	28,029,395	28,025,917
FED	392	440-618	Federal Public Health Programs	120,000	120,000
SSR	4L3	440-609	Miscellaneous Expenses	42,470	42,470
090	R48	440-625	Refunds, Grants, Reconciliation, Audit	20,000	20,000
TOTAL FOR PROGRAM				**28,211,865**	**28,208,387**

LINE ITEM SUMMARY - Health

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	440-406	Hemophilia Services	9,419	0	0	0	0	.0	0	.0
GRF	440-407	Animal Borne Disease & Prevention	2,250,012	2,289,990	2,184,584	2,452,101	2,452,101	.0	2,452,101	.0
GRF	440-412	Cancer Incidence Surveillance Systm	832,870	1,008,893	939,211	1,002,619	1,002,619	.0	1,002,619	.0
GRF	440-413	Local Health Department Support	3,605,834	3,760,830	3,792,721	3,786,794	3,786,794	.0	3,786,794	.0
GRF	440-416	Child & Family Health Services	8,165,107	8,574,445	9,760,036	9,582,874	8,947,874	(6.6)	9,047,874	1.1
GRF	440-418	Immunizations	9,064,857	7,350,784	10,176,409	9,400,615	9,400,615	.0	9,400,615	.0
GRF	440-419	Sexual Assault Prevention	34,648	1,654	0	0	0	.0	0	.0
GRF	440-431	Free Clinic Liability Insur	0	0	129,219	345,000	0	(100.0)	0	.0
GRF	440-437	Healthy Ohio	0	0	0	0	1,502,618	.0	2,855,553	90.0
GRF	440-444	AIDS Prevention & Treatment	7,502,145	7,000,973	6,845,840	7,158,127	7,158,127	.0	7,158,127	.0
GRF	440-446	Infectious Disease Prevention	439,308	199,986	199,989	200,000	200,000	.0	200,000	.0
GRF	440-451	Lab and Public Health Prevention	5,149,724	5,416,393	6,362,209	6,085,250	6,085,250	.0	6,085,250	.0
GRF	440-452	Child & Family Health Serv Match	952,115	886,638	1,099,586	1,024,017	1,024,017	.0	1,024,017	.0
GRF	440-453	Health Care Quality Assurance	9,835,073	10,516,388	9,916,559	10,253,728	10,253,728	.0	10,253,728	.0
GRF	440-454	Local Environmental Health	990,595	841,881	839,766	889,752	889,752	.0	889,752	.0
GRF	440-459	Help Me Grow	9,769,593	9,323,025	9,348,033	9,323,797	10,923,397	17.2	15,039,347	37.7
GRF	440-461	Center for Vital & Health Stats	3,478,552	3,847,812	3,639,680	3,629,535	0	(100.0)	0	.0
GRF	440-504	Poison Control Network	360,022	130,015	0	0	0	.0	0	.0
GRF	440-505	Medically Handicapped Children	6,447,086	6,040,021	9,463,788	8,791,784	10,791,784	22.7	10,791,784	.0
GRF	440-507	Targeted Health Care Svs Over 21	724,109	683,565	838,891	2,364,574	1,681,023	(28.9)	1,681,023	.0
GRF	440-508	Migrant Health	91,301	0	0	0	0	.0	0	.0
GRF	440-511	UNCOMP CARE/EMRGNCY MED	0	0	0	0	0	.0	3,500,000	.0
TOTAL General Revenue Fund			**69,702,370**	**67,873,293**	**75,536,521**	**76,290,567**	**76,099,699**	**(.3)**	**85,168,584**	**11.9**
142	440-618	Agency Health Services	1,913,614	1,721,162	1,761,558	0	0	.0	0	.0
142	440-646	Agency Health Services	0	0	0	2,561,915	3,461,915	35.1	3,461,915	.0
211	440-613	Central Support Indirect Costs	23,712,789	24,666,476	24,920,585	26,584,707	28,884,707	8.7	28,884,707	.0
473	440-622	Lab Operating Expenses	3,281,773	3,205,817	3,121,451	4,154,045	4,954,045	19.3	4,954,045	.0
5C1	440-642	TANF Family Planning	6,250	0	0	0	0	.0	0	.0
5K4	440-617	Sexual Assault Preventn/Interventn	4,330	0	0	0	0	.0	0	.0
683	440-633	Employee Assistance Program	1,055,166	1,069,478	1,067,554	1,208,214	1,208,214	.0	1,208,214	.0
698	440-634	Nurse Aide Training	157,895	96,135	20,338	170,000	170,000	.0	170,000	.0
TOTAL General Services Fund Group			**30,131,817**	**30,759,068**	**30,891,486**	**34,678,881**	**38,678,881**	**11.5**	**38,678,881**	**.0**
3W5	440-611	Abstinence Education	41,612	0	0	0	0	.0	0	.0
320	440-601	Maternal Child Health Block Grant	27,418,363	25,610,133	23,645,438	29,025,635	29,025,635	.0	29,025,635	.0
387	440-602	Preventive Health Block Grant	7,367,480	7,146,344	6,374,791	7,826,659	7,826,659	.0	7,826,659	.0
389	440-604	Women, Infants and Children	205,311,396	214,553,169	219,272,212	230,077,450	230,077,451	.0	230,077,451	.0
391	440-606	Medicaid/Medicare	21,851,318	22,589,272	21,321,074	24,850,959	24,850,959	.0	24,850,959	.0

LINE ITEM SUMMARY - Health

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
392	440-618	Federal Public Health Programs	103,828,112	135,957,833	126,279,853	127,677,458	136,778,215	7.1	136,778,215	.0
TOTAL Fed Special Revenue Fund Group			**365,818,281**	**405,856,751**	**396,893,368**	**419,458,161**	**428,558,919**	**2.2**	**428,558,919**	**.0**
4D6	440-608	Genetics Services	1,417,808	1,912,187	2,066,315	3,117,000	3,317,000	6.4	3,317,000	.0
4F9	440-610	Sickle Cell Disease Control	570,468	637,619	814,518	1,035,344	1,035,344	.0	1,035,344	.0
4G0	440-636	Heirloom Birth Certificate	0	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	Miscellaneous Expenses	96,113	115,525	60,685	144,119	446,468	209.8	446,468	.0
4T4	440-603	Child Highway Safety	196,831	232,254	181,057	233,894	233,894	.0	233,894	.0
4V6	440-641	Save Our Sight	1,301,479	1,254,946	1,407,299	1,767,994	1,767,994	.0	1,767,994	.0
470	440-618	General Operations-Fee Support	10,530,210	12,528,502	15,112,160	0	0	.0	0	.0
470	440-647	Fee Supported Programs	0	0	0	21,525,195	27,946,243	29.8	25,905,140	(7.3)
471	440-619	Certificate of Need	466,244	444,070	560,557	594,572	869,000	46.2	898,000	3.3
477	440-627	Med Handicapped Children Audit	3,253,993	2,913,133	2,641,378	3,693,016	3,693,016	.0	3,693,016	.0
5BL	440-638	Healthy Ohioans	0	0	3,941,918	575,000	0	(100.0)	0	.0
5B5	440-616	Quality, Monitoring and Inspection	526,603	528,067	739,053	838,479	838,479	.0	838,479	.0
5CB	440-640	Poison Control Centers	0	0	200,000	200,000	0	(100.0)	0	.0
5CN	440-645	Choose Life	0	0	0	75,000	75,000	.0	75,000	.0
5C0	440-615	Alcohol Testing and Permit	1,142,541	1,110,949	1,088,050	1,455,405	1,455,405	.0	1,455,405	.0
5D6	440-620	Second Chance Trust	437,421	976,474	1,133,067	1,054,951	1,054,951	.0	1,054,951	.0
5EC	440-650	Health Emergency	0	0	0	0	15,312,500	.0	0	(100.0)
5ED	440-651	Smoke Free Indoor Air	0	0	0	0	800,000	.0	800,000	.0
5E1	440-624	Health Services	69,223	563,953	0	0	0	.0	0	.0
5G4	440-639	Adoption Services	18,911	5,590	0	20,000	20,000	.0	20,000	.0
5L1	440-623	Nursing Facility Tech Assist Prog	421,788	460,650	531,658	617,517	664,282	7.6	698,595	5.2
610	440-626	Radiation Emergency Response	619,121	522,497	555,845	850,000	850,000	.0	850,000	.0
666	440-607	Medicly Hndp Chldrn Co Assess	17,980,036	13,079,849	8,744,622	14,320,687	14,320,687	.0	14,320,687	.0
TOTAL State Special Revenue Fund Group			**39,048,790**	**37,286,265**	**39,778,182**	**52,128,173**	**74,710,263**	**43.3**	**57,419,973**	**(23.1)**
R14	440-631	Vital Statistics	51,699	52,857	43,882	70,000	70,000	.0	70,000	.0
R48	440-625	Refunds,Grants,Reconcil,Audit	0	14,606	13,131	20,000	20,000	.0	20,000	.0
TOTAL Holdng Acct Redist Fund Group			**51,699**	**67,463**	**57,013**	**90,000**	**90,000**	**.0**	**90,000**	**.0**
TOTAL Department of Health			**504,752,957**	**541,842,840**	**543,156,570**	**582,645,782**	**618,137,762**	**6.1**	**609,916,357**	**(1.3)**

Higher Education Facilities Commission

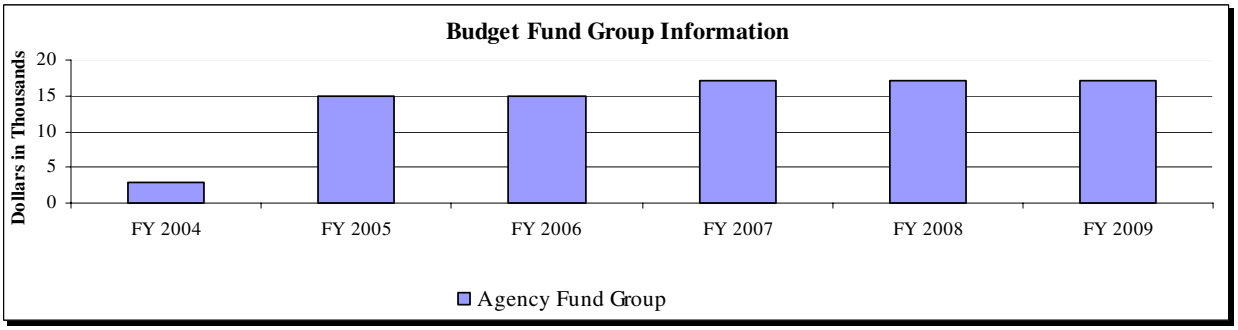
Role and Overview

The Higher Education Facilities Commission assists Ohio's independent colleges and universities, and certain hospitals and health care systems, 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 and hospitals through the sale of tax-exempt bonds issued by the commission. In turn, the commission enters into agreements whereby a college, university, or hospital leases the facility from the commission and pays rent to the commission in the amount needed to retire the bonds.

Agency Priorities

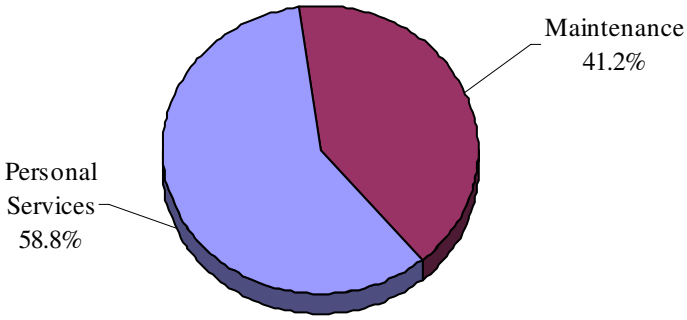
- Provide tax-exempt bonds to non-profit private colleges and universities to lower the costs of capital projects.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Agency Fund Group	3	15	15	17	13.3	17	.0	17	.0
TOTAL	**3**	**15**	**15**	**17**	**13.3**	**17**	**.0**	**17**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	0	1	1	8	1,233.3	10	24.0	10	.0
Maintenance	2	6	14	4	(68.1)	7	54.5	7	.0
Transfer & Other	0	8	0	4	1,706.2	0	(100.0)	0	.0
TOTAL	**3**	**15**	**15**	**17**	**13.3**	**17**	**.0**	**17**	**.0**

PROGRAM SERIES 01: Higher Education Funding Commission

This program series 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, and hospitals, who do business with the commission.

Program 01.01: Program Management

This 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 and hospitals.

The Executive Recommendation will:

- Support the reimbursement of direct expenses of the members of the commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
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 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
461	372-601	Operating Expenses	2,953	14,641	14,847	16,819	16,819	.0	16,819	.0
TOTAL Agency Fund Group			**2,953**	**14,641**	**14,847**	**16,819**	**16,819**	**.0**	**16,819**	**.0**
TOTAL Higher Ed Facilities Comm			**2,953**	**14,641**	**14,847**	**16,819**	**16,819**	**.0**	**16,819**	**.0**

Role and Overview

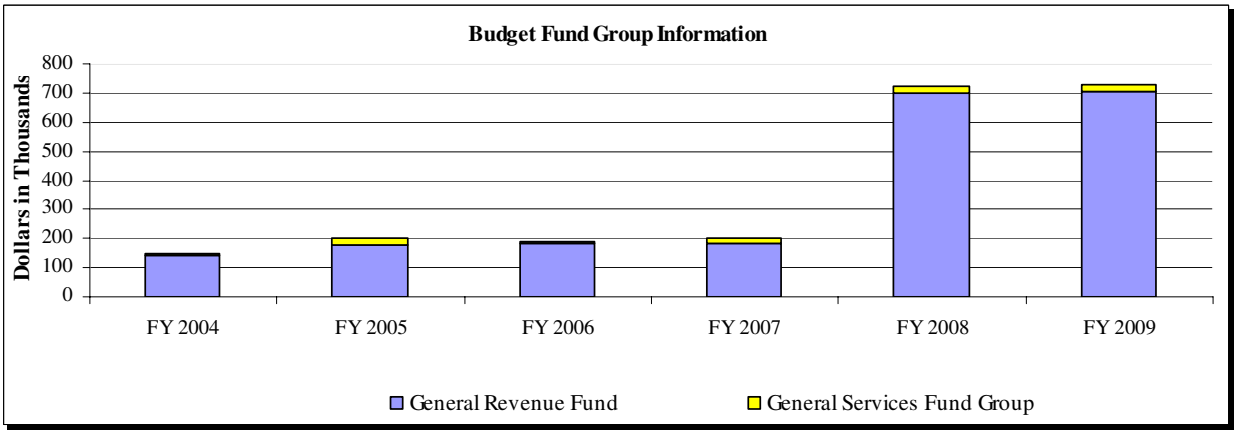
The Ohio Commission on Hispanic-Latino Affairs (OCHLA) provides leadership in addressing issues concerning Hispanic-Latino Ohioans. The commission serves as a liaison between state government and the Hispanic-Latino community in Ohio, and advocates for the development and implementation of policies and programs to address the needs of Hispanic-Latino Ohioans, especially, but not limited to, education, employment, economic development, health, and housing.

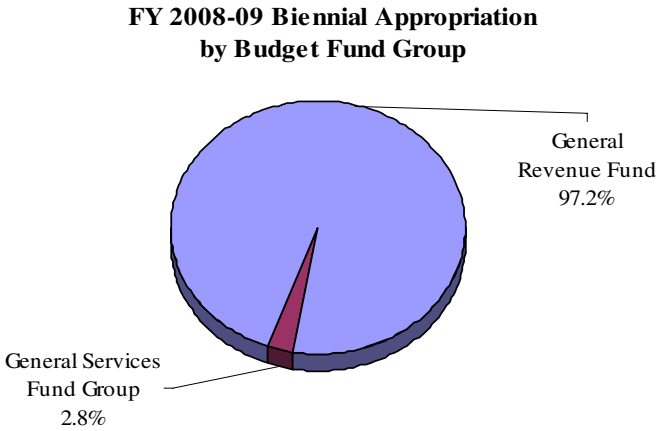
OCHLA is governed by an 11-member board appointed by the Governor. The commission employs an executive director and a secretary and has an annual budget of approximately $700,000. The commission focuses its resources on programs and activities in the areas of employment, education, health, and equity. The commission's website is located at http://ochla.ohio.gov/.

Agency Priorities

- Gather and disseminate information about and for the Hispanic-Latino community.
- Advise policy makers on issues facing the Hispanic-Latino community.
- Apply for and administer grants.

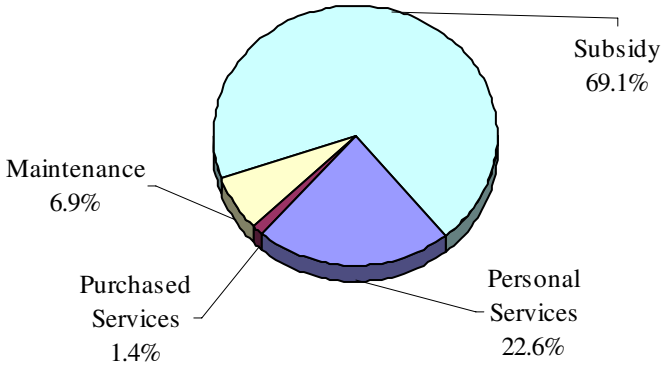
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	140	178	182	182	.0	700	285.1	707	1.0
General Services Fund Group	8	21	5	20	308.8	20	.0	20	.0
TOTAL	**149**	**199**	**187**	**202**	**8.0**	**720**	**256.9**	**727**	**1.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	114	157	141	150	6.6	160	6.5	167	4.4
Purchased Services	3	1	5	5	7.1	10	82.5	10	.0
Maintenance	31	41	41	46	13.2	50	8.9	50	.0
Subsidy	0	0	0	0	.0	500	.0	500	.0
TOTAL	**149**	**199**	**187**	**202**	**8.0**	**720**	**256.9**	**727**	**1.0**

PROGRAM SERIES 01: Hispanic/Latino Initiatives

This program series enables the agency to gather information on the needs of the Hispanic-Latino community and then advise policymakers 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.

The Executive Recommendation will:

- Fund one half of the payroll costs for two employees and office maintenance costs; and
- Provide $500,000 per year to fund community programming.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	148-100	Personal Services	95,966	99,483
GRF	GRF	148-200	Maintenance	25,132	25,132
GRF	GRF	148-402	Community Projects	500,000	500,000
GSF	601	148-602	Program Support	10,000	10,000
TOTAL FOR PROGRAM				**631,098**	**634,615**

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.

The Executive Recommendation will:

- Fund one half of the payroll costs for two employees and office maintenance costs; and
- Fund salaries and expenses for 11 board members for statutorily-required board meetings.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	148-100	Personal Services	64,155	67,673
GRF	GRF	148-200	Maintenance	14,868	14,868
GSF	601	148-602	Program Support	10,000	10,000
TOTAL FOR PROGRAM				**89,023**	**92,541**

LINE ITEM SUMMARY - Hispanic-Latino Affairs

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	148-100	Personal Services	115,654	141,382	146,193	145,880	160,121	9.8	167,156	4.4
GRF	148-200	Maintenance	24,802	36,870	35,671	35,901	40,000	11.4	40,000	.0
GRF	148-402	Community Projects	0	0	0	0	500,000	.0	500,000	.0
TOTAL General Revenue Fund			**140,456**	**178,252**	**181,864**	**181,781**	**700,121**	**285.1**	**707,156**	**1.0**
601	148-602	Program Support	8,485	20,613	4,892	20,000	20,000	.0	20,000	.0
TOTAL General Services Fund Group			**8,485**	**20,613**	**4,892**	**20,000**	**20,000**	**.0**	**20,000**	**.0**
TOTAL Com on Hispanic/Latino Affairs			**148,941**	**198,865**	**186,756**	**201,781**	**720,121**	**256.9**	**727,156**	**1.0**

Role and Overview

The Ohio Historical Society (OHS) is a non-profit corporation chartered by the State of Ohio to promote knowledge of Ohio's history. Funds are appropriated to the society by the General Assembly and Governor to carry out certain public functions prescribed by law (ORC 149.3). They 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.

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 299 full-time equivalent employees. State funding represents about 63 percent of the society's total annual operating budget. Contracts, grants, private contributions, and earned revenue comprise the other 37 percent. Earned revenue consists primarily of membership, admissions and parking fees, merchandise sales, and library and research services. Operating funding from the state totals approximately $13.6 million in fiscal year 2007.

More information regarding the Ohio Historical Society is available at http://www.ohiohistory.org/.

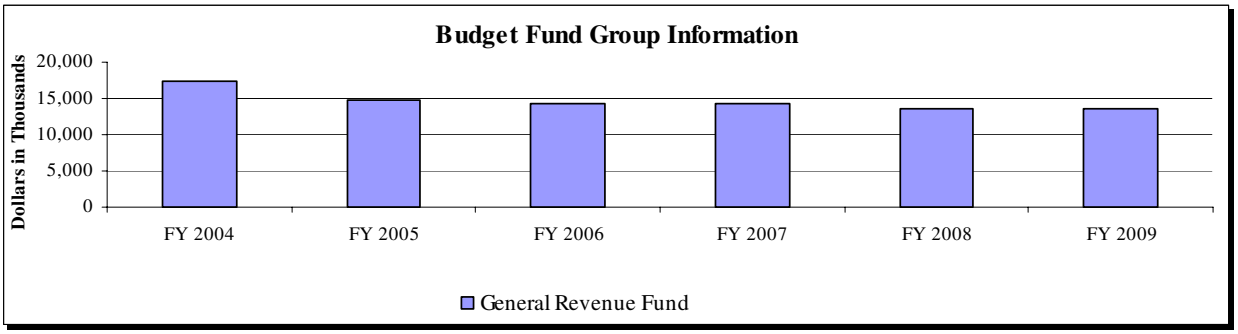
Turnaround Ohio Initiatives

- Encourage reinvestment in Ohio's older communities through the promotion of heritage tourism and the continuous improvement of Ohio's state-administered historic sites and museums.
- Administer state and federal historic preservation tax credit programs and support the Ohio Main Street program through the work of the State Historic Preservation Office.
- Support the mission of the proposed Office of Urban Development and Infrastructure and support regional economic development efforts through a competitive matching grants program for local history-related organizations, administering the Certified Local Government program, improving local development decision making through access to statewide inventories of historic properties and archaeological sites, and providing access to public documents through the State Archives.
- Support the educational endeavors of Ohio's children and the continuing education of Ohio's citizens through engaging history exhibits and instructional public programs, as well as special programs such as National History Day in Ohio, the collaborative Congressional Academy project, and distance learning programs.
- Promote high-quality teaching and instruction through involvement with the Ohio Social Studies Resource Center, the administering of the Buckeye Council for History Education, and teacher training programs.
- Work with the Ohio School Facilities to identify and promote the rehabilitation of historic community schools to help the state pursue its goal of making schools the center of communities.
- Improve accountability and transparency through the enhancement of OHS's accounting system and through accreditation review of OHS's museum functions by the American Association of Museums.

Agency Priorities

- Provide access to historic sites and museums statewide as well as print and online historical educational programs for teachers, students and families.
- Preserve and provide in-person and online access to documents and artifacts that record and preserve the history of Ohio through the State Archives, Collections Services, and Research Library.
- Preserve evidence of Ohio's heritage and support economic development through the State Historic Preservation Office by encouraging and assisting preservation activities.
- Boost heritage tourism and history efforts statewide by promoting the diverse array of 60 state-administered historical sites and museums, as well as partnering to assist the activities of the state's local historic, preservation, and archival organizations through the Local History Office.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	17,328	14,779	14,320	14,295	(.2)	13,620	(4.7)	13,618	.0
TOTAL	**17,328**	**14,779**	**14,320**	**14,295**	**(.2)**	**13,620**	**(4.7)**	**13,618**	**.0**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Subsidy	17,328	14,779	14,320	14,295	(.2)	13,620	(4.7)	13,618	.0
TOTAL	**17,328**	**14,779**	**14,320**	**14,295**	**(.2)**	**13,620**	**(4.7)**	**13,618**	**.0**

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 Interpretive 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.

The Executive Recommendation will:

- Provide for the operation, preservation, and ongoing development of 60 historic sites and museums in Ohio;
- Provide curriculum development, teacher training, and educational materials aimed at helping students meet state academic content standards; and
- Create jobs by encouraging people to visit sites and spend tourism dollars in regions where they travel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	360-501	Operating Subsidy	1,183,179	1,183,179
GRF	GRF	360-502	Site & Museum Operations	6,344,736	6,344,736
GRF	GRF	360-505	Nat'l Afro-American Museum	762,433	762,433
GRF	GRF	360-506	Hayes Presidential Center	514,323	514,323
GRF	GRF	360-508	State Historical Grants	75,000	75,000
TOTAL FOR PROGRAM				**8,879,671**	**8,879,671**

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.

The Executive Recommendation will:

- Allow OHS to organize, label, file and serve as the repository for public records for Ohio's agencies, boards, commissions, counties, municipalities, townships, school districts, and numerous special taxing districts;
- Host online databases of artifacts, documents, and images from the society's collections, as well as 330 other cultural heritage repositories;
- Manage the acquisition, assessment, and preservation of the society's historical documents and artifact collection; and
- Facilitate learning by operating an historical research library used by students, professional historians, genealogists, and the general public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	360-501	Operating Subsidy	1,727,002	1,727,002
GRF	GRF	360-502	Site & Museum Operations	1,801,719	1,801,719
TOTAL FOR PROGRAM				**3,528,721**	**3,528,721**

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.

The Executive Recommendation will:

- Administer the newly created state historic preservation tax credit program for rehabilitating historic buildings;
- Serve as the official historic preservation agency of the state that implements federal preservation policy;
- Assist over 400 local historical societies and nearly 400 additional history-related groups in Ohio;
- Lead to over $230 million per year in historic federal tax credit project work, which yields nearly 5,000 new jobs per year; and
- Review 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 2008	RECOMMENDED FY 2009
GRF	GRF	360-501	Operating Subsidy	337,352	337,360
GRF	GRF	360-502	Site & Museum Operations	335,824	335,831
GRF	GRF	360-504	Ohio Preservation Office	417,516	415,381
TOTAL FOR PROGRAM				**1,090,692**	**1,088,572**

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.

The Executive Recommendation will:

- Support the society's goals of increasing membership and raising additional resources and support from the private sector;
- Support the society's goals by communicating and marketing OHS programs to current and potential audiences; and
- Obtain 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 2008	RECOMMENDED FY 2009
GRF	GRF	360-501	Operating Subsidy	101,711	101,711
GRF	GRF	360-502	Site & Museum Operations	19,502	19,502
TOTAL FOR PROGRAM				**121,213**	**121,213**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

360-504, Ohio Preservation Office: Funding will greatly increase for OHS to administer the newly created Historic Preservation Tax Credit program.

360-508, State Historical Grants: This line item has consisted of support for museums not associated with OHS in the past. Traditionally, OHS requests no money for this line item, so it shows a significant decrease.

LINE ITEM SUMMARY - Historical Society

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	360-403	Adena-Worthington Home	196,000	145,500	0	0	0	.0	0	.0
GRF	360-501	Operating Subsidy	3,322,174	3,288,274	3,288,274	3,288,274	3,349,244	1.9	3,349,252	.0
GRF	360-502	Site & Museum Operations	8,070,794	7,993,225	8,388,725	8,388,725	8,501,781	1.3	8,501,788	.0
GRF	360-503	Ohio Bicentennial Commission	1,773,349	56,419	0	0	0	.0	0	.0
GRF	360-504	Ohio Preservation Office	288,773	281,041	281,041	281,041	417,516	**	415,381	(.5)
GRF	360-505	Nat'l Afro-American Museum	762,666	754,884	754,884	754,884	762,433	1.0	762,433	.0
GRF	360-506	Hayes Presidential Center	514,481	509,231	509,231	509,231	514,323	1.0	514,323	.0
GRF	360-508	State Historical Grants	2,400,000	1,750,000	1,097,500	1,072,500	75,000	**	75,000	.0
TOTAL General Revenue Fund			**17,328,237**	**14,778,574**	**14,319,655**	**14,294,655**	**13,620,297**	**(4.7)**	**13,618,177**	**.0**
TOTAL Historical Society			**17,328,237**	**14,778,574**	**14,319,655**	**14,294,655**	**13,620,297**	**(4.7)**	**13,618,177**	**.0**

Role and Overview

The Ohio 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 25 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.

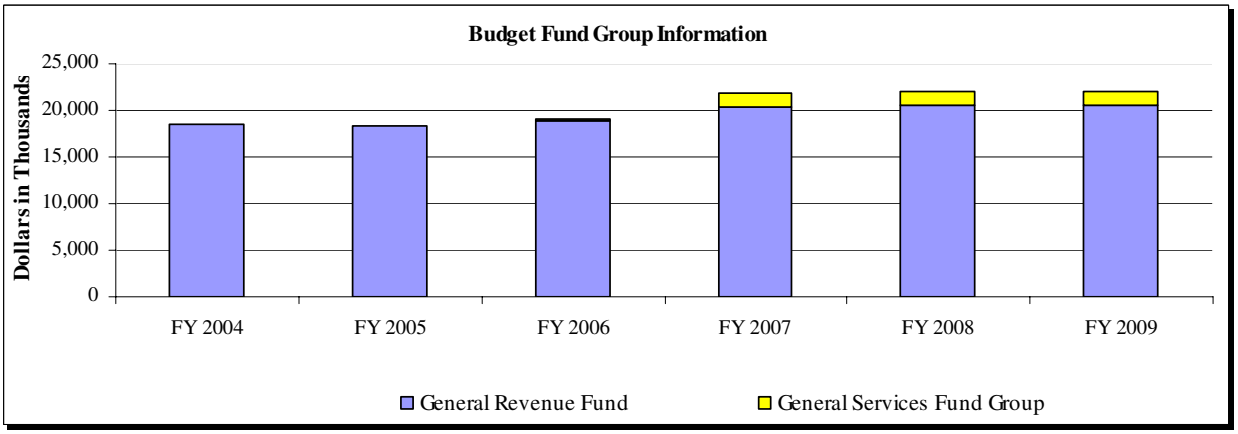
The 99 members of the House are supported by a full-time staff of about 190 employees with an annual budget of approximately $22.0 million.

Pursuant to Section 107.03(B) of the Ohio Revised Code, the Governor may not alter the funding requests of agencies of the legislative branch of government. The House of Representatives provides the Office of Budget and Management with their budget request for inclusion in the executive budget proposal and not for consideration or approval.

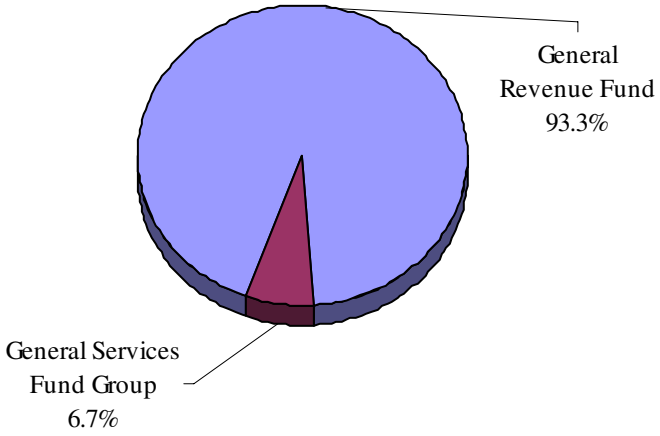
Additional information regarding the House of Representatives is available at http://www.house.state.oh.us/.

Agency Priorities

- Enact laws of the state in conjunction with the Senate, subject to the approval of the Governor.

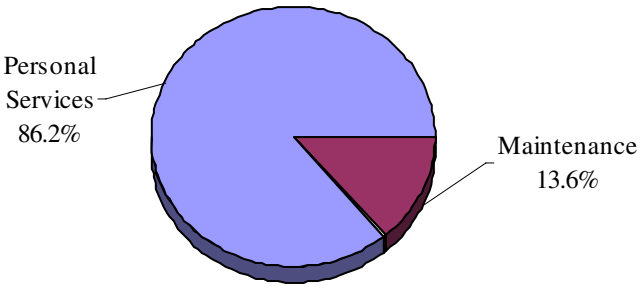


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	18,428	18,359	18,937	20,371	7.6	20,575	1.0	20,575	.0
General Services Fund Group	57	31	178	1,457	719.1	1,472	1.0	1,472	.0
TOTAL	**18,485**	**18,390**	**19,115**	**21,828**	**14.2**	**22,046**	**1.0**	**22,046**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	17,071	16,754	17,478	18,821	7.7	19,007	1.0	19,007	.0
Purchased Services	32	43	23	0	(100.0)	0	.0	0	.0
Maintenance	1,088	1,003	1,066	2,969	178.5	3,001	1.1	3,001	.0
Equipment	272	569	530	0	(100.0)	0	.0	0	.0
Goods For Resale	22	22	18	37	111.2	38	1.0	38	.0
Transfer & Other	0	0	0	0	.0	0	.0	0	.0
TOTAL	**18,485**	**18,390**	**19,115**	**21,828**	**14.2**	**22,046**	**1.0**	**22,046**	**.0**

PROGRAM SERIES 01: House of Representatives

This program series supports the efforts of state representatives and their staffs to represent their districts 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.

The House of Representative's Request will:

- Continue the current level of 271 full-time positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	025-321	Operating Expenses	20,574,568	20,574,568
GSF	103	025-601	House Reimbursement	1,433,664	1,433,664
GSF	4A4	025-602	Miscellaneous Sales	37,849	37,849
TOTAL FOR PROGRAM				**22,046,081**	**22,046,081**

LINE ITEM SUMMARY - House of Representatives

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	025-321	Operating Expenses	18,428,388	18,359,466	18,937,079	20,370,859	20,574,568	1.0	20,574,568	.0
TOTAL General Revenue Fund			**18,428,388**	**18,359,466**	**18,937,079**	**20,370,859**	**20,574,568**	**1.0**	**20,574,568**	**.0**
103	025-601	House Reimbursement	28,249	8,833	161,480	1,419,469	1,433,664	1.0	1,433,664	.0
4A4	025-602	Miscellaneous Sales	28,498	22,195	16,386	37,474	37,849	1.0	37,849	.0
TOTAL General Services Fund Group			**56,747**	**31,028**	**177,866**	**1,456,943**	**1,471,513**	**1.0**	**1,471,513**	**.0**
TOTAL House of Representatives			**18,485,135**	**18,390,494**	**19,114,945**	**21,827,802**	**22,046,081**	**1.0**	**22,046,081**	**.0**

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, and became independently administered by an 11-member board on July 1, 2005. The agency's activities include financing the acquisition, construction, rehabilitation, and remodeling of housing intended for rental or ownership, or both, by families of low or moderate income.

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 or their designees. A staff of 139 (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 $9.75 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.

Since its inception in 1983, the OHFA has issued over $6 billion in tax-exempt mortgage revenue bonds that have allowed 100,000 households in all of Ohio's 88 counties to become homeowners. As the allocating agency for the federal housing credit program, more than 78,000 rental-housing units have been created or upgraded since 1987.

More information regarding the Ohio Housing Finance Agency is available at http://www.ohiohome.org/.

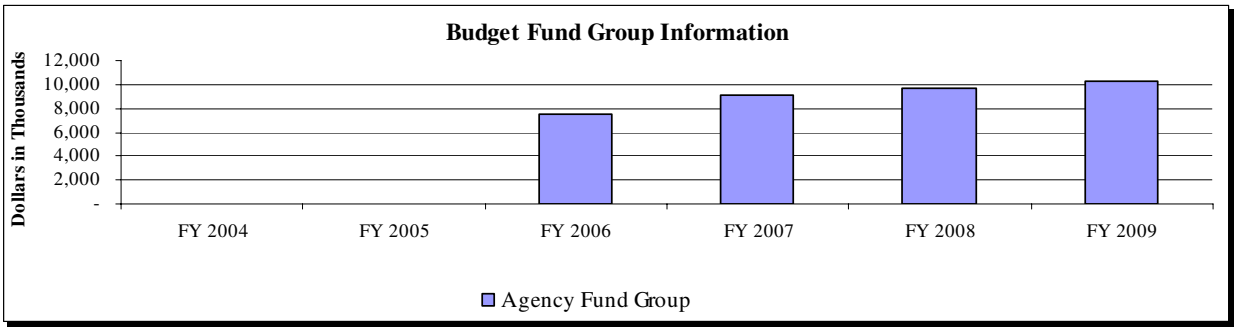
Turnaround Ohio Initiatives

- Focus on Ohio's strengths by building on regional economies and globally competitive industries, spurring small- and mid-size business growth, and supporting emerging entrepreneurs in the urban core.
- Stabilize health costs for government and businesses and advance the health of citizens by increasing the number of Ohioans who have access to affordable, high-quality healthcare, preventing illness and injury, and focusing on community-based services for children, families, older adults, and persons with disabilities.
- Retain, create, and attract jobs worthy of Ohio workers by focusing on industry sectors in which companies are growing, and that will spur the economy to generate wealth and prosperity for the future.

Agency Priorities

- Continue outreach in the First Time Homebuyer (FTHB) Program while maximizing the impact of a limited supply of private activity volume cap that allows the issuance of tax-exempt bonds to fund fixed rate below market interest mortgage loans.
- Align the resources necessary to create and maintain a taxable bond program.
- Increase marketing efforts to lenders, real estate agents, and other vital stakeholders, including training opportunities and other educational events.
- Increase efficiencies in the allocation of funding.
- Provide more streamlined customer service to internal and external customers by using available technology.
- Reinvest in new initiatives that address critical needs in the State of Ohio using revenue generated by a successful mortgage revenue bond program.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Agency Fund Group	0	0	7,573	9,173	21.1	9,751	6.3	10,237	5.0
TOTAL	**0**	**0**	**7,573**	**9,173**	**21.1**	**9,751**	**6.3**	**10,237**	**5.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	0	0	7,357	9,173	24.7	9,751	6.3	10,237	5.0
Purchased Services	0	0	5	0	(100.0)	0	.0	0	.0
Maintenance	0	0	189	0	(100.0)	0	.0	0	.0
Equipment	0	0	22	0	(100.0)	0	.0	0	.0
TOTAL	**0**	**0**	**7,573**	**9,173**	**21.1**	**9,751**	**6.3**	**10,237**	**5.0**

PROGRAM SERIES 01: Affordable Housing

This program series offers affordable housing opportunities for Ohioans.

Program 01.01: Program Management

The Director's Office, with a staff of nine 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. The Executive Director 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 Finance Office, with a staff of 34 employees, provides fiscal management and accounting for the agency and its programs. It manages over $2.0 billion in combined mortgage bonds payable, and represents the agency with bond counsel, bond trustees, and investment bankers. The Finance Office also administers more than $45 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 $230 million.

In addition, the Administration Office's 13 employees provide administrative support functions, and the Information Technology Office provides technical support with a staff of 11 employees. The Communications Office's seven employees lead communications and marketing initiatives, including coordinating the Ohio Housing Conference and other special events, handling all press and media relations, and managing all marketing and advertising campaigns.

The Executive Recommendation will:

- Support the oversight of all agency activities, including centralized information technology and finance services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	5,336,902	5,628,261
TOTAL FOR PROGRAM				**5,336,902**	**5,628,261**

Program 01.02: Home Ownership

The Homeownership Office, with a staff of 20 employees, is responsible for providing homeownership opportunities 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 160 Ohio financial institutions as participating lenders in this program. Through the program's two-tiered interest rate structure, borrowers enjoy the flexibility of choosing a mortgage rate that best fits their needs.

The First-Time Homebuyer Program also makes available a down payment assistance grant in an amount equal to two percent of the home's purchase price and a second mortgage in an amount up to four percent of the home's purchase price. Historically, more than one-third of the mortgages funded include a down payment assistance grant.

The Executive Recommendation will:

- Support the operations of the First-Time Homebuyer Program, for which the agency expects to issue $1 billion per year in mortgage revenue bonds to fund 9,000 mortgages statewide.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	1,405,098	1,469,421
TOTAL FOR PROGRAM				**1,405,098**	**1,469,421**

Program 01.03: Planning, Preservation, and Development

Through innovative financing and tax incentives, the Planning, Preservation and Development Office, with a staff of 19 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 pre-development through construction finance to permanent financing. A variety of funding sources are available, including federal housing tax credits, Ohio's unclaimed funds, the Ohio Housing Trust Fund, the federal HOME Program, and tax-exempt bonds. Most planning, preservation, and development opportunities 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. Additional incentives for other policy objectives, such as universal design, energy efficiency, and permanent supportive housing for the homeless, are built into the program designs.

The Planning, Preservation, and Development Office also administers the Community Housing Development Organization (CHDO) annual operating grant program. This program, funded with federal HOME dollars, enhances the capacity and sustainability of community-based non-profit housing organizations that are dedicated to provide affordable housing in underserved persons and communities across the state.

The Executive Recommendation will:

- Support staffing for the Housing Development Loan Program, which is expected to approve loans of approximately $35 million per year to enhance the financing of 1,700 affordable housing credit rental units;
- Support staffing for the Housing Development Assistance Program and CHDO operating grants, from which the agency expects to award $29 million per year in loans; and
- Provide staffing for the Housing Credit Program, from which the agency will allocate $26.5 million in annual credits, resulting in the development of 60 properties consisting of 3,900 affordable housing units.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	1,343,717	1,401,331
TOTAL FOR PROGRAM				**1,343,717**	**1,401,331**

Program 01.04: Program Compliance

The Program Compliance Office, with a staff of 26 employees, monitors more than 1,300 rental properties throughout Ohio. Program Compliance ensures that 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. The office, in concert with the Multifamily Management Annual Plan 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.

The Executive Recommendation will:

- Support the staffing needed to monitor compliance at over 71,000 Housing Credit and Housing Development Assistance Program rental units, 3,500 multifamily bond-financed units, and 202 Federal Deposit Insurance Corporation units.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	5AZ	997-601	Housing Finance Agy Persona Svcs	1,665,236	1,738,478
TOTAL FOR PROGRAM				**1,665,236**	**1,738,478**

LINE ITEM SUMMARY - Ohio Housing Finance Agency

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5AZ	997-601	Housing Finance Agy Persona Svcs	0	0	7,572,518	9,173,332	9,750,953	6.3	10,237,491	5.0
TOTAL Agency Fund Group			**0**	**0**	**7,572,518**	**9,173,332**	**9,750,953**	**6.3**	**10,237,491**	**5.0**
TOTAL Ohio Housing Finance Agency			**0**	**0**	**7,572,518**	**9,173,332**	**9,750,953**	**6.3**	**10,237,491**	**5.0**

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.

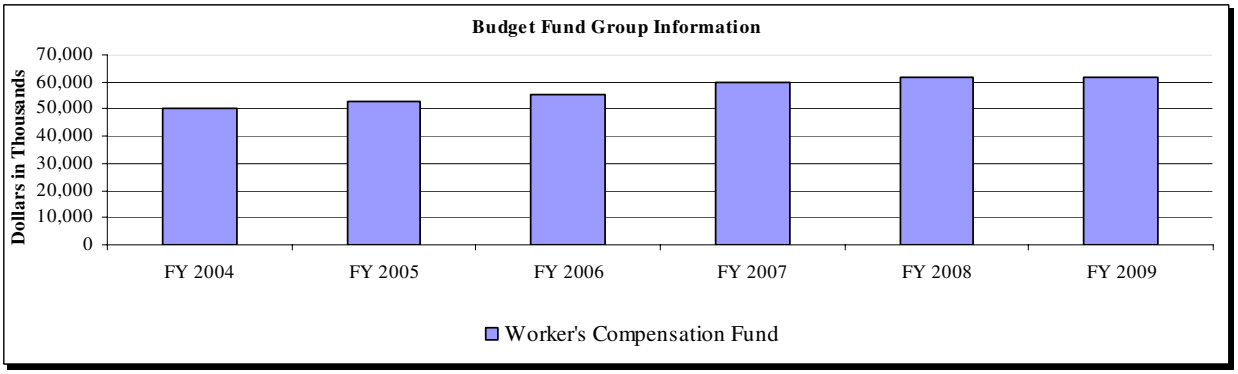
The office is governed by a three-member commission appointed by the Governor, with the advice and consent of the Senate. Each member is required to have six or more years of recognized expertise in the field of workers' compensation and at least one member is required to be a licensed attorney. One 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 approximately 554 employees and an annual budget of approximately $60 million.

More information regarding the Ohio Industrial Commission is available at http://www.ohioic.com/.

Agency Priorities

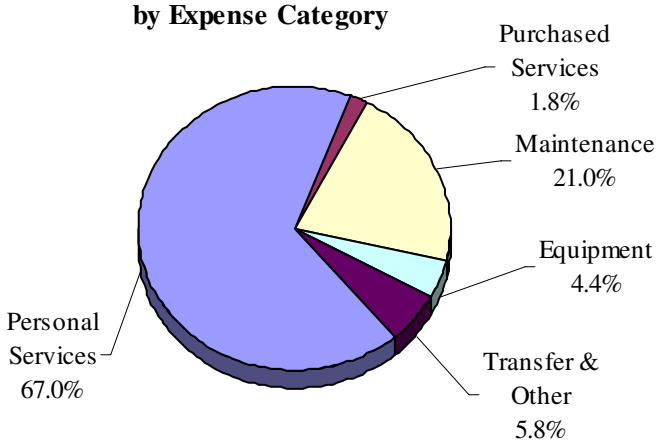
- Provide fair and impartial resolutions to disputes in workers' compensation claims through an easily accessible hearing process completed within the time frames mandated by law.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Workers' Compensation Fund Group	50,087	52,730	55,075	59,999	8.9	61,799	3.0	61,799	.0
TOTAL	**50,087**	**52,730**	**55,075**	**59,999**	**8.9**	**61,799**	**3.0**	**61,799**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	34,502	35,500	37,876	38,933	2.8	41,410	6.4	41,410	.0
Purchased Services	1,250	1,717	1,318	2,217	68.2	1,117	(49.6)	1,117	.0
Maintenance	8,746	10,117	11,411	12,823	12.4	12,991	1.3	12,991	.0
Equipment	2,130	2,106	1,071	2,571	140.0	2,723	5.9	2,723	.0
Transfer & Other	3,458	3,290	3,398	3,455	1.7	3,559	3.0	3,559	.0
TOTAL	**50,087**	**52,730**	**55,075**	**59,999**	**8.9**	**61,799**	**3.0**	**61,799**	**.0**

PROGRAM SERIES 01: Claims Adjudication

This program series serves injured workers and their employers through expeditious and impartial resolutions of issues arising from workers' compensation claims.

Program 01.01: Claims Adjudication

This program series serves injured workers and their employers through expeditious and impartial resolutions of issues arising from workers' compensation claims.

The Executive Recommendation will:

- Fund 535 employees who will manage hearings, adjudicate disputed claims, and process over 188,500 approved claims per year;
- Fund William Green rent payments; and
- Fund payments made to the Attorney General's office for legal services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	5W3	845-321	Operating Expenses	51,778,924	51,778,924
WCF	5W3	845-402	Rent-William Green Building	6,299,960	6,299,960
WCF	5W3	845-410	Attorney General Payments	3,558,634	3,558,634
WCF	821	845-605	Program Support	161,847	161,847
TOTAL FOR PROGRAM				**61,799,365**	**61,799,365**

LINE ITEM SUMMARY - Industrial Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5W3	845-321	Operating Expenses	43,593,839	45,163,661	45,772,289	50,270,800	51,778,924	3.0	51,778,924	.0
5W3	845-402	Rent-William Green Building	2,910,423	4,181,997	5,884,383	6,116,466	6,299,960	3.0	6,299,960	.0
5W3	845-410	Attorney General Payments	3,454,984	3,289,747	3,397,971	3,454,984	3,558,634	3.0	3,558,634	.0
821	845-605	Program Support	127,367	94,851	20,368	157,133	161,847	3.0	161,847	.0
TOTAL Workers' Compensation Fund Group			**50,086,613**	**52,730,256**	**55,075,011**	**59,999,383**	**61,799,365**	**3.0**	**61,799,365**	**.0**
TOTAL Industrial Commission			**50,086,613**	**52,730,256**	**55,075,011**	**59,999,383**	**61,799,365**	**3.0**	**61,799,365**	**.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 operates with a 12-member staff and an annual budget of $1.7 million. 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 regarding the Inspector General is available at http://watchdog.ohio.gov/.

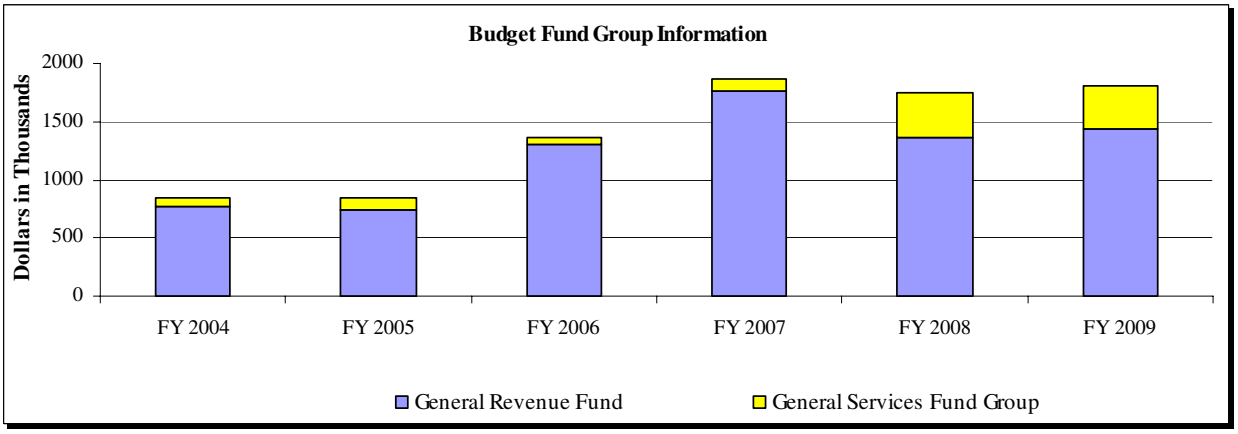
Turnaround Ohio Initiatives

- Continue diligence in investigations of wrongdoing and further demonstrate a zero-tolerance attitude for wrongdoing within state government.

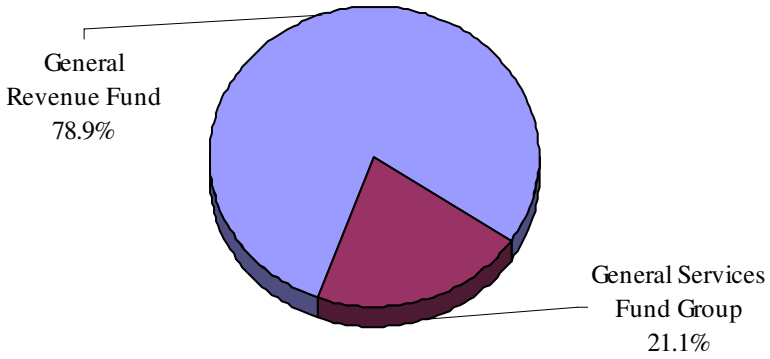
Agency Priorities

- Ensure complaints of wrongdoing are investigated thoroughly in a professional manner.
- Educate state employees and the public to prevent wrongdoing by raising levels of awareness.
- Place state agencies and employees on notice of the high standards to which they must adhere if they choose to serve in state government.

Summary of Budget History and Recommendations

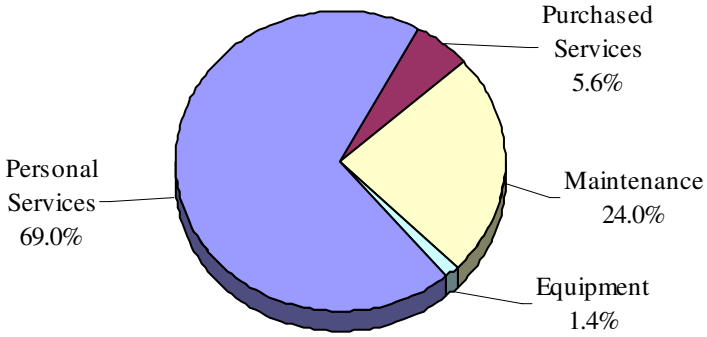


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	CHANGE	FY 2009	CHANGE
General Revenue Fund	769	747	1,299	1,769	36.2	1,367	(22.7)	1,438	5.2
General Services Fund Group	73	100	63	100	58.0	375	275.0	375	.0
TOTAL	**842**	**847**	**1,362**	**1,869**	**37.2**	**1,742**	**(6.8)**	**1,813**	**4.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	704	670	850	1,116	31.2	1,193	6.9	1,259	5.6
Purchased Services	73	101	406	101	(75.1)	100	(1.2)	100	.0
Maintenance	43	46	88	145	65.9	425	192.5	429	1.0
Equipment	21	31	18	107	484.4	25	(76.6)	25	.0
Subsidy	0	0	0	400	.0	0	(100.0)	0	.0
TOTAL	**842**	**847**	**1,362**	**1,869**	**37.2**	**1,742**	**(6.8)**	**1,813**	**4.0**

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.

The Executive Recommendation will:

- Continue the current staff level of twelve including a newly created deputy inspector general for the Bureau of Workers' Compensation and the Industrial Commission; and
- Provide operational funding for the office and funding to contract with investigative staff.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	965-321	Operating Expenses	1,367,372	1,437,901
GSF	4Z3	965-602	Special Investigations	375,000	375,000
TOTAL FOR PROGRAM				**1,742,372**	**1,812,901**

LINE ITEM SUMMARY - Inspector General

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	965-321	Operating Expenses	768,552	746,717	1,298,810	1,269,085	1,367,372	7.7	1,437,901	5.2
GRF	965-403	BWC Investigation & Prosecution	0	0	0	500,000	0	(100.0)	0	.0
TOTAL General Revenue Fund			**768,552**	**746,717**	**1,298,810**	**1,769,085**	**1,367,372**	**(22.7)**	**1,437,901**	**5.2**
4Z3	965-602	Special Investigations	73,119	100,158	63,284	100,000	375,000	275.0	375,000	.0
TOTAL General Services Fund Group			**73,119**	**100,158**	**63,284**	**100,000**	**375,000**	**275.0**	**375,000**	**.0**
TOTAL Office of Inspector General			**841,671**	**846,875**	**1,362,094**	**1,869,085**	**1,742,372**	**(6.8)**	**1,812,901**	**4.0**

Role and Overview

The Department of Insurance (ODI) provides consumer protection through education and fair but vigilant regulation while promoting a stable and competitive insurance marketplace. The department is charged under Ohio Revised Code Chapters 39 and 17 with the responsibility of regulating the activities of approximately 1,700 insurance companies that write more than $45 billion in insurance premiums, and pay about $440 million each year in premium taxes to the General Revenue Fund. Ohio is the ninth largest insurance state by premium volume. The industry is one of Ohio's largest employers, employing more than 81,000 people not including agents. In addition, the department issues licenses, monitors the conduct of more than 200,000 insurance agents, and oversees 15,000 insurance agencies. The department monitors 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; and reviews and approves forms and rates. The Superintendent of Insurance, who is appointed by the Governor, heads the department. The annual administrative budget of the department is approximately $32.6 million and supports approximately 284 employees.

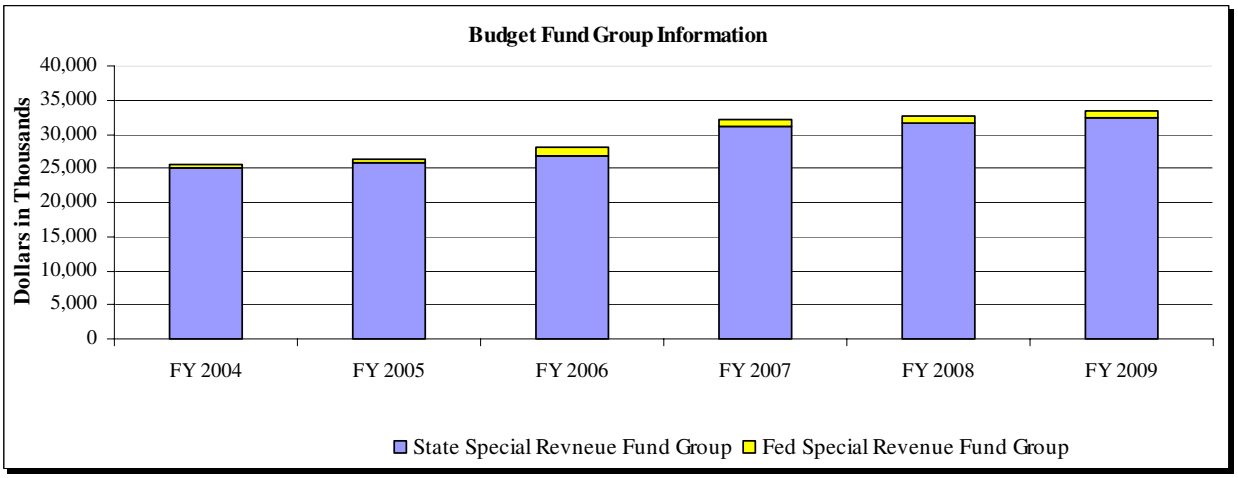
Additional information regarding the Department of Insurance can be found at http://www.ohioinsurance.gov/.

Turnaround Ohio Initiatives

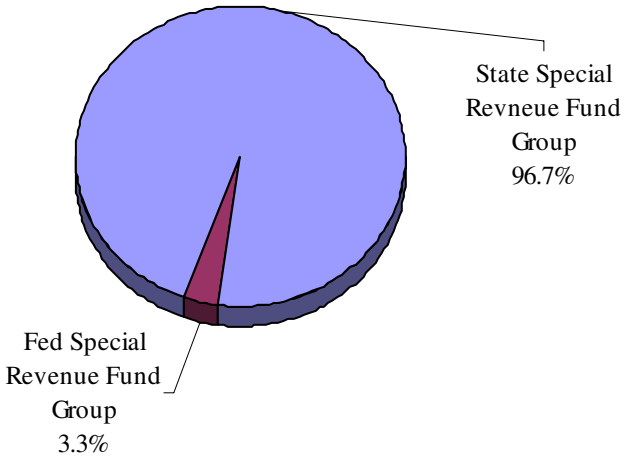
- Conduct consumer education efforts regarding health insurance and managed care coverage, monitor market practices of health insurance and managed care industry, and launch the Health Insurance Exchange initiative to begin efforts to increase availability of health care coverage for groups and individuals in Ohio.
- Review agency regulatory performance to assure that the Ohio insurance market remains competitive.
- Begin efforts to develop the Ohio Healthcare Exchange initiative, which will assist in increasing the availability of health insurance for uninsured Ohioans.

Agency Priorities

- Monitor the financial solvency of insurance companies and health insuring corporations operating in Ohio, and assure that companies operating in Ohio are stable and sound.
- Provide consumers with education on insurance matters, especially health care coverage options and issues of interest to seniors.
- Provide consumers with assistance regarding insurance coverage and claims-related concerns.
- Monitor insurance sales, claims handling activities, and insurance company interactions with policyholders to ensure they are fair and compliant with Ohio law.
- Investigate fraud and misconduct in a thorough and professional manner.
- Maintain stability in the medical liability marketplace through data collection and analysis.
- Provide staff educational and training opportunities to enhance their insurance knowledge in order to more effectively monitor a complex and ever changing insurance industry.

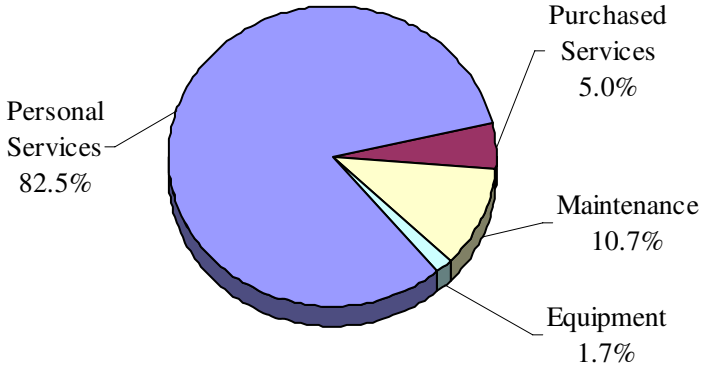


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Fed Special Revenue Fund Group	538	626	1,286	1,080	(16.0)	1,100	1.9	1,100	.0
State Special Revenue Fund Group	24,991	25,724	26,767	31,044	16.0	31,544	1.6	32,241	2.2
TOTAL	**25,529**	**26,350**	**28,053**	**32,124**	**14.5**	**32,644**	**1.6**	**33,341**	**2.1**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	21,596	22,042	22,469	25,406	13.1	26,499	4.3	27,957	5.5
Purchased Services	889	824	1,865	2,783	49.2	2,056	(26.1)	1,262	(38.6)
Maintenance	2,802	3,223	3,245	3,351	3.3	3,498	4.4	3,578	2.3
Equipment	205	196	308	531	72.2	591	11.4	544	(8.0)
Transfer & Other	37	65	166	53	(68.0)	0	(100.0)	0	.0
TOTAL	25,529	26,350	28,052	32,124	14.5	32,644	1.6	33,341	2.1

PROGRAM SERIES 01: Investigation and Licensing

This program series consists of programs, which monitor the business practices of insurance agencies, agents, and companies, licenses them, and detect, prevent, investigate, and assist in the prosecution of consumer and provider fraud and wrongdoing in the insurance market.

Program 01.01: Market Conduct

This program monitors insurers' compliance with Ohio insurance laws and regulations by examining insurance entities' business practices, such as underwriting, marketing and claims handling. The program staff 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 ensures that proper corrective action is taken as established by state laws and rules.

The Executive Recommendation will:

- Fund on-site examinations, investigations, and in-house company compliance reviews;
- Conduct collection and analysis of market data, consumer complaints, and data;

- Support a provider complaint and prompt payment program for healthcare claims;
- Fund limited-scope in-house company compliance reviews, on-site examinations, and investigations;
- Maintain the National Association of Insurance Commissioners examination tracking system and other regulatory databases; and
- Fund training that will allow staff to achieve and maintain professional designations directly related to their work, such as Accredited Insurance Examiner (AIE) or Certified Insurance Examiner (CIE).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	554	820-606	Operating Expenses	1,956,704	2,070,994
TOTAL FOR PROGRAM				**1,956,704**	**2,070,994**

Program 01.02: Licensing

This program issues licenses to insurance agents, insurance agencies, managing general agents, third-party administrators, reinsurance intermediaries, public insurance adjusters, viatical settlement brokers, and surety bail bond agents. The Licensing Program also monitors the continuing education hours for insurance agents, processes insurance company appointments of authorized agents, and proposes regulatory action against licensees not in compliance with the education requirements.

The Executive Recommendation will:

- Support an initiative to have a uniform and fully electronic licensing system;
- Provide administration of continuing education programs; and
- Fund the processing of applications.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	554	820-606	Operating Expenses	1,524,662	1,630,506
TOTAL FOR PROGRAM				**1,524,662**	**1,630,506**

Program 01.03: Fraud and Enforcement

This program investigates alleged misconduct of licensees and license applicants and provides assistance in prosecuting insurance-related fraud committed by consumers, medical providers, and others. The program staff frequently refers cases to local and federal law enforcement agencies for criminal investigations. Types of insurance fraud include arson, staged accidents, medical billing, forgery, faked deaths, homeowner/renter fraud, falsified disability claims, inflated claims, and viatical fraud. Insurance agents are investigated for various types of misconduct such as misappropriation of premiums and misrepresentation. Agents who engage in such acts may lose their licenses or face other sanctions.

The Executive Recommendation will:

- Fund investigation and prosecution of insurance-related fraud;
- Provide for misconduct investigations of insurance agents; and
- Equip the fraud and enforcement investigators, through job specific training and education, with the tools necessary to perform the functions of their jobs with a higher degree of skill and efficiency, resulting in higher quality output from the division.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	554	820-606	Operating Expenses	2,269,742	2,422,968
TOTAL FOR PROGRAM				**2,269,742**	**2,422,968**

PROGRAM SERIES 02: Financial Regulation

This program series, accredited by the National Association of Insurance Commissioners (NAIC) for its financial oversight operations, licenses insurance companies and monitors the financial solvency of insurance companies licensed in the State of Ohio.

Program 02.01: Financial Regulation

This program 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. The program staff reviews financial statements of every company licensed in Ohio and oversees complex transactions that can include billions of dollars in managed assets to ensure that insurance companies have enough money to pay claims filed by consumers. They also calculate and certify to the Treasurer of State the domestic and foreign insurance premium tax owed to the state. In addition, the program monitors insurers' statutory and solvency compliance on an ongoing basis and conducts on-site field examinations. By statute, the department examines insurers as often as the Superintendent of Insurance deems appropriate but at least once every five years.

The Executive Recommendation will:

- Provide financial analysis and review of the financial statements of 1,710 insurers;
- Fund financial examinations;
- Implement legislative changes to financial policy;
- Take regulatory action in response to troubled insurance company situations;
- License domestic, foreign, and alien insurers applying for admission; and
- Certify premium, retaliatory, and fire marshal taxes for collection in excess of $440 million annually

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	555	820-605	Examination	7,639,581	7,868,768
TOTAL FOR PROGRAM				**7,639,581**	**7,868,768**

PROGRAM SERIES 03: Policy and Rate Filing Regulation

This program series consists of two programs that review the product and rate submissions of all insurance companies selling insurance products in Ohio.

Program 03.01: Property and Casualty

This program reviews policy forms, endorsements, rules, and rates for products marketed to Ohio consumers by Ohio-licensed property and casualty companies. Products reviewed include commercial lines (e.g. insurance for businesses-auto, general liability, professional liability including medical malpractice, property, crime, fidelity, and surety) and personal lines (e.g. insurance for individuals and families-auto and homeowners). The program also reviews title insurance, risk purchasing and risk retention group registrations, and notification forms and surplus lines quarterly reports. Actuarial standards are applied to ensure that rates are not excessive, inadequate, or unfairly discriminatory and that the policy language is legal and clear.

The Executive Recommendation will:

- Fund professional development to increase actuarial and product development expertise;
- Fund collection and analysis of medical liability insurance data;
- Allow for the preparation of reports on market conditions; and
- Support 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 2008	RECOMMENDED FY 2009
SSR	554	820-606	Operating Expenses	2,137,178	2,233,748
TOTAL FOR PROGRAM				**2,137,178**	**2,233,748**

Program 03.02: Life and Health

This program reviews the contractual provisions of all Ohio-licensed life and health and accident policies to ensure they are in compliance with Ohio and federal laws. The program staff verifies that rates are actuarially sound and analyzes the valuation for the reserve liabilities for domestic life insurance companies. Currently more than 1,200 insurance companies are licensed to offer life and health insurance in Ohio. In addition to policy and rate review, the program also licenses alliances and accredits independent review organizations (health care denial reviews).

The Executive Recommendation will:

- Fund professional development to increase actuarial and product development expertise;
- Provide oversight of 459 insurance companies;
- Review reserve valuation documentation for life insurance products offered by 37 Ohio domestic life insurance companies; and
- Support annual review of 5,000 rate and contract filings from life and health insurers and health insuring corporations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	554	820-606	Operating Expenses	2,107,292	2,205,260
TOTAL FOR PROGRAM				**2,107,292**	**2,205,260**

PROGRAM SERIES 04: Consumer Services

This program series consists of two programs that provide direct services to Ohio insurance consumers by answering questions, investigating complaints, organizing and coordinating a statewide counseling service for senior consumers, and distributing educational material.

Program 04.01: Consumer Services

This program assists Ohio insurance consumers through telephone, Internet and written communications, one-on-one meetings, and community outreach activities. The program representatives respond to inquiries regarding a wide variety of insurance matters and investigate insurance consumer complaints. Other activities include counseling victims at disaster assistance sites, meeting with insurance industry professionals, and conducting insurance fairs across the state.

The Executive Recommendation will:

- Maintain the consumer service center for public inquiries;
- Distribute insurance publications;
- Fund investigations to identify violations;
- Fund investigations and recovery services based on consumer complaints; and
- Fund educational opportunities that will allow staff to achieve and maintain professional designations that will enhance their ability to help and educate consumers on insurance matters.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	554	820-606	Operating Expenses	2,848,331	3,027,629
TOTAL FOR PROGRAM				**2,848,331**	**3,027,629**

Program 04.02: Ohio Senior Health Insurance Information Program (OSHIIP)

This program, funded in part by state funds and by a grant from the Centers for Medicare and Medicaid Services (CMS), was established in 1992 to provide Medicare beneficiaries with free, objective health insurance information and one-on-one counseling. OSHIIP's speaker's bureau, hotline experts, and trained statewide volunteers educate consumers about Medicare, Medicare Part D prescription drug coverage, Medicare Advantage options, Medicaid and Medicare supplements, long-term care insurance, and other health insurance matters. 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.

The Executive Recommendation will:

- Fund consumer counseling services;
- Fund volunteer training to persons providing health insurance information to seniors;
- Support education outreach efforts to Ohio seniors on Medicare issues; and
- Fund educational opportunities for staff that will enhance their ability to train volunteers and help seniors who are often in a crisis mode when they call OSHIIP for assistance.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3U5	820-602	OSHIIP Operating Grant	1,100,000	1,100,000
SSR	554	820-601	Operating Expenses-OSHIIP	553,750	569,269
TOTAL FOR PROGRAM				**1,653,750**	**1,669,269**

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 consists of such management and support functions as executive, legal, general services, and information technology. The executive staff oversees the operations of the department, develops policies on all insurance matters, and represents the department in the legislature. The executive staff is also undertaking efforts to identify programs and products that will improve access to healthcare coverage for Ohioans and to collaborate with other state and federal agencies to identify resources for such coverage. The legal staff handles regulatory transactions, administers public hearings on agent and company license and enforcement issues, and provides legal assistance to other divisions of the department. The Office of General Services provides operational support including human resources, fiscal, budgeting, internal audit, and facility management. Information technology assists the department's regulatory oversight responsibilities through application of technology including the design, implementation, and maintenance of technology infrastructure and programs.

The Executive Recommendation will:

- Fund the offices of executive services, legal services, information technology, fiscal operations, and human resources needed to support the department's activities;
- Fund two positions for the Healthcare Exchange initiative; and
- Fund necessary actuarial and expert services for the Healthcare Exchange to determine eligibility and target populations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	554	820-606	Operating Expenses	10,506,327	10,211,692
TOTAL FOR PROGRAM				**10,506,327**	**10,211,692**

LINE ITEM SUMMARY - Insurance

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
3AV	820-604	Federal Grant-Special Project	0	71,063	32,625	0	0	.0	0	.0
3U5	820-602	OSHIIP Operating Grant	537,813	554,823	1,253,257	1,080,000	1,100,000	1.9	1,100,000	.0
TOTAL Fed Special Revenue Fund Group			**537,813**	**625,886**	**1,285,882**	**1,080,000**	**1,100,000**	**1.9**	**1,100,000**	**.0**
554	820-601	Operating Expenses-OSHIIP	271,343	448,199	498,363	571,772	553,750	(3.2)	569,269	2.8
554	820-606	Operating Expenses	18,650,358	18,459,076	19,411,753	22,832,214	23,350,236	2.3	23,802,797	1.9
555	820-605	Examination	6,069,349	6,816,473	6,856,463	7,639,581	7,639,581	.0	7,868,768	3.0
TOTAL State Special Revenue Fund Group			**24,991,050**	**25,723,748**	**26,766,579**	**31,043,567**	**31,543,567**	**1.6**	**32,240,834**	**2.2**
TOTAL Department of Insurance			**25,528,863**	**26,349,634**	**28,052,461**	**32,123,567**	**32,643,567**	**1.6**	**33,340,834**	**2.1**

**** Please see the Appropriation Line Item analysis for further detail.**

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) 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 $17.1 billion. Additional information regarding the Department of Job and Family Services is available at http://jfs.ohio.gov .

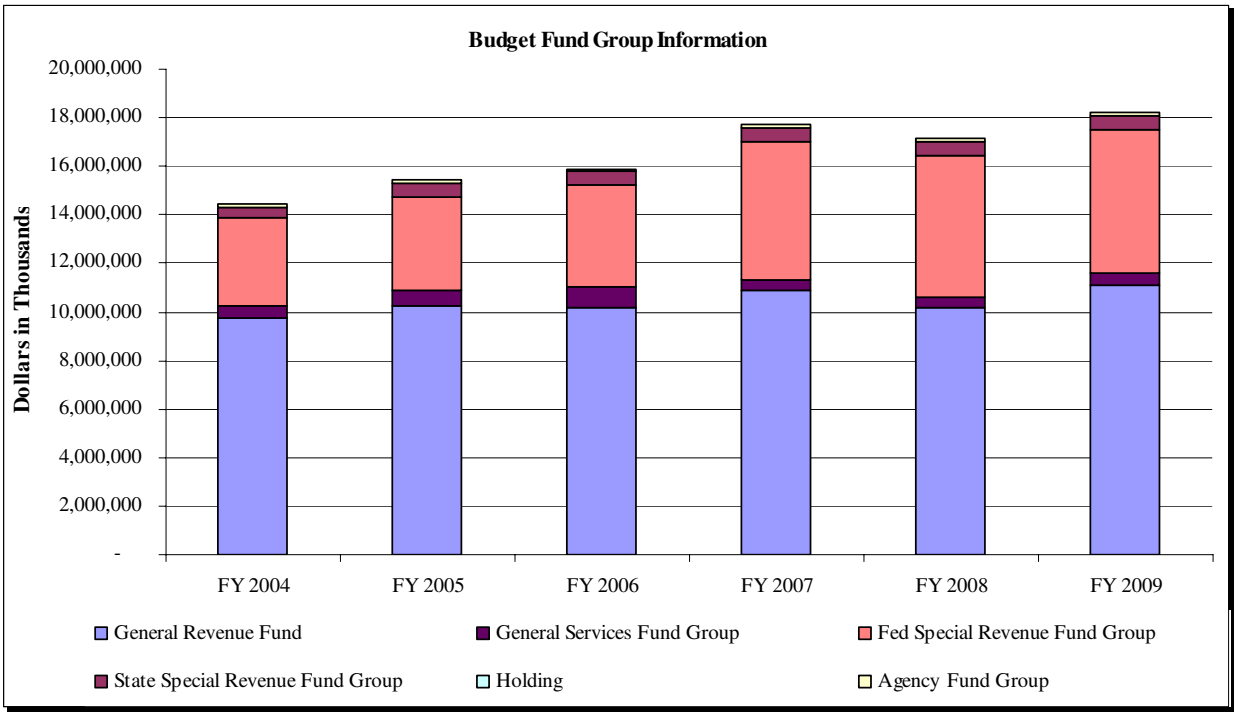
Turnaround Ohio Initiatives

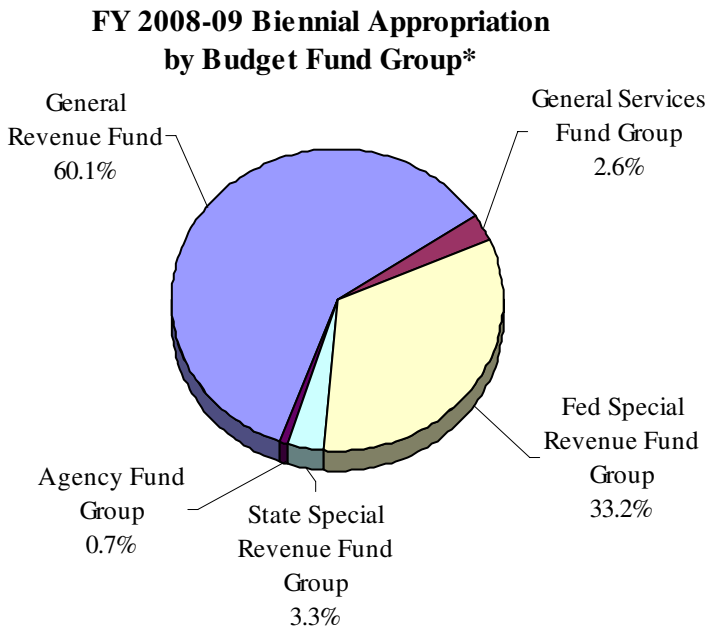
- Increase the number of Ohioans with healthcare by expanding coverage for children up to 300 percent of the federal poverty level through the federal Children's Health Insurance Program (CHIP).
- Increase access to affordable healthcare by implementing buy-in programs for all children with family incomes over 300 percent of federal poverty level and for working people with disabilities.
- Expand preventative and healthcare coverage for pregnant women up to 200 percent of the federal poverty level.
- Restore Medicaid coverage to parents up to 100 percent of federal poverty level.
- Enhance workforce development and job-training for youth and employees to meet and exceed employers' and workers' needs.
- Improve quality and expand access to early child care and education programs.

Agency Priorities

- 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.

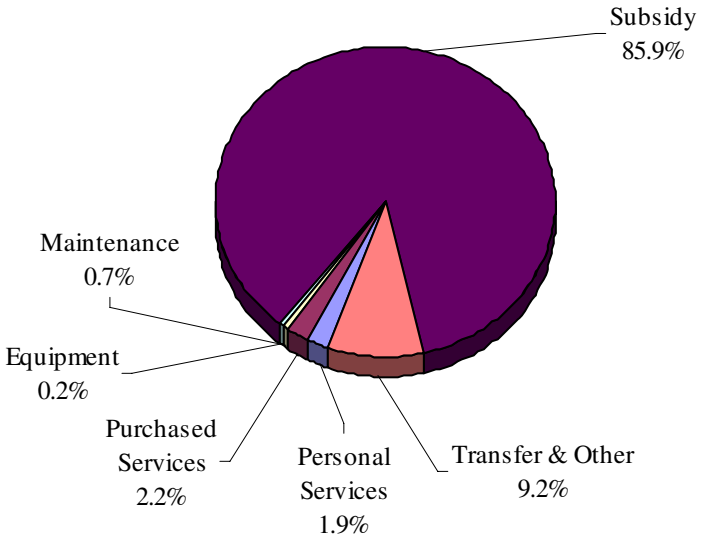
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
General Revenue Fund	9,733,217	10,269,857	10,166,443	10,880,877	7.0	10,147,098	(6.7)	11,118,134	9.6
General Services Fund Group	534,446	623,430	895,430	427,445	(52.3)	463,595	8.5	448,937	(3.2)
Fed Special Revenue Fund Group	3,622,597	3,836,130	4,170,730	5,673,799	36.0	5,840,940	2.9	5,925,805	1.5
State Special Revenue Fund Group	447,321	593,422	539,923	603,832	11.8	590,002	(2.3)	592,161	.4
Agency Fund Group	111,926	100,336	104,302	128,000	22.7	128,000	.0	128,000	.0
Holding Acct Redist Fund Group	1,508	1,336	2,193	3,610	64.6	3,610	.0	3,610	.0
TOTAL	**14,451,015**	**15,424,512**	**15,879,022**	**17,717,563**	**11.6**	**17,173,245**	**(3.1)**	**18,216,646**	**6.1**

FY 2008-09 Biennial Appropriation by Expense Category



*Expense categories accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Personal Services	261,412	276,268	282,555	357,285	26.4	323,290	(9.5)	340,185	5.2
Purchased Services	142,791	150,815	202,887	350,403	72.7	398,537	13.7	371,809	(6.7)
Maintenance	121,594	94,816	112,163	176,630	57.5	117,217	(33.6)	118,954	1.5
Equipment	31,841	28,570	41,383	43,528	5.2	35,019	(19.5)	34,828	(.5)
Subsidy	12,625,234	13,281,952	13,730,325	14,981,709	9.1	14,678,291	(2.0)	15,715,834	7.1

Transfer & Other	1,268,142	1,592,091	1,509,709	1,808,008	19.8	1,620,891	(10.3)	1,635,036	.9
TOTAL	**14,451,015**	**15,424,512**	**15,879,022**	**17,717,563**	**11.6**	**17,173,245**	**(3.1)**	**18,216,646**	**6.1**

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 the state and local levels, as well as the technology that supports these functions.

Program 01.01: Workforce Investment Act

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.

The Executive Recommendation will:

- Serve between 36,000 and 46,000 adult, youth, and dislocated workers per year; and
- Allow over 17,000 Ohioans to participate in registered apprenticeship employment and training.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-321	Support Services	8,856	9,348
GSF	613	600-645	Training Activities	135,000	135,000
FED	3V0	600-688	Workforce Investment Act	218,775,741	218,856,178
FED	331	600-686	Federal Operating	1,559,145	1,635,664
TOTAL FOR PROGRAM				**220,478,742**	**220,636,190**

Program 01.02: Employment Services

Employment Services helps Ohio workers find jobs and assists Ohio employers in finding qualified workers. 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.

The Executive Recommendation will:

- Deliver Labor Exchange services to over 800,000 customers and refer over 300,000 individuals to job openings; and
- Provide web-based employment services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3V0	600-688	Workforce Investment Act	652,772	683,549
FED	331	600-686	Federal Operating	1,854,683	1,950,882
TOTAL FOR PROGRAM				**2,507,455**	**2,634,431**

Program 01.03: Veterans Programs

Veterans Programs 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.

The Executive Recommendation will:

- Provide employment and training services to unemployed disabled, combat, and other eligible veterans and refer over 14,500 to job openings; and
- Support the Military Injury Relief Fund that provides grants to qualifying veterans.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	331	600-686	Federal Operating	677,872	705,121
SSR	5DB	600-637	Military Injury Grants	2,000,000	2,000,000
TOTAL FOR PROGRAM				**2,677,872**	**2,705,121**

Program 01.04: Tax Credit Programs

Tax credit programs 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.

The Executive Recommendation will:

- Allow the Work Opportunity Tax Credit and Welfare to Work Tax Credit programs to process over 50,000 applications from over 1,400 employers.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3V0	600-688	Workforce Investment Act	402,203	421,072
FED	331	600-686	Federal Operating	287,681	301,178
TOTAL FOR PROGRAM				**689,884**	**722,250**

Program 01.05: 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.

The Executive Recommendation will:

- Fund the development and access to workforce statistics about Ohio and its communities, with an emphasis on information delivery via the Internet.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3V4	600-678	Federal Unemployment Programs	215,572	225,340
FED	331	600-686	Federal Operating	4,322,823	4,518,696
TOTAL FOR PROGRAM				**4,538,395**	**4,744,036**

Program 01.06: One Stop Services

One-Stop Services are the focal point for direct delivery of Office of Local Operations services to the public and to Ohio employers. Included in the services delivered are: Unemployment Compensation Reemployment Services, Employment Services & Workforce Investment Act, Veteran's Services, Labor Market Information, and the Trade Readjustment Act.

The Executive Recommendation will:

- Support the operation of thirty full service One-Stops and sixty satellite offices throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V0	600-688	Workforce Investment Act	106,103	110,940
FED	3V4	600-678	Federal Unemployment Programs	1,270,725	1,328,686
FED	331	600-686	Federal Operating	23,885,983	24,975,492
TOTAL FOR PROGRAM				**25,262,811**	**26,415,118**

Program 01.07: Workforce Program Management

Workforce program management administers grants primarily from the U.S. Department of Labor. The office is the infrastructure hub which supports all internal operations and external stakeholder relations. The office supports and facilitates the public workforce system to help job seekers find jobs and employers find job seekers.

The Executive Recommendation will:

- Allow for the administration of 40 to 50 federal grants from the Department of Labor totaling over $400 million per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-321	Support Services	350,000	350,000
FED	3V0	600-688	Workforce Investment Act	1,231,683	1,286,839
FED	331	600-686	Federal Operating	798,168	828,728
TOTAL FOR PROGRAM				**2,379,851**	**2,465,567**

Program 01.08: Workforce Information Technology

The Workforce Information Technology Program contains the information system which unifies numerous training, education and employment programs and enables the seamless delivery of services to job seeker and employer customers. It is the hub which integrates WIA case management and Wagner Peyser re-employment services through interfaces with dozens of unique workforce programs.

The Executive Recommendation will:

- Support the information technology initiatives of workforce development that provide case management, service integration, and job matching tools used by job seekers and employers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V0	600-688	Workforce Investment Act	5,232,097	5,294,196
FED	331	600-686	Federal Operating	5,248,389	5,303,903
TOTAL FOR PROGRAM				**10,480,486**	**10,598,099**

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.

Program 02.01: Ohio Works First Cash Assistance

Ohio Works First (OWF) is the financial assistance portion of Ohio's Temporary Assistance for Needy Families (TANF) program. OWF was established to provide time-limited cash assistance to eligible families for up to 36 months.

The Executive Recommendation will:

- Provide cash assistance to approximately 80,000 assistance groups in the state, over half of which are child only cases; and
- Provide a cost of living increase for cash assistance grants beginning in January 2009.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-410	TANF State	90,000,000	90,000,000
GRF	GRF	600-421	Office of Family Stability	899,043	930,582
FED	3V6	600-689	TANF Block Grant	242,123,592	257,669,002
FED	385	600-614	Refugee Services	9,896	9,716
SSR	5Z9	600-672	TANF Quality Control Reinvestments	281,099	0
TOTAL FOR PROGRAM				**333,313,630**	**348,609,300**

Program 02.02: Non-Cash Family Support

Non-Cash Family Support 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.

The Executive Recommendation will:

- Support an estimated 500,000 Ohioans receiving prevention, retention, and contingency services through Temporary Assistance for Needy Families;
- Support earmarks for programs including the Ohio Alliance of Boys and Girls Clubs; and
- Support projects offered through the Governor's Office of Faith Based Community Initiatives including the Ohio Commission on Fatherhood.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-321	Support Services	312,017	326,260
GRF	GRF	600-410	TANF State	80,000,000	80,000,000
GRF	GRF	600-512	Non-TANF Disaster Assistance	1,000,000	1,000,000
GSF	4A8	600-658	Child Support Collections	26,680,794	26,680,794
FED	3AW	600-675	Faith Based Initiatives	1,000,000	1,000,000
FED	3V6	600-689	TANF Block Grant	411,103,328	359,229,342
SSR	5ES	600-630	Food Assistance	500,000	500,000
SSR	5Z9	600-672	TANF Quality Control Reinvestments	0	294,652
TOTAL FOR PROGRAM				**520,596,139**	**469,031,048**

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 age or disabilities. For some individuals, the benefit provides interim assistance while his/her application for Supplemental Security Income (SSI) benefits is pending.

The Executive Recommendation will:

- Support approximately 15,000 to 16,000 monthly recipients; and
- Provide a $115 monthly payment as a minimal safety net to vulnerable individuals who are unemployable due to age or disability but are not eligible for federal Supplemental Security Income.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-511	Disability Financial Assistance	24,028,480	25,335,908
TOTAL FOR PROGRAM				**24,028,480**	**25,335,908**

Program 02.04: Food Programs

Food Programs determines eligibility and level of benefits in order to provide federal food stamp benefits to low-income individuals and families applying for food stamp benefits in an effort to alleviate hunger. The Food Stamp Employment and Training program (FSET) is mandated by the Food Stamp program and provides sufficient employment and training work slots to able-bodied individuals. The Temporary Emergency Food Assistance Program (TEFAP) is a federally regulated program that provides U.S. Department of Agriculture (USDA) food commodities to the Ohio food bank network for distribution to food pantries, soup kitchens congregate meal sites and emergency feeding organizations to serve low-income households in need of food. The Commodity Supplemental Food Program (CSFP) provides USDA donated foods to selected Ohio food banks for distribution to supplement the diets of low-income elderly participants.

The Executive Recommendation will:

- Support a food stamp caseload of nearly 1.1 million individuals and 500,000 assistance groups;
- Serve approximately 530,000 individuals per month through the Emergency Food Assistance Program; and
- Provide over 20 million pounds of food products annually through the Ohio Association of Second Harvest Foodbanks.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3A2	600-641	Emergency Food Distribution	2,900,000	3,500,000
FED	384	600-610	Food Stamps - Federal	143,824,302	136,549,504
FED	396	600-651	Second Harvest Food Banks	5,500,000	5,500,000
AGY	5B6	600-601	Food Stamp Intercept	2,000,000	2,000,000
TOTAL FOR PROGRAM				**154,224,302**	**147,549,504**

Program 02.05: Child Care

The Child Care Program provides child care subsidies to low-income working and welfare-to-work (OWF) families, funds projects and programs such as the quality rating program and 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.

The Executive Recommendation will:

- Support 12,000 full-time enrollment slots statewide for the Early Learning Initiative;
- Increase child care provider rates to the 65th percentile of the 2006 Market Rate Survey; and
- Pay child care subsidies for approximately 100,000 children annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-410	TANF State	102,619,061	102,619,061
GRF	GRF	600-413	Child Care Match Maintenance of Effort	84,120,596	84,120,596
FED	3H7	600-617	Child Care Federal	198,709,074	191,410,127
FED	3V6	600-689	TANF Block Grant	364,321,085	448,697,081
FED	3W3	600-659	TANF/Title XX Transfer	4,200,000	4,200,000
FED	396	600-620	Social Services Block Grant	8,000,000	8,000,000
TOTAL FOR PROGRAM				**761,969,816**	**839,046,865**

Program 02.06: Refugee Services

The Refugee Services 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.

The Executive Recommendation will:

- Serve approximately 5,000 refugees through refugee social services; and
- Provide cash assistance to approximately 1,200 refugees per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	385	600-614	Refugee Services	10,186,651	11,048,110
TOTAL FOR PROGRAM				**10,186,651**	**11,048,110**

Program 02.07: Family Stability Program Management

Family Stability Program Management is responsible for the administration, direction and oversight of numerous federal and state programs that have their administrative responsibility assigned to the Office of Family Stability. Principal programs include TANF, Food Stamps, Refugee, and Disability Assistance. Related units included in this request include the Customer Service Unit, Compliance/Monitoring Unit, County Program Support Section within the Bureau of County Oversight and Support; as well as the Outcome Management/Program Evaluation Section within the Bureau of Program Integration and Coordination.

The Executive Recommendation will:

- Support the administration of the TANF, Food Stamp, Refugee, and Disability Financial Assistance programs; and
- Support county administration of the entitlement programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-421	Office of Family Stability	3,965,889	3,934,350
GRF	GRF	600-521	Entitlement Administration -Local	55,379,842	55,379,842
FED	3V6	600-689	TANF Block Grant	726,784	761,558
FED	384	600-610	Food Stamps - Federal	10,024	10,217
TOTAL FOR PROGRAM				**60,082,539**	**60,085,967**

Program 02.08: Family Stability Information Technology

Family Stability Information Technology provides the information technology systems, including CRIS-E, Food Stamp, eICMS, and the Child Care Information Data System, to support the family stability programs and functions including eligibility, case management and benefits management.

The Executive Recommendation will:

- Support the food stamp benefit transfer system contract of about $7.2 million, the client eligibility system for the assistance programs, and the child care information system.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-416	Computer Projects	11,427,099	11,770,046
FED	3H7	600-617	Child Care Federal	894,079	749,440
FED	3V0	600-688	Workforce Investment Act	7,320	7,320
FED	3W3	600-659	TANF/Title XX Transfer	2,000,000	2,000,000
FED	384	600-610	Food Stamps - Federal	3,246,367	2,861,842
FED	397	600-626	Child Support	71,160	71,160
FED	398	600-627	Adoption Maintenance Administration	74,520	74,520
TOTAL FOR PROGRAM				**17,720,545**	**17,534,328**

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

Child Support Activities 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.

The Executive Recommendation will:

- Provide services to over 1 million child support cases;
- Increase state funding to counties for child support administration by $17.2 million to offset the impact of the federal Deficit Reduction Act (DRA); and
- Support the disbursement of over $2 billion dollars of child support payments per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-416	Computer Projects	680,000	680,000
GRF	GRF	600-420	Child Support Administration	7,469,047	9,505,417
GRF	GRF	600-502	Child Support Administration-Local	34,014,103	34,014,103
FED	3S5	600-622	Child Support Projects	534,050	534,050
FED	397	600-626	Child Support	246,770,995	245,090,205
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				**415,468,195**	**415,823,775**

Program 03.02: Child Support Information Technology

Child Support Information Technology provides the automated Support Enforcement Tracking System (SETS) to effectively manage the Child Support Enforcement Program in order to meet the requirements mandated by the Family Support Act of 1988, Personal Responsibility and Work Opportunities Reconciliation Act, (PRWORA) of 1996 and the Deficit Reduction Act of 2005.

The Executive Recommendation will:

- Support the Support Enforcement Tracking System which handles approximately 1.7 million transactions per day; and
- Support the centralized child support collections contract at a cost of $11.1 million per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-416	Computer Projects	17,542,947	17,630,828
GRF	GRF	600-420	Child Support Administration	1,322,399	1,386,029
FED	397	600-626	Child Support	36,620,963	36,915,072
TOTAL FOR PROGRAM				**55,486,309**	**55,931,929**

PROGRAM SERIES 04: Family and Children

This program series supports activities that provide abuse 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.

Program 04.01: Child Prevention and Protective Services

The Child Prevention and Protective Services program supports prevention and investigation activities pertaining to child abuse. Specifically, the program supports the operating and grants 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.

The Executive Recommendation will:

- Allow for the investigation of an estimated 110,000 complaints of child abuse or neglect per year; and
- Provide services to an estimated 20,000 individuals through Children's Trust Fund programming.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-423	Office of Children and Families	501,110	625,137
GRF	GRF	600-523	Children and Families Services	56,852,252	56,852,252
FED	3D3	600-648	Children's Trust Fund-Federal	2,040,524	2,040,524
FED	327	600-606	Child Welfare	24,383,897	24,325,098
FED	395	600-616	Special Activities-Child & Family Services	5,223,131	5,217,151
FED	396	600-620	Social Services Block Grant	40,553	42,507
FED	398	600-627	Adoption Maintenance Administration	828,258	842,021
SSR	198	600-647	Children's Trust Fund	6,788,522	6,788,522
TOTAL FOR PROGRAM				**96,658,247**	**96,733,212**

Program 04.02: Social Services

Social Services 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.

The Executive Recommendation will:

- Provide social services to approximately 900,000 Ohioans; and
- Allow for the investigation of approximately 15,000 reports of elder abuse, neglect and exploitation.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-523	Children and Families Services	9,013,013	9,013,013
FED	396	600-620	Social Services Block Grant	105,638,445	105,592,495
TOTAL FOR PROGRAM				**114,651,458**	**114,605,508**

Program 04.03: Adoption Services

Adoption Services 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.

The Executive Recommendation will:

- Increase the state adoption subsidy from $250 per month to $300 per month; and
- Provide adoption subsidies to approximately 22,000 special needs children through the federal adoption program and to 1,700 children through the state optional program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-423	Office of Children and Families	434,142	470,607
GRF	GRF	600-528	Adoption Services	84,124,509	93,174,366
FED	3V6	600-689	TANF Block Grant	10,000,000	10,000,000
FED	327	600-606	Child Welfare	191,777	264,536
FED	395	600-616	Special Activities-Child & Family Services	500,000	500,000
FED	398	600-627	Adoption Maintenance Administration	127,130,900	127,761,675
SSR	4E7	600-604	Child & Family Services Collections	300,000	300,000
SSR	5U6	600-663	Children and Family Support	254,270	254,270
TOTAL FOR PROGRAM				**222,935,598**	**232,725,454**

Program 04.04: Foster Care

Foster Care 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.

The Executive Recommendation will:

- Support approximately 150,000 hours of training for foster parents annually;
- Provide approximately 5,270 training days for county child welfare workers; and
- Provide increased funding to counties, about $9.1 million, for reforms to child welfare programming.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-423	Office of Children and Families	1,715,000	1,423,607
GRF	GRF	600-523	Children and Families Services	12,649,870	12,649,870
FED	3F0	600-623	Health Care Federal	315,086	315,086
FED	3N0	600-628	IV-E Foster Care Maintenance	153,963,142	153,963,142
FED	3V6	600-689	TANF Block Grant	9,086,996	9,108,744
FED	327	600-606	Child Welfare	8,133,847	7,801,354
FED	398	600-627	Adoption Maintenance Administration	166,456,330	167,696,379
SSR	5U6	600-663	Children and Family Support	1,439,131	1,439,131
TOTAL FOR PROGRAM				**353,759,402**	**354,397,313**

Program 04.05: Family and Children Program Management

Family and children program management has oversight over the operation of a variety of programs for children, their families and adults. These include: child abuse prevention and protection, social services, adoption and foster care services, child care subsidies for low income working families, licensing inspection and regulation of child care and foster care providers, development and maintenance of information systems for child care and child welfare operational needs, and development and maintenance of program plans required to receive federal funding for these services.

The Executive Recommendation will:

- Support state level administration of the state child care, Early Learning Initiative, Step Up to Quality, and child welfare programs; and
- Provide an increase in state level administrative support of approximately $1.3 million for reforms to child welfare programming.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-423	Office of Children and Families	3,212,030	3,303,179
GSF	4R4	600-665	BCII Services Fees	36,974	36,974
FED	3G5	600-655	Interagency Reimbursement	6,000,000	6,000,000
FED	3H7	600-617	Child Care Federal	940,920	986,017
FED	327	600-606	Child Welfare	15,799,232	15,550,572
FED	396	600-620	Social Services Block Grant	800,466	839,083
FED	398	600-627	Adoption Maintenance Administration	1,870,080	1,920,500
SSR	5U6	600-663	Children and Family Support	3,235,317	3,235,317
TOTAL FOR PROGRAM				**31,895,019**	**31,871,642**

Program 04.06: Family and Children Information Technology

This program is responsible for the child welfare systems. The systems support county caseworkers and state personnel in the performance of their jobs and provide performance data to both the state and federal governments. The child welfare systems record the receipt and investigation of child abuse complaints, track foster care placements, record and track training provided to foster parents, maintain a public web site listing special needs children who are available to be adopted, record the adoptive placement of children, send adoption subsidy payments, and provide data that will serve as the basis for claiming federal funds for child welfare services.

The Executive Recommendation will:

- Support the state automated child welfare information system and the state's child care information system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-416	Computer Projects	4,563,884	4,653,572
GRF	GRF	600-423	Office of Children and Families	875,348	915,100
FED	3H7	600-617	Child Care Federal	41,991	44,098
FED	3W3	600-659	TANF/Title XX Transfer	3,582,101	0
FED	327	600-606	Child Welfare	5,749	5,749
FED	398	600-627	Adoption Maintenance Administration	8,252,330	4,769,737
TOTAL FOR PROGRAM				**17,321,403**	**10,388,256**

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), Healthcare Assistance, and the technology that supports these functions.

Program 05.01: Medicaid

The Medicaid program provides health care benefits to individuals including children, low-income elderly, pregnant women and parents, and persons with disabilities of all ages. This program includes benefits such as institutional and community based long term care services, hospital, physician, pharmacy, and services paid through managed care plans.

The Executive Recommendation will:

- Provide healthcare coverage to 1.8 million low-income parents, children, elderly, and medically disabled.
- Fund a Medicaid buy-in program for working people with disabilities projected to serve an estimated 7,300 consumers;
- Expand Medicaid eligibility for pregnant women from 150 percent to 200 percent of the federal poverty level covering an additional 3,800 women; and
- Restore Medicaid eligibility for parents from 90 percent to 100 percent of the federal poverty level impacting approximately 25,000 adults.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-425	Office of Ohio Health Plans	3,769,793	3,425,403
GRF	GRF	600-525	Health Care/Medicaid	8,622,185,671	9,498,381,990
GSF	5BG	600-653	Managed Care Assessment	210,655,034	222,667,304
GSF	5C9	600-671	Medicaid Program Support	80,120,048	80,120,048
GSF	5DL	600-639	Medicaid Revenue and Collections	51,457,444	52,783,479
GSF	5P5	600-692	Health Care Services	93,000,000	62,000,000
FED	3F0	600-623	Health Care Federal	1,055,671,473	1,075,906,151
FED	3F0	600-650	Hospital Care Assurance Match	343,239,047	343,239,047
FED	3G5	600-655	Interagency Reimbursement	1,416,763,073	1,460,855,965
SSR	4E3	600-605	Nursing Home Assessments	4,759,914	4,759,914
SSR	4J5	600-613	Nursing Facility Bed Assessment	34,049,714	34,049,714
SSR	4J5	600-618	Residential State Supplement Payment	15,700,000	15,700,000
SSR	4K1	600-621	ICF/MR Bed Assessments	19,332,437	19,332,437
SSR	4Z1	600-625	Healthcare Compliance	10,000,000	10,000,000
SSR	5Q9	600-619	Supplemental Inpatient Hosp Payments	56,125,998	56,125,998
SSR	5R2	600-608	Medicaid-Nursing Facilities	175,000,000	175,000,000
SSR	5S3	600-629	MR/DD Medicaid Administration & Oversight	1,337,884	1,324,108
SSR	651	600-649	Hospital Care Assurance Program	231,893,404	231,893,404
TOTAL FOR PROGRAM				**$12,425,060,934**	**$13,347,564,962**

Program 05.02: Medicare Part D

The Medicare Part D program provides individuals that are dual-eligible (qualified for both Medicare and Medicaid) with drug coverage through Medicare instead of the Medicaid program. The Medicare Part D Program represents the Ohio's payments to the federal government for the state share of the drug costs. These payments are based on a formula that includes historical costs of dual eligibles and inflation.

The Executive Recommendation will:

- Fund clawback payment to the federal government that represents Ohio's share of drug costs for 175,000 Ohioans eligible for both Medicare and Medicaid.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-526	Medicare Part D	254,397,401	271,854,640
TOTAL FOR PROGRAM				**254,397,401**	**271,854,640**

Program 05.03: Healthcare Assistance

The program includes Healthcare programs administered by the state which do not receive federal reimbursement. The Healthcare Assistance program allows children whose income is over 300% of the federal poverty level to buy Medicaid coverage using co-payments and sliding scale premiums based on the family's income level. Additionally, this program includes the disability medical assistance program which provides a limited health benefit package to certain very low income individuals (income less than $115 per month) who are medication dependent.

The Executive Recommendation will:

- Provide access to affordable healthcare to 4,000 children above 300 percent of the federal poverty level; and
- Continue funding at the fiscal year 2007 level for the Disability Medical Assistance (DMA) program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	600-425	Office of Ohio Health Plans	442,394	442,394
GRF	GRF	600-525	Health Care/Medicaid	27,740,304	35,250,362
GSF	5DL	600-639	Medicaid Revenue and Collections	509,341	3,513,365
TOTAL FOR PROGRAM				**$28,692,039**	**$39,206,121**

Program 05.04: Children's Health Insurance

The Children's Health Insurance Program provides health care services to children through the same delivery systems operating in the current Medicaid program. This critical coverage includes: doctor visits, hospital care, prescriptions, immunizations, prenatal care, vision, dental, substance abuse, and mental health services.

The Executive Recommendation will:

- Provides coverage for over 150,000 children who currently qualify for health care services under the CHIP program;
- Expand coverage to an additional 20,000 children between 200 and 300 percent of the federal poverty level; and
- Provide access to affordable healthcare to all children above 300 percent of the federal poverty level.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-525	Health Care/Medicaid	251,788,021	304,503,160
FED	3G5	600-655	Interagency Reimbursement	47,000,000	47,000,000
TOTAL FOR PROGRAM				**298,788,021**	**351,503,160**

Program 05.05: Health Care 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.

The Executive Recommendation will:

- Include initiatives improving efficiency which saves over $30 million in fiscal year 2008 and $79 million in fiscal year 2009, including improving the Third Party Liability (TPL) process and implementing a claims editing program to minimize paying for unnecessary care.
- Provide funding for approximately 600 people who manage the Medicaid program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-425	Office of Ohio Health Plans	45,575,217	45,915,820
GRF	GRF	600-521	Entitlement Administration -Local	75,834,559	75,834,559
FED	3F0	600-623	Health Care Federal	101,469,264	101,179,701
FED	3V0	600-688	Workforce Investment Act	110,768	115,634
FED	397	600-626	Child Support	20,289	21,181
FED	398	600-627	Adoption Maintenance Administration	45,014	46,991
SSR	5S3	600-629	MR/DD Medicaid Administration & Oversight	283,076	296,852
SSR	5U3	600-654	Health Care Services Administration	2,288,800	2,358,266
TOTAL FOR PROGRAM				**225,626,987**	**225,769,004**

Program 05.06: Health Care Information Technology

Health Care IT includes the Ohio Medicaid Management Information System (MMIS) and the Medicaid Information Technology System (MITS). The primary goal and objective of the MMIS system is to assure that ODJFS medical policy is efficiently and effectively implemented through the use of automation. It provides reimbursement to medical providers for services rendered to eligible recipients. The MMIS system is twenty-five years old and will be replaced in this biennium by MITS.

The Executive Recommendation will:

- Continue funding to maintain MMIS during MITS implementation;
- Fund the implementation of MITS; and
- Continue the expansion of the data warehouse and Decision Support System (DSS).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-416	Computer Projects	33,487,858	31,559,363
GRF	GRF	600-425	Office of Ohio Health Plans	77,878	81,665
FED	3F0	600-623	Health Care Federal	51,168,289	33,231,352
SSR	5U3	600-654	Health Care Services Administration	7,578,484	9,642,083
TOTAL FOR PROGRAM				**92,312,509**	**74,514,463**

PROGRAM SERIES 06: Unemployment Compensation

This program series supports all activities related to 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.

Program 06.01: Unemployment Compensation

Unemployment Compensation 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 that provides funds for unemployment benefits. The 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.

The Executive Recommendation will:

- Serve approximately 800,000 unemployment compensation claimants;
- Collect over one billion dollars in tax contributions from over 230,000 employers and make payments of over $1 billion dollars in benefits; and
- Support the filing of over 21,000 appeals of unemployment compensation rulings.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V4	600-678	Federal Unemployment Programs	36,770,708	38,463,700
FED	3V4	600-679	Unemployment Comp. Review Comm. - Federal	3,092,890	3,191,862
FED	331	600-686	Federal Operating	93,244	97,738
SSR	4A9	600-607	Unemployment Compensation Admin. Federal	12,273,062	12,188,996
SSR	4A9	600-694	Unemployment Comp Review Commission	1,726,938	1,811,004
TOTAL FOR PROGRAM				**53,956,842**	**55,753,300**

Program 06.02: Trade Programs

Trade Programs 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.

The Executive Recommendation will:

- Process 1,300 trade contracts;
- Provide 50 percent of the wage differential for those earning less than $50,000 in a new job; and
- Provide eligible individuals a Health Coverage Tax Credit of 65 percent of the monthly health insurance premiums.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V0	600-688	Workforce Investment Act	130,243	136,127
FED	3V4	600-678	Federal Unemployment Programs	12,212,127	12,314,783
TOTAL FOR PROGRAM				**12,342,370**	**12,450,910**

Program 06.03: Unemployment Compensation Program Management

This program the unemployment insurance program by ensuring that the required federal and state unemployment laws are met regarding payment of unemployment insurance claims and the collection of employer state unemployment taxes.

The Executive Recommendation will:

- Support the administrative office of the Unemployment Compensation program;
- Support the Attorney General's efforts to collect from delinquent employers and overpaid benefits; and
- Pay charges assessed by the Treasurer of State for clearing and accounting of Unemployment Compensation benefit warrants.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V4	600-678	Federal Unemployment Programs	7,250,159	7,262,308
SSR	4R3	600-687	Banking Fees	800,000	800,000
TOTAL FOR PROGRAM				**8,050,159**	**8,062,308**

Program 06.04: Unemployment Compensation Information Technology

This program supports the unemployment compensation benefits and unemployment compensation tax systems. Specifically, the Ohio Job Insurance (OJI) system accepts and processes claims, maintains employer records, determines eligibility, requests separation information, issues determinations, charges employers, processes appeals, and issues re-determinations. The new UC tax system Employer Resource Information Center (ERIC) will bill employers, accept payments, process refunds, collect monies due, track employer records, assure employer compliance, and provide customer support to employers.

The Executive Recommendation will:

- Support the Unemployment Compensation tax system that serves approximately 230,000 employers and the benefit system that handles approximately 800,000 new claims and 5.3 million continued claims.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3V4	600-678	Federal Unemployment Programs	28,497,834	29,150,069
FED	331	600-686	Federal Operating	29,880	31,455
TOTAL FOR PROGRAM				**28,527,714**	**29,181,524**

PROGRAM SERIES 07: Local Operations

This program series provides administrative and operational support in bringing together a seamless delivery of services to the Ohio public and to Ohio employers.

Program 07.01: Local Operations Program Management

Local Operations Program Management administers and provides operational support for the delivery of services of the Unemployment Compensation, Employment Services, Workforce Investment Act, Veterans' Services, Labor Market Information, and the Trade Readjustment Act Grants from the U.S. Department of Labor.

The Executive Recommendation will:

- Support state personnel in 92 locations distributed throughout all 88 counties to provide employment and unemployment services to Ohio jobseekers; and
- Operate six call centers that handle over one million public calls assessing unemployment and employment services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3V0	600-688	Workforce Investment Act	3,177	3,330
FED	3V4	600-678	Federal Unemployment Programs	41,275,634	42,881,842
FED	331	600-686	Federal Operating	5,646,298	5,875,086
TOTAL FOR PROGRAM				**46,925,109**	**48,760,258**

PROGRAM SERIES 08: Program Management

This program series provides administrative and operational support to agency programs to help accomplish the agency's mission.

Program 08.01: Program Management

This program 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.

The Executive Recommendation will:

- Fund the support activities of the agency delivered through the Director's Office, Office of Legislation, Office of Legal Services, Office of Communications, Office of Employee and Business Services, Office of Research, Assessment and Accountability, Office of Contracts and Acquisitions, Office of the Inspector General, and Office of Fiscal Services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-321	Support Services	62,799,094	65,350,293
FED	3F0	600-623	Health Care Federal	564,271	564,271
FED	3H7	600-617	Child Care Federal	2,739,757	2,928,177
FED	3V0	600-688	Workforce Investment Act	3,989,308	4,191,758
FED	3V4	600-678	Federal Unemployment Programs	10,786,833	12,082,789
FED	3V6	600-689	TANF Block Grant	377,415	395,372
FED	331	600-686	Federal Operating	5,217,080	5,631,946
FED	384	600-610	Food Stamps - Federal	13,142,367	13,710,555
FED	397	600-626	Child Support	10,789,622	11,759,370
FED	398	600-627	Adoption Maintenance Administration	7,011,312	7,611,256
SSR	4J5	600-613	Nursing Facility Bed Assessment	564,270	564,270
SSR	5F2	600-667	Building Consolidation	250,000	250,000
SSR	5F3	600-668	Building Consolidation	1,000,000	1,000,000
SSR	5Z9	600-672	TANF QC Reinvestments	239,872	251,602
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				**123,081,201**	**129,901,659**

Program 08.02: Program Management Information Technology

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.

The Executive Recommendation will:

- Provide support services to over 25,000 state, county and partner users in more than 200 locations throughout the state;
- Maintain over 3,000 network printers and 500 servers; and
- Provide a common email platform for 30 million inbound emails per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	600-321	Support Services	2,305,585	2,307,250
GRF	GRF	600-416	Computer Projects	77,613,966	81,153,629
GSF	5N1	600-677	County Technologies	1,000,000	1,000,000
FED	3H7	600-617	Child Care Federal	3,943,642	4,049,734
FED	3V0	600-688	Workforce Investment Act	1,927,038	1,975,201
FED	3V4	600-678	Federal Unemployment Programs	9,132,266	9,133,897
FED	331	600-686	Federal Operating	4,342,072	4,407,336
FED	384	600-610	Food Stamps - Federal	14,000	15,000
FED	397	600-626	Child Support	9,388,278	9,681,974
FED	398	600-627	Adoption Maintenance Administration	6,503,424	6,760,597
TOTAL FOR PROGRAM				**116,170,271**	**120,484,618**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 600-513, Disability Medical Assistance, is funded at the fiscal year 2007 appropriation level but is merged into 600-525, Health Care/Medicaid.

Line item 600-651, Second Harvest Foodbanks, is created under the Title XX fund. The change removes Second Harvest funding from 600-620, Social Services Block Grant.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	600-525	Health Care/Medicaid	9,530,221,225	8,901,713,996	-6.6%	9,838,135,512	10.5%
396	600-651	Second Harvest Foodbanks	5,500,000	5,500,000	0.0%	5,500,000	0.0%

Line Item Notes

600-420, Child Support Administration: Funding for state administration is increased to adjust to changes in the federal Deficit Reduction Act.

600-440, Ohio's Best Rx Start Up Costs, and 600-673, Ohio's Best Rx Administration: Funding for these line items is moved to the Department of Aging.

600-502, Child Support Admin-Local: Funding for local administration of child support will increase greatly to offset the loss of federal match on child support incentive spending.

600-529, Capital Compensation Program, 600-635, Children's Hospital-Federal, and 600-636, Children's Hospital-State: These line items are not funded.

600-609, Foundation Grants-Child & Family Services, 600-693, Child Support Operating, and 600-652, Child Support Special Payment: These line items are no longer operational.

600-630, Food Assistance: This is a new line item supporting food banks.

600-653, Managed Care Assessment: Managed Care Assessment will greatly increase due to the statewide expansion of managed care for CFC and ABD and because fiscal year 2008 will experience a full year's impact in regards to revenue collection.

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	600-321	Support Services	62,154,564	56,127,549	58,360,571	76,706,645	65,775,552	(14.3)	68,343,151	3.9
GRF	600-410	TANF State	272,619,054	272,619,055	272,619,061	272,619,061	272,619,061	.0	272,619,061	.0
GRF	600-413	Child Care Mtch/Maint. of Effort	84,120,420	84,119,965	84,120,596	84,120,596	84,120,596	.0	84,120,596	.0
GRF	600-416	Computer Projects	122,309,615	123,048,764	132,458,765	151,481,486	145,315,754	(4.1)	147,447,438	1.5
GRF	600-420	Child Support Administration	4,460,689	4,328,150	4,189,836	5,134,710	8,791,446	71.2	10,891,446	23.9
GRF	600-421	Office of Family Stability	4,151,514	4,094,307	4,055,432	4,864,932	4,864,932	.0	4,864,932	.0
GRF	600-422	Local Operations	2,101,545	2,158,105	140	0	0	.0	0	.0
GRF	600-423	Office of Children and Families	4,266,872	4,917,847	4,817,486	5,431,690	6,737,630	24.0	6,737,630	.0
GRF	600-424	Office of Workforce Development	457,134	259,871	1,718	0	0	.0	0	.0
GRF	600-425	Office of Ohio Health Plans	34,739,585	36,421,779	40,683,090	53,866,233	49,865,282	(7.4)	49,865,282	.0
GRF	600-435	Unemp. Comp. Review Committee	3,041,014	3,197,622	3,044	0	0	.0	0	.0
GRF	600-439	Commission to Reform Medicaid	5,682	131,613	43,780	0	0	.0	0	.0
GRF	600-440	Ohio's Best Rx Start Up Costs	119,808	742,561	971,616	8,015,612	0	**	0	.0
GRF	600-502	Child Support Admin-Local	16,802,229	16,788,614	16,814,102	16,814,103	34,014,103	**	34,014,103	.0
GRF	600-511	Disability Financial Assistance	21,348,922	23,068,540	21,658,726	22,839,371	24,028,480	5.2	25,335,908	5.4
GRF	600-512	Non-TANF Disaster Assistance	0	0	3,000,000	1,000,000	1,000,000	.0	1,000,000	.0
GRF	600-513	Disability Medical Assistance	0	0	27,532,714	26,466,950	0	**	0	.0
GRF	600-521	Entitlement Administration -Local	54,091,331	55,523,338	123,770,007	151,206,401	131,214,401	(13.2)	131,214,401	.0
GRF	600-523	Children and Families Services	67,736,205	70,579,591	67,797,879	69,438,543	78,515,135	13.1	78,515,135	.0
GRF	600-525	Health Care/Medicaid	8912,897,216	9446,177,653	9143,137,515	9502,753,939	8901,713,996	**	9838,135,512	10.5
GRF	600-526	Medicare Part D	0	0	89,973,932	339,578,325	254,397,401	(25.1)	271,854,640	6.9
GRF	600-528	Adoption Services	65,793,842	65,552,070	70,432,889	78,538,615	84,124,509	7.1	93,174,366	10.8
GRF	600-529	Capital Compensation Program	0	0	0	10,000,000	0	**	0	.0
TOTAL General Revenue Fund			**9733,217,241**	**10269,856,994**	**10166,442,899**	**10880,877,212**	**10147,098,278**	**(6.7)**	**11118,133,601**	**9.6**
4A8	600-658	Child Support Collections	24,449,285	23,702,014	23,508,044	26,680,794	26,680,794	.0	26,680,794	.0
4R4	600-665	BCII Services Fees	6,967	6,042	5,201	36,974	36,974	.0	36,974	.0
5BG	600-653	Managed Care Assessment	0	0	18,224,884	99,410,121	210,655,034	**	222,667,304	5.7
5C9	600-671	Medicaid Program Support	50,292,326	57,206,108	71,462,972	63,947,536	80,120,048	25.3	80,120,048	.0
5DL	600-639	Medicaid Revenue and Collections	0	0	0	56,927,358	51,966,785	(8.7)	56,296,844	8.3
5N1	600-677	County Technologies	256,567	393,728	227,535	1,000,000	1,000,000	.0	1,000,000	.0
5P5	600-692	Health Care Services	459,404,768	541,958,429	781,988,116	179,307,452	93,000,000	(48.1)	62,000,000	(33.3)
613	600-645	Training Activities	35,629	164,072	13,235	135,000	135,000	.0	135,000	.0
TOTAL General Services Fund Group			**534,445,542**	**623,430,393**	**895,429,987**	**427,445,235**	**463,594,635**	**8.5**	**448,936,964**	**(3.2)**
3AW	600-675	Faith Based Initiatives	0	361,574	914,242	1,934,140	1,000,000	(48.3)	1,000,000	.0
3A2	600-641	Emergency Food Distribution	2,691,705	2,701,662	2,425,279	3,000,000	2,900,000	(3.3)	3,500,000	20.7
3D3	600-648	Children's Trust Fund-Federal	215,017	22,512	1,542,863	2,040,524	2,040,524	.0	2,040,524	.0
3F0	600-623	Health Care Federal	413,196,431	403,047,748	514,619,834	1119,728,886	1209,188,383	8.0	1211,196,561	.2

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
3F0	600-635	Children's Hospital-Federal	0	0	4,459,022	9,000,000	0	**	0	.0
3F0	600-650	Hospital Care Assurance Match	282,052,600	328,502,069	327,976,613	343,239,047	343,239,047	.0	343,239,047	.0
3G5	600-655	Interagency Reimbursement	1006,819,702	1198,945,148	1196,206,073	1426,954,440	1469,763,073	3.0	1513,855,965	3.0
3H7	600-617	Child Care Federal	197,783,565	169,493,158	197,593,937	208,000,001	207,269,463	(.4)	200,167,593	(3.4)
3N0	600-628	IV-E Foster Care Maintenance	115,796,416	120,642,812	109,079,847	153,963,142	153,963,142	.0	153,963,142	.0
3S5	600-622	Child Support Projects	280,306	288,244	206,701	534,050	534,050	.0	534,050	.0
3V0	600-662	WIA Ohio Option 7	66,953,871	3,231,613	0	0	0	.0	0	.0
3V0	600-688	Workforce Investment Act	62,000,443	129,841,575	146,644,403	208,097,948	232,568,453	11.8	233,082,144	.2
3V4	600-678	Federal Unemployment Programs	104,372,627	145,191,483	135,157,844	157,202,750	147,411,858	(6.2)	152,843,414	3.7
3V4	600-679	Unemp. Comp. Review Comm. - Federal	3,035,906	2,445,009	2,435,219	3,800,573	3,092,890	(18.6)	3,191,862	3.2
3V6	600-689	TANF Block Grant	650,235,823	574,957,671	746,384,902	1027,739,200	1037,739,200	1.0	1085,861,099	4.6
3V6	600-690	Wellness	15,004	0	0	0	0	.0	0	.0
3W3	600-659	TANF/Title XX Transfer	55,633,235	47,985,430	10,449,489	12,372,173	9,782,101	(20.9)	6,200,000	(36.6)
316	600-602	State and Local Training	2,633,843	984,861	290,779	0	0	.0	0	.0
327	600-606	Child Welfare	14,532,495	14,598,058	30,195,438	33,090,786	48,514,502	46.6	47,947,309	(1.2)
331	600-686	Federal Operating	38,415,185	39,561,688	38,377,469	44,929,545	53,963,318	20.1	56,263,225	4.3
365	600-681	Job Training Program	0	23,334	0	0	0	.0	0	.0
384	600-610	Food Stamps - Federal	102,237,448	119,103,382	127,754,386	181,250,799	160,237,060	(11.6)	153,147,118	(4.4)
385	600-614	Refugee Services	3,992,620	5,242,481	6,095,913	6,542,439	10,196,547	55.9	11,057,826	8.4
395	600-616	Special Activities-Child & Fam Svs	2,466,671	3,068,490	2,492,364	4,564,877	5,723,131	25.4	5,717,151	(.1)
396	600-620	Social Services Block Grant	33,689,727	72,987,850	110,656,098	123,705,573	114,479,464	(7.5)	114,474,085	.0
396	600-651	Second Harvest Food Banks	0	0	0	0	5,500,000	.0	5,500,000	.0
397	600-626	Child Support	237,675,453	232,012,113	234,906,552	287,468,576	303,661,307	5.6	303,538,962	.0
398	600-627	Adoption Maint/Administration	225,871,231	220,890,202	223,865,145	314,639,519	318,172,168	1.1	317,483,676	(.2)
TOTAL Fed Special Revenue Fund Group			**3622,597,324**	**3836,130,167**	**4170,730,412**	**5673,798,988**	**5840,939,681**	**2.9**	**5925,804,753**	**1.5**
198	600-647	Children's Trust Fund	4,209,769	4,396,535	4,384,188	6,788,522	6,788,522	.0	6,788,522	.0
4A9	600-607	Unemployment Compensation Admin Fd	125,011	124,746	1,898,901	10,811,527	12,273,062	13.5	12,188,996	(.7)
4A9	600-694	Unemployment Comp Review Comm	0	0	2,894,987	3,188,473	1,726,938	(45.8)	1,811,004	4.9
4E3	600-605	Nursing Home Assessments	588,025	611,301	1,151,042	4,759,914	4,759,914	.0	4,759,914	.0
4E7	600-604	Child & Family Services Collections	2,795	51,935	408,606	300,000	300,000	.0	300,000	.0
4F1	600-609	Foundation Grants-Child & Fam Svs	0	0	0	61,420	0	**	0	.0
4J5	600-613	Nursing Facility Bed Assessmnt	33,975,980	34,044,246	34,185,096	34,613,984	34,613,984	.0	34,613,984	.0
4J5	600-618	Rsdntial State Supplemnt Pymnt	11,992,307	10,406,875	9,856,290	15,700,000	15,700,000	.0	15,700,000	.0
4K1	600-621	ICF MR Bed Assessments	20,363,845	19,399,403	19,393,464	20,064,131	19,332,437	(3.6)	19,332,437	.0
4R3	600-687	Banking Fees	556,424	364,539	357,825	800,000	800,000	.0	800,000	.0
4Z1	600-625	Healthcare Compliance	300,000	206,543	90,216	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	0	**	0	.0
5AX	600-697	Public Assistance Reconciliation	0	133,000,000	42,043,373	0	0	.0	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5A5	600-685	Unemployment Benefit Automation	12,504,146	10,594,384	1,059,145	0	0	.0	0	.0
5BE	600-693	Child Support Operating	0	0	1,487,538	5,000,000	0	**	0	.0
5CR	600-636	Children's Hospitals-State	0	0	3,000,000	6,000,000	0	**	0	.0
5DB	600-637	Military Injury Grants	0	0	0	2,000,000	2,000,000	.0	2,000,000	.0
5ES	600-630	FOOD ASSISTANCE	0	0	0	0	500,000	.0	500,000	.0
5E6	600-634	State Option Food Stamps	45,546	0	0	0	0	.0	0	.0
5F2	600-667	Building Consolidation	0	178,138	117,500	250,000	250,000	.0	250,000	.0
5F3	600-668	Building Consolidation	810,021	1,899,460	1,941,102	1,000,000	1,000,000	.0	1,000,000	.0
5P4	600-691	TANF Child Welfare	506,346	0	0	0	0	.0	0	.0
5Q9	600-619	Supplemental Inpatient Hosp Pymnts	44,227,437	40,105,285	37,028,322	56,125,998	56,125,998	.0	56,125,998	.0
5R2	600-608	Medicaid-Nursing Facilities	113,754,184	105,470,419	150,269,662	176,632,090	175,000,000	(.9)	175,000,000	.0
5S3	600-629	MR/DD Medicaid Admn & Oversight	197,319	204,859	568,268	1,620,960	1,620,960	.0	1,620,960	.0
5T2	600-652	Child Support Special Payment	1,007,013	13,200	1,060	148,628	0	**	0	.0
5U3	600-654	Health Care Services Administration	2,002,564	2,833,762	2,966,063	5,454,637	9,867,284	**	12,000,349	21.6
5U6	600-663	Children and Family Support	2,739,882	2,954,025	2,836,036	4,929,717	4,928,718	.0	4,928,718	.0
5Z5	600-664	Health Care Grants	11,659	2,221	0	0	0	.0	0	.0
5Z9	600-672	TANF QC Reinvestments	19,962	404,349	377,319	688,421	520,971	(24.3)	546,254	4.9
651	600-649	Hospital Care Assurance Prgrm	197,380,968	226,156,258	221,606,986	231,893,404	231,893,404	.0	231,893,404	.0
TOTAL State Special Revenue Fund Group			**447,321,203**	**593,422,483**	**539,922,989**	**603,831,826**	**590,002,192**	**(2.3)**	**592,160,540**	**.4**
192	600-646	Support Intercept-Federal	96,470,181	88,225,050	90,174,722	110,000,000	110,000,000	.0	110,000,000	.0
5B6	600-601	Food Stamp Intercept	634,365	1,533,697	1,748,932	2,000,000	2,000,000	.0	2,000,000	.0
583	600-642	Support Intercept-State	14,821,290	10,577,236	12,378,458	16,000,000	16,000,000	.0	16,000,000	.0
TOTAL Agency Fund Group			**111,925,836**	**100,335,983**	**104,302,112**	**128,000,000**	**128,000,000**	**.0**	**128,000,000**	**.0**
R12	600-643	Refunds and Audit Settlements	1,506,767	1,336,265	2,193,433	3,600,000	3,600,000	.0	3,600,000	.0
R13	600-644	Forgery Collections	1,286	0	0	10,000	10,000	.0	10,000	.0
TOTAL Holdng Acct Redist Fund Group			**1,508,053**	**1,336,265**	**2,193,433**	**3,610,000**	**3,610,000**	**.0**	**3,610,000**	**.0**
TOTAL Dept. of Job and Family Svcs.			**14451,015,199**	**15424,512,285**	**15879,021,832**	**17717,563,261**	**17173,244,786**	**(3.1)**	**18216,645,858**	**6.1**

**** 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 $410,000.

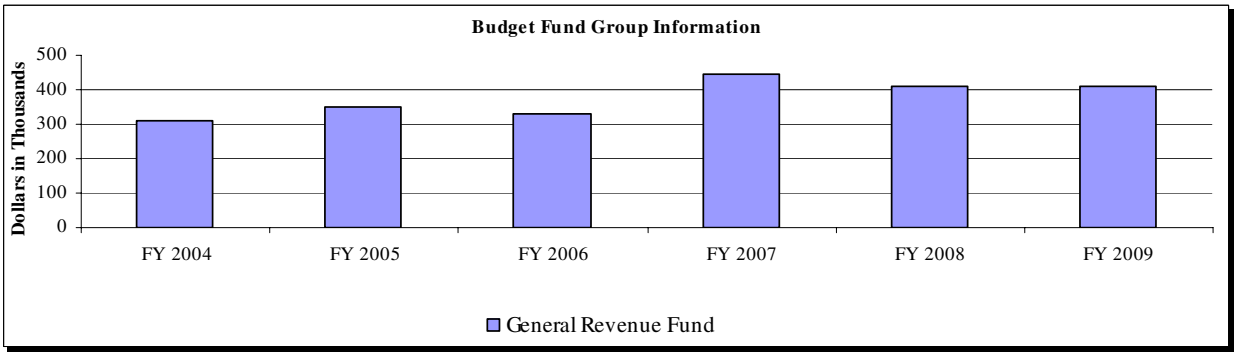
Pursuant to Section 107.03(B) of the Ohio Revised Code, the Governor may not alter the funding requests of agencies of the legislative branch of government. The Joint Committee on Agency Rule Review provides the Office of Budget and Management with their budget request for inclusion in the executive budget proposal and not for consideration or approval.

Additional information regarding the Joint Committee on Agency Rule Review is available at http://www.jcarr.state.oh.us/.

Agency Priority

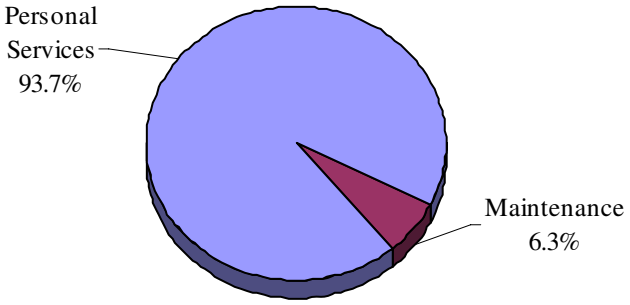
- Review proposed new, amended, and rescinded rules to ensure they do not exceed the scope of agency rule making authority.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	308	352	330	444	34.7	410	(7.7)	410	.0
TOTAL	**308**	**352**	**330**	**444**	**34.7**	**410**	**(7.7)**	**410**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	275	316	303	362	19.5	384	6.0	384	.0
Maintenance	33	29	21	82	280.7	26	(68.5)	26	.0
Equipment	1	8	5	0	(100.0)	0	.0	0	.0
TOTAL	**308**	**352**	**330**	**444**	**34.7**	**410**	**(7.7)**	**410**	**.0**

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.

The Agency Request will:

- Continue the current level of five full-time positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	029-321	Operating Expenses	409,856	409,856
TOTAL FOR PROGRAM				**409,856**	**409,856**

LINE ITEM SUMMARY - Joint Committee on Agency Rule Review

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	029-321	Operating Expenses	308,102	352,474	329,615	444,034	409,856	(7.7)	409,856	.0
TOTAL General Revenue Fund			**308,102**	**352,474**	**329,615**	**444,034**	**409,856**	**(7.7)**	**409,856**	**.0**
TOTAL Joint Comm. on Agy Rule Review			**308,102**	**352,474**	**329,615**	**444,034**	**409,856**	**(7.7)**	**409,856**	**.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 of the Senate, the House of Representatives, or any legislative agency.

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, as well as administration of the recently enacted post employment disclosure filings. The office has an annual GRF budget of approximately $550,000, and annual spending authority for up to $100,000 in lobbyist registration fees.

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 an investment 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 daily at the Agency Internet site, and is semiannually distributed to department-level agencies and the General Assembly in an electronic format. 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.

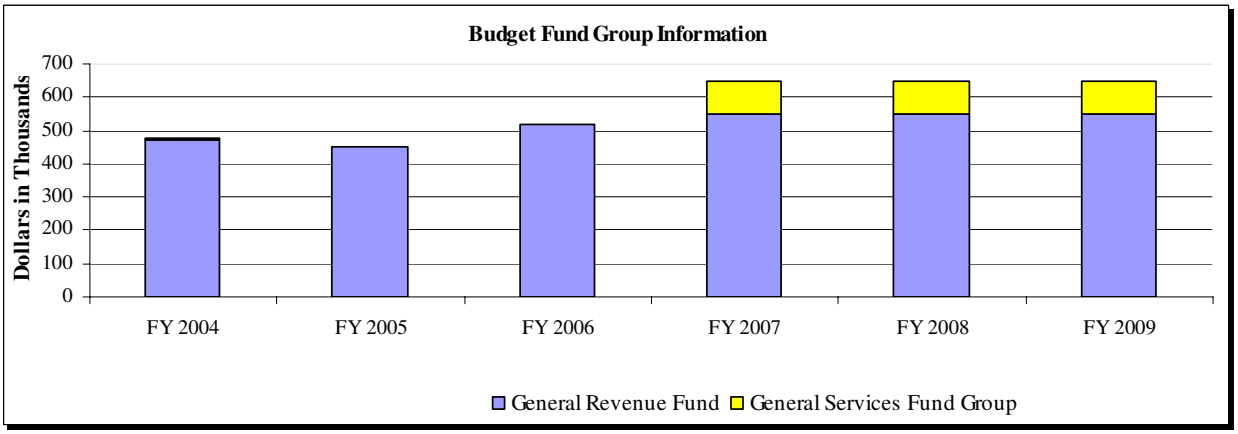
Pursuant to Section 107.03(B) of the Ohio Revised Code, the Governor may not alter the funding requests of agencies of the legislative branch of government. The Joint Legislative Ethics Committee provides the Office of Budget and Management with their budget request for inclusion in the executive budget proposal and not for consideration or approval.

More information regarding the Joint Legislative Ethics Committee is available at http://www.jlec-olig.state.oh.us/.

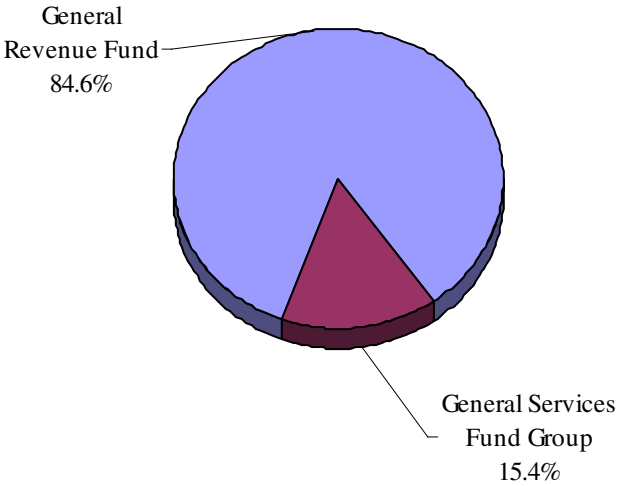
Agency Priorities

- Establish 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.
- Investigate 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 of the Senate, the House of Representatives, or any legislative agency.

Summary of Budget History and Recommendations

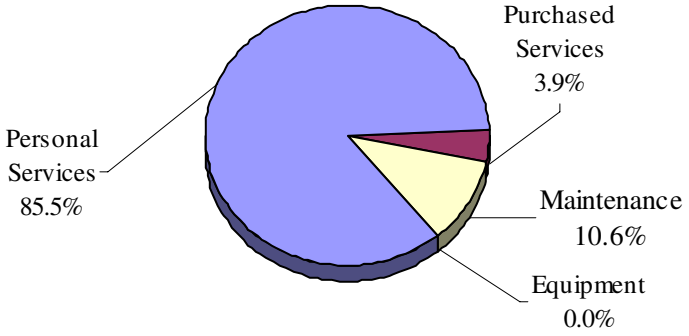


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	473	449	516	550	6.5	550	.0	550	.0
General Services Fund Group	0	0	0	100	.0	100	.0	100	.0
TOTAL	**473**	**449**	**516**	**650**	**25.9**	**650**	**.0**	**650**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	374	334	393	546	38.9	534	(2.1)	550	3.0
Purchased Services	21	29	57	20	(65.1)	25	25.0	24	(4.0)
Maintenance	76	84	66	81	21.4	75	(6.8)	60	(20.0)
Equipment	2	2	0	4	.0	16	300.0	16	.0
TOTAL	**473**	**449**	**516**	**650**	**25.9**	**650**	**.0**	**650**	**.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.

The Executive Recommendation will:

- Continue the current level of 6 full-time positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	028-321	Legislative Ethics Committee	550,000	550,000
GSF	4G7	028-601	Joint Legislative Ethics	100,000	100,000
TOTAL FOR PROGRAM				**650,000**	**650,000**

LINE ITEM SUMMARY - Joint Legislative Ethics Committee

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	028-321	Legislative Ethics Committee	472,972	448,773	516,245	550,000	550,000	.0	550,000	.0
TOTAL General Revenue Fund			**472,972**	**448,773**	**516,245**	**550,000**	**550,000**	**.0**	**550,000**	**.0**
4G7	028-601	Joint Legislative Ethics	0	0	0	100,000	100,000	.0	100,000	.0
TOTAL General Services Fund Group			**0**	**0**	**0**	**100,000**	**100,000**	**.0**	**100,000**	**.0**
TOTAL Joint Legislative Ethics Comm.			**472,972**	**448,773**	**516,245**	**650,000**	**650,000**	**.0**	**650,000**	**.0**

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 courts, and the justices of the Supreme Court. The conference consists of over 720 active and 258 retired judges. An executive committee of 50 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 $1.6 million.

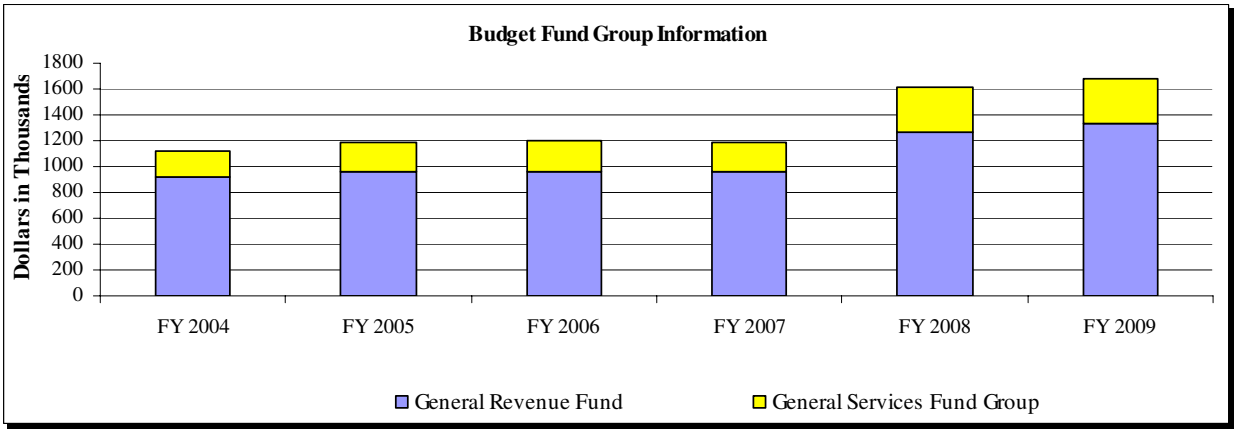
More information regarding the Judicial Conference is available at http://www.ohiojudges.org/.

Agency Priorities

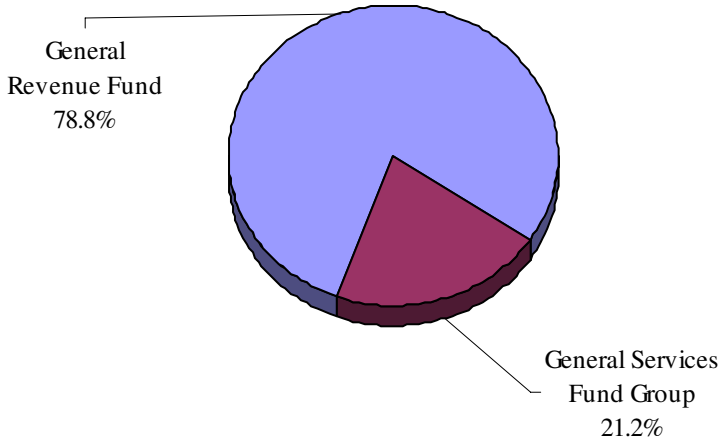
- Study the coordination of the work of Ohio's courts.
- Encourage uniformity in the application of the law, rules, and practice throughout the state and within each division of the courts.
- Promote opportunities to exchange experiences and suggestions regarding the operation of the judicial system.
- Engage all 722 Ohio judges in the process of ensuring the equal and efficient administration of justice throughout the state by facilitating educational opportunities, through committee participation, and maintaining regular productive communication.
- Analyze proposed and pending legislation and provide thoughtful and objective judicial impact statements to the General Assembly.
- Promote cooperation, collaboration, and partnerships with executive agencies, judicial associations, professional associations, local officials, and court agencies to improve the administration of justice.
- Prepare and maintain publications that improve the knowledge and awareness of Ohio judges of new law and matters of importance to the administration of justice.
- Prepare and maintain publications that improve the public confidence and knowledge of Ohio Courts and their function in Ohio government and in the community.

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

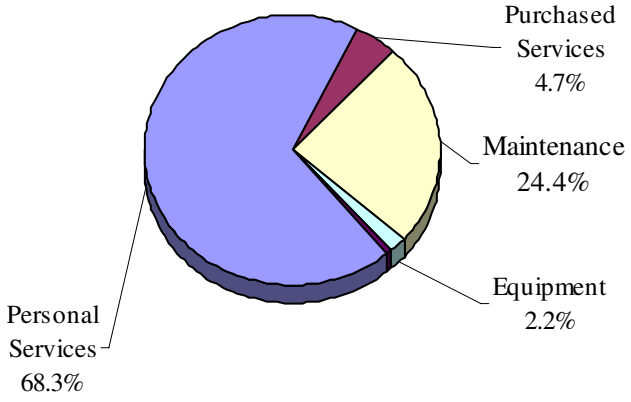


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	919	957	957	957	.0	1,269	32.6	1,329	4.7
General Services Fund Group	194	225	248	225	(9.4)	350	55.6	350	.0
TOTAL	**1,113**	**1,182**	**1,205**	**1,182**	**(1.9)**	**1,619**	**37.0**	**1,679**	**3.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	756	776	725	790	9.0	1,097	38.9	1,157	5.4
Purchased Services	38	50	71	50	(29.4)	78	55.3	78	.0
Maintenance	300	353	366	0	(100.0)	402	.0	402	.0
Equipment	17	2	40	0	(100.0)	36	.0	36	.2
Transfer & Other	1	0	4	342	8,817.9	7	(98.0)	7	.7
TOTAL	**1,113**	**1,182**	**1,205**	**1,182**	**(1.9)**	**1,619**	**37.0**	**1,679**	**3.7**

PROGRAM SERIES 01: Ohio Judicial Conference

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: 1) judicial support, 2) a fair, impartial, and responsible judiciary, and 3) 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: Ohio Judicial Conference

There are 21 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.

The Executive Recommendation will:

- Fund operating costs of the Judicial Conference, including the 11 staff positions and more than 20 committees;
- Support the preparation and publishing of comprehensive Ohio Jury Instructions for use by Ohio judges; and
- Educate and encourage Ohio judges in the use of technology to improve court operations and efficiencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	018-321	Operating Expenses	1,269,430	1,329,193
GSF	403	018-601	Ohio Jury Instructions	350,000	350,000
TOTAL FOR PROGRAM				**1,619,430**	**1,679,193**

LINE ITEM SUMMARY - Judicial Conference

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	018-321	Operating Expenses	918,751	956,998	956,949	957,000	1,269,430	32.6	1,329,193	4.7
TOTAL General Revenue Fund			**918,751**	**956,998**	**956,949**	**957,000**	**1,269,430**	**32.6**	**1,329,193**	**4.7**
403	018-601	Ohio Jury Instructions	193,808	224,672	248,271	225,000	350,000	55.6	350,000	.0
TOTAL General Services Fund Group			**193,808**	**224,672**	**248,271**	**225,000**	**350,000**	**55.6**	**350,000**	**.0**
TOTAL Judicial Conference			**1,112,559**	**1,181,670**	**1,205,220**	**1,182,000**	**1,619,430**	**37.0**	**1,679,193**	**3.7**

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 over 720 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 $132.6 million for fiscal year 2008.

The Judiciary portion of the budget supports the full salaries of Ohio's 68 appellate judges; over 90 percent of the salaries for over 390 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 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 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, the Commission for Legal Education Opportunity, and the Ohio Court Technology Initiative. The Ohio Criminal Sentencing Commission is a 24-member body created in 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 education 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 with law school education, including the provision of tuition and an annual stipend. The Ohio Courts Technology Initiative will facilitate the exchange of information and warehousing of data by and between Ohio courts and other justice system partners through the creation of an Ohio Courts Network; provide services, hardware, software, and education and training programs to judges, clerks, and court personnel throughout the state; and operate the Commission on Technology and the Courts.

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 the annual appropriations and fund nearly 60 legal and support positions at the Supreme Court.

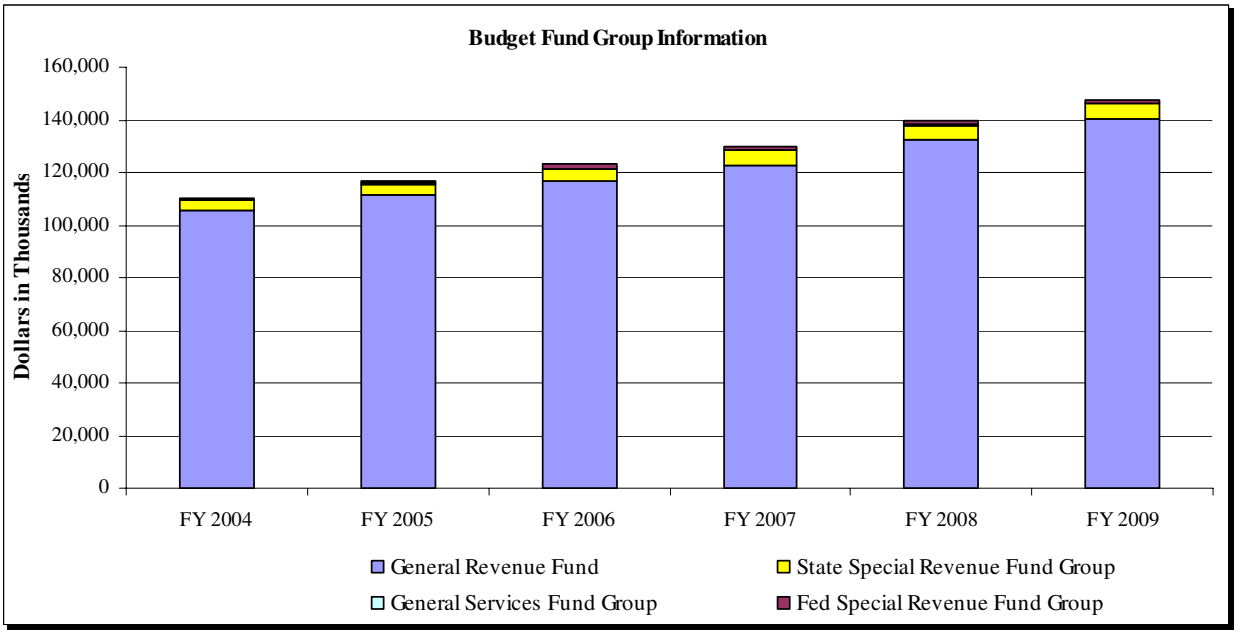
Additional information regarding the Judiciary/Supreme Court is available at http://www.sconet.state.oh.us/.

Agency Priorities

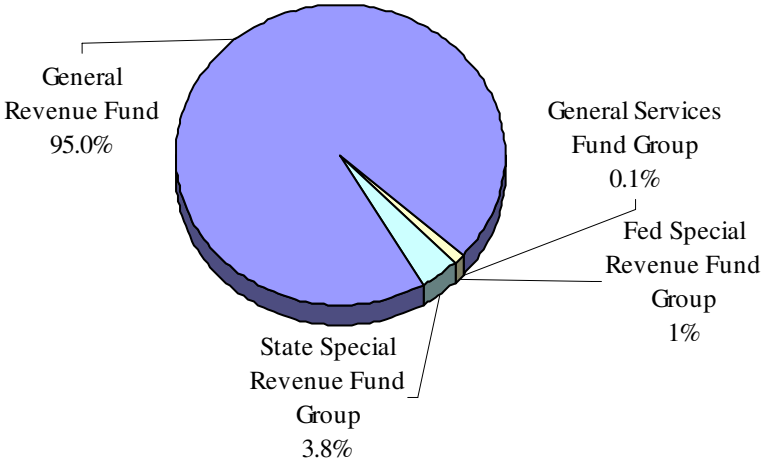
- Review legal matters presented from Ohio's twelve courts of appeals in cases arising under the constitution of the United States or Ohio, appeals of felony convictions, direct appeals of death penalty cases, and cases involving matters of public or great general interest.
- Regulate persons admitted to the practice of law.
- Exercise general superintendence over all courts in the state pursuant to constitutional authority.
- Deliver technical assistance and services to judges and courts throughout the state in areas of case management, dispute resolution, information technology, court security, and specialized dockets.
- Create and maintain the Ohio Courts Technology Initiative, a program to provide direct and indirect technical assistance to trial and appellate courts, and create the Ohio Courts Network.

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

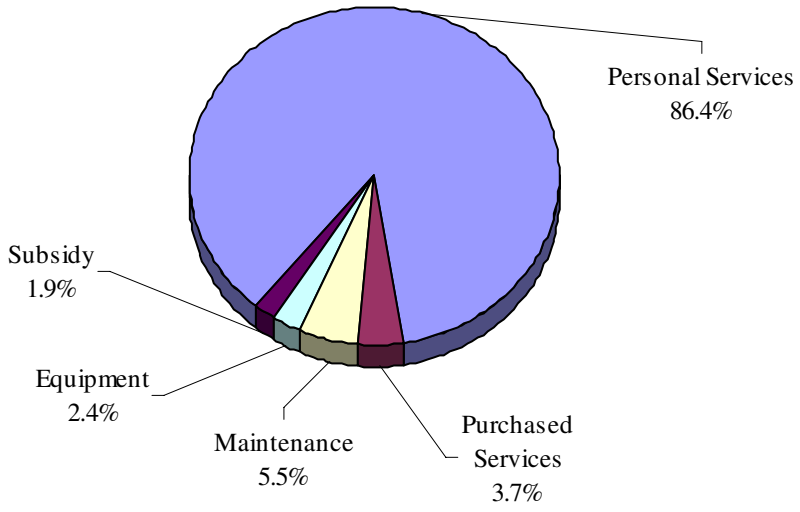


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	105,630	111,570	116,562	122,883	5.4	132,589	7.9	140,568	6.0
General Services Fund Group	104	92	116	130	12.1	136	4.6	140	2.9
Fed Special Revenue Fund Group	451	993	1,752	1,508	(13.9)	1,518	.7	1,468	(3.3)
State Special Revenue Fund Group	4,019	4,151	4,602	5,564	20.9	5,438	(2.3)	5,578	2.6
TOTAL	**110,204**	**116,805**	**123,032**	**130,084**	**5.7**	**139,682**	**7.4**	**147,753**	**5.8**

FY 2008-09 Biennial Appropriation by Expense Category*



* Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	100,601	105,865	110,862	117,020	5.6	121,605	3.9	126,869	4.3
Purchased Services	1,915	2,505	2,535	2,683	5.8	5,070	89.0	5,583	10.1
Maintenance	4,131	6,007	6,453	7,095	10.0	7,851	10.7	8,060	2.7
Equipment	2,885	1,305	1,862	2,024	8.7	2,869	41.8	3,893	35.7
Subsidy	644	1,090	1,294	1,205	(6.9)	2,239	85.8	3,301	47.4
Transfer & Other	27	33	26	57	115.4	47	(17.5)	47	.0
TOTAL	**110,204**	**116,805**	**123,032**	**130,084**	**5.7**	**139,682**	**7.4**	**147,753**	**5.8**

PROGRAM SERIES 01: Judiciary/Supreme Court

This program series supports the judicial 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, and most of its cases are appeals from the 12 district courts of appeals.

The Executive Recommendation will:

- Fund the operations of the Judiciary and the Supreme Court;
- Provide 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 rates set in statute;
- Fund operational, maintenance, and security costs for the Ohio Judicial Center; and
- Support the implementation of the Ohio Courts Technology Initiative pilot projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	005-321	Operating Exp-Judiciary/Supreme Ct	127,778,192	133,144,970
GRF	GRF	005-401	State Criminal Sentencing Council	331,500	336,770
GRF	GRF	005-406	Law-Related Education	229,290	236,172
GRF	GRF	005-409	Ohio Courts Tech Initiative	4,000,000	6,500,000
GRF	GRF	005-502	Comm.for Legal Edu. Opportunity	250,000	350,000
GSF	672	005-601	Continuing Judicial Education	136,000	140,000
FED	3J0	005-603	Federal Grants	1,518,491	1,467,693
SSR	4C8	005-605	Attorney Services	3,841,416	3,936,058
SSR	5T8	005-609	Grants and Awards	100,000	100,000
SSR	6A8	005-606	Supreme Court Admissions	1,496,633	1,541,532
TOTAL FOR PROGRAM				**139,681,522**	**147,753,195**

LINE ITEM SUMMARY - Judiciary/Supreme Court

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	005-321	Operating Exp-Judiciary/Supreme Ct	105,170,327	111,094,476	116,088,020	121,441,259	127,778,192	5.2	133,144,970	4.2
GRF	005-401	State Criminal Sentencing Council	249,517	259,048	258,013	343,730	331,500	(3.6)	336,770	1.6
GRF	005-406	Law-Related Education	209,836	216,131	216,131	222,615	229,290	3.0	236,172	3.0
GRF	005-409	Ohio Courts Tech Initiative	0	0	0	0	4,000,000	.0	6,500,000	62.5
GRF	005-502	Comm.for Legal Edu. Opportunity	0	0	0	875,000	250,000	(71.4)	350,000	40.0
TOTAL General Revenue Fund			**105,629,680**	**111,569,655**	**116,562,164**	**122,882,604**	**132,588,982**	**7.9**	**140,567,912**	**6.0**
672	005-601	Continuing Judicial Education	103,561	91,983	115,949	130,000	136,000	4.6	140,000	2.9
TOTAL General Services Fund Group			**103,561**	**91,983**	**115,949**	**130,000**	**136,000**	**4.6**	**140,000**	**2.9**
3J0	005-603	Federal Grants	451,486	992,823	1,751,856	1,507,578	1,518,491	.7	1,467,693	(3.3)
TOTAL Fed Special Revenue Fund Group			**451,486**	**992,823**	**1,751,856**	**1,507,578**	**1,518,491**	**.7**	**1,467,693**	**(3.3)**
4C8	005-605	Attorney Services	2,517,114	2,627,960	2,987,803	3,264,867	3,841,416	17.7	3,936,058	2.5
5T8	005-609	Grants and Awards	44,068	27,702	89,234	260,000	100,000	(61.5)	100,000	.0
6A8	005-606	Supreme Court Admissions	976,761	1,041,340	1,116,488	1,453,042	1,496,633	3.0	1,541,532	3.0
643	005-607	Commission on Cont Legal Ed	480,895	453,529	408,741	586,261	0	(100.0)	0	.0
TOTAL State Special Revenue Fund Group			**4,018,838**	**4,150,531**	**4,602,266**	**5,564,170**	**5,438,049**	**(2.3)**	**5,577,590**	**2.6**
TOTAL The Judiciary/Supreme Court			**110,203,565**	**116,804,992**	**123,032,235**	**130,084,352**	**139,681,522**	**7.4**	**147,753,195**	**5.8**

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 and working to implement 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 commission issues reports such as *State of the Lake Report ~ Lake Erie Quality Index* and *Lake Erie Protection & Restoration Plan* that provide information and strategic action proposals for state government to improve the quality of Lake Erie and its use.

The Lake Erie Commission staff of four employees 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. 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. Over $8.0 million has been distributed for about 235 projects over a 12-year period. The Lake Erie Commission has an annual operating budget of approximately $837,000. Additional information regarding the Lake Erie Commission is available at http://www.epa.state.oh.us/oleo/index.html.

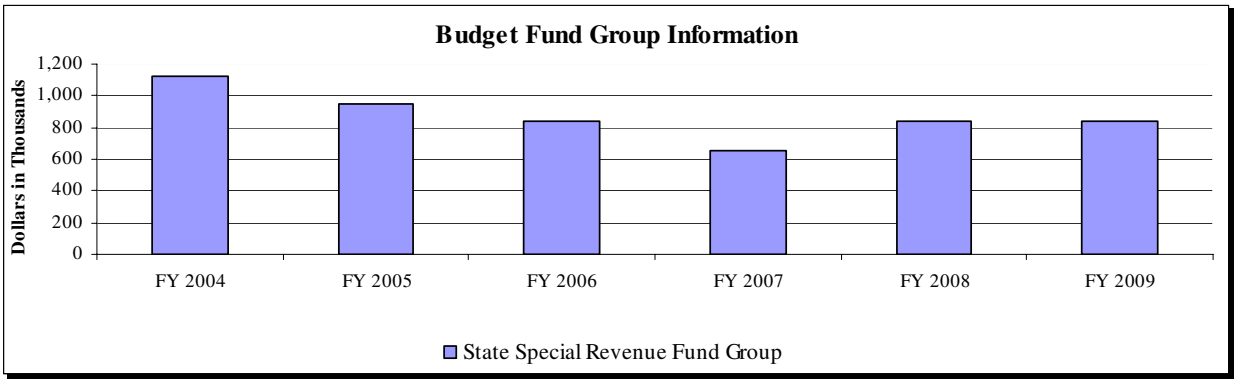
Turnaround Ohio Initiatives

- Provide incentives for Smart Growth by strengthening implementation of the Balanced Growth Planning Framework recommendations that call for state incentives to invest in those areas specifically designated by local jurisdictions for development or conservation in their locally adopted and state endorsed Balanced Growth Plans.
- Provide Ohio communities with Balanced Growth tools (supported by training) that they can use to discourage unchecked sprawl and encourage redevelopment of urban areas.
- Integrate sustainable development practices into state development policies and development funding decisions through the Balanced Growth Strategy.

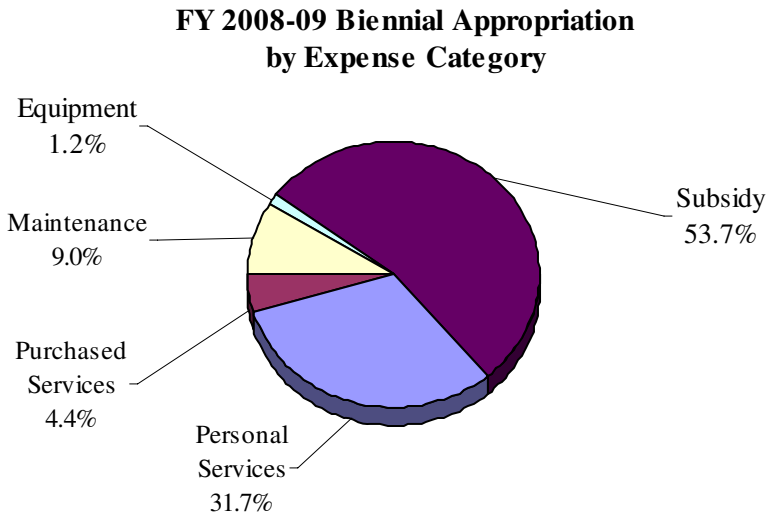
Agency Priorities

- Prepare the State of the Lake/Lake Erie Quality Index Report to identify problems and track progress to guide Lake Erie Protection and Restoration.
- Update and implement the Lake Erie Protection and Restoration Plan along with Ohio's Lake Erie Action List as a clear statement of Ohio's actions to improve Lake Erie and implement the Great Lakes Regional Collaboration.
- Implement the public education program to increase the awareness of Lake Erie through public outreach activities such as Ohio's Coastweeks, "Life on Lake Erie" Photo Contest, and other activities.
- Award research and implementation grants through the Lake Erie Protection Fund.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
State Special Revenue Fund Group	1,120	951	843	659	(21.8)	837	27.1	838	.1
TOTAL	**1,120**	**951**	**843**	**659**	**(21.8)**	**837**	**27.1**	**838**	**.1**



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	217	232	199	206	3.6	260	26.4	271	4.2
Purchased Services	51	2	5	25	405.7	37	48.0	37	.0
Maintenance	152	126	56	118	111.8	80	(32.1)	70	(12.5)
Equipment	6	1	8	10	22.4	10	.0	10	.0
Subsidy	686	521	575	240	(58.3)	450	87.5	450	.0
Transfer & Other	7	69	0	60	.0	0	(100.0)	0	.0
TOTAL	**1,120**	**951**	**843**	**659**	**(21.8)**	**837**	**27.1**	**838**	**.1**

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 of 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.

The Executive Recommendation will:

- Support the administration of approximately 24 grant projects;
- Support the day-to-day operations of the agency;
- Allow coordination of policies and projects pertaining water quality, habitat, recreation and tourism, and resource management within the Lake Erie Basin;
- Support the conduction of four quarterly Ohio Lake Erie Commission meetings and initiatives; and
- Allow the program to market established revenue sources such as the Lake Erie license plate program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
SSR	4C0	780-601	Lake Erie Protection	450,000	450,000
SSR	5D8	780-602	Lake Erie Resources	387,000	388,000
TOTAL FOR PROGRAM				**837,000**	**838,000**

LINE ITEM SUMMARY - Lake Erie Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4C0	780-601	Lake Erie Protection	692,968	600,704	576,263	300,000	450,000	50.0	450,000	.0
5D8	780-602	Lake Erie Resources	426,692	349,893	266,362	358,549	387,000	7.9	388,000	.3
TOTAL State Special Revenue Fund Group			**1,119,660**	**950,597**	**842,625**	**658,549**	**837,000**	**27.1**	**838,000**	**.1**
TOTAL Lake Erie Commission			**1,119,660**	**950,597**	**842,625**	**658,549**	**837,000**	**27.1**	**838,000**	**.1**

Role and Overview

The Legal Rights Service (LRS) protects and advocates the rights of individuals with disabilities by providing legal representation, investigating complaints, negotiating settlements, monitoring services, and providing training regarding clients' rights.

In Ohio, LRS is the federally mandated protection and advocacy system for individuals with developmental disabilities, mental illness, brain injury, and other disabilities. The agency helps to implement multiple federal programs for those 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 individuals or relatives or guardians of people with mental retardation, developmental disabilities, or mental illness and interested citizens, public officials, and governmental agencies.

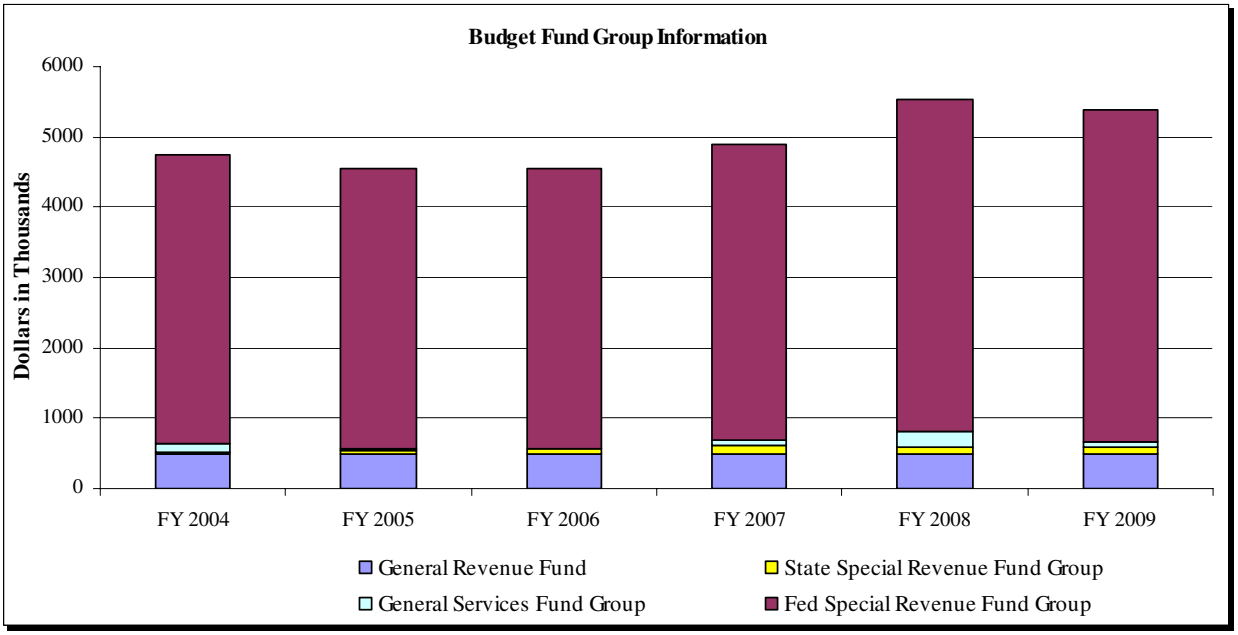
The administrator of LRS is appointed by a seven-member commission. The Chief Justice of the Supreme Court appoints one member, who serves as chair, and the Speaker of the House of Representatives and the President of the Senate appoint three members each. Terms of office are for three years. The commission advises the administrator on policy and budget issues.

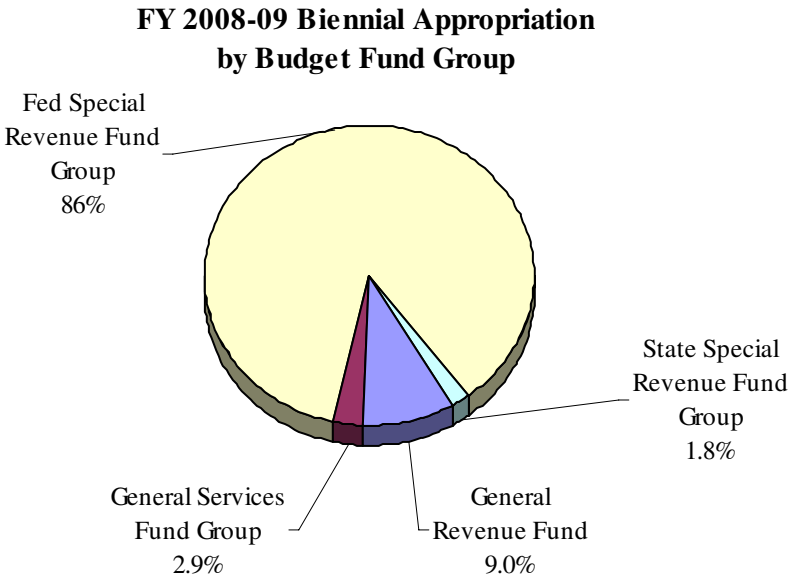
The agency has 47 employees with an annual budget of approximately $5.5 million. Additional information regarding the Legal Rights Service is available at: http://olrs.ohio.gov/.

Agency Priorities

- Continue to provide client-driven, legally-based advocacy services to Ohioans with disabilities through efficient and effective management of federal and state resources.
- Implement programmatic priorities as required under the federal protection and advocacy grants, which are focused on obtaining needed services for individuals with disabilities in the most integrated setting that is appropriate to their needs.
- Resolve issues related to medically necessary services for children (EPSDT).
- Ensure appropriate educational services and transition from school to work and appropriate vocational rehabilitation services.
- Empower individuals with disabilities to allow them to make important life decisions independently.
- Investigate and remedy systemic problems that allow abuse and neglect of individuals with disabilities in facilities and schools.

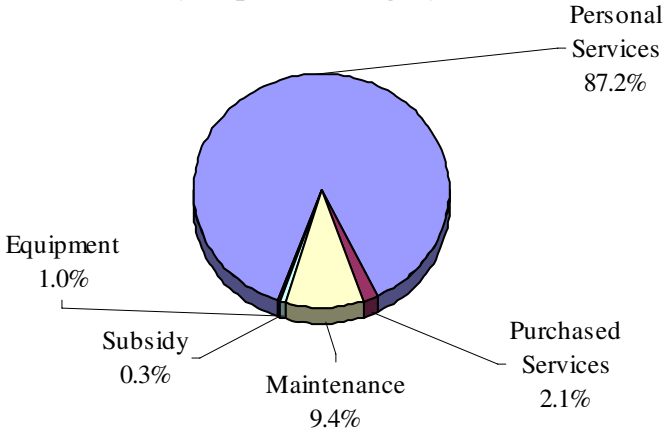
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	500	489	489	489	.0	489	.0	489	.0
General Services Fund Group	130	36	4	76	1,909.3	231	203.0	81	(64.8)
Fed Special Revenue Fund Group	4,097	3,986	3,968	4,216	6.2	4,705	11.6	4,705	.0
State Special Revenue Fund Group	17	50	76	115	51.7	100	(12.9)	100	.0
TOTAL	**4,744**	**4,561**	**4,537**	**4,897**	**7.9**	**5,526**	**12.8**	**5,376**	**(2.7)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	4,013	3,983	3,989	4,204	5.4	4,829	14.9	4,679	(3.1)
Purchased Services	206	62	96	109	13.2	113	3.3	113	.0
Maintenance	470	455	397	523	31.8	515	(1.5)	515	.0
Equipment	45	60	48	45	(6.4)	54	19.5	54	.0
Subsidy	5	1	6	15	142.0	14	(6.3)	14	.0
Transfer & Other	5	0	1	0	(100.0)	0	.0	0	.0
TOTAL	**4,744**	**4,561**	**4,537**	**4,897**	**7.9**	**5,526**	**12.8**	**5,376**	**(2.7)**

PROGRAM SERIES 01: Protection and Advocacy of Disabled Ohioans

This program series provides protection and advocacy services to individuals with disabilities when they are subjected to violations of their civil, legal, or human rights. The protection and advocacy services are provided through legal assistance, education and training, public policy development, and ombudsman services.

Program 01.01: Protection and Advocacy

This program provides protection and advocacy services to individuals with disabilities when they are subjected to violations of their civil, legal, or human rights. The protection and advocacy services are provided through legal assistance, education and training, public policy development, and ombudsman services.

The Executive Recommendation will:

- Support the protection and advocacy system for Ohioans with disabilities by providing legally-based advocacy, including legal representation in individual and group cases to over 3,500 eligible clients and their families;
- Provide for planning and implementation of programmatic advocacy priorities that impact all Ohioans with disabilities through case and policy advocacy in the following areas: community integration and employment initiatives; special education services and Medicaid for children; vocational rehabilitation and return to work (CAP, PABSS, and WIPA); and protection from abuse and neglect for individuals with disabilities in institutions, schools, and other venues;
- Provide $150,000 in fiscal year 2008 to comply with the terms of the Martin v. Taft consent decree;
- Enable the Ombudsman section to monitor over 20,000 Major Unusual Incident reports, conduct follow-up investigations, present findings, and offer recommendations;
- Provide information and referral services for approximately 1,300 individuals with disabilities and their families; and
- Support the creation, publication, and distribution of self-advocacy tools and materials in multiple media including print and the agency website, which receives nearly 2 million hits per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	054-321	Support Services	198,075	198,075
GRF	GRF	054-401	Ombudsman	291,247	291,247
GSF	5M0	054-610	Program Support	81,352	81,352
GSF	5M0	054-617	Martin Settlement	150,000	0
FED	3AG	054-613	Protection/Advcacy-Voter Accessblty	115,000	115,000
FED	3B8	054-603	Protection/Advcacy Mentally Ill	1,089,999	1,089,999
FED	3CA	054-615	Work Incentives Plan & Assist	355,000	355,000
FED	3N3	054-606	Protection/Advccy-Indiv Rights	560,000	560,000
FED	3N9	054-607	Assistive Technology	160,000	160,000
FED	3R9	054-604	Family Support Collaborative	55,000	55,000
FED	3R9	054-616	Developmental Disability Publ	130,000	130,000
FED	3T2	054-609	Client Assistance Program	435,000	435,000
FED	3X1	054-611	Protect & Advoc/Benefic./Soc Sec	235,001	235,001
FED	3Z6	054-612	Traumatic Brain Injury	70,000	70,000
FED	305	054-602	Protection & Advocacy-Dev. Disb	1,500,000	1,500,000
SSR	5AE	054-614	Grants and Contracts	100,000	100,000
TOTAL FOR PROGRAM				**5,525,674**	**5,375,674**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line items 054-100, Personal Services, 054-200, Maintenance, and 054-300, Equipment, are combined into 054-321, Support Services. This change combines GRF operational support into a single line item.

Fund 416, Gifts and Donations, is merged into Fund 5M0, Program Income. This change combines two program income general service funds into a single fund, changes the fund name from Settlements to Program Income, and renames the line item 054-610, Program Support.

To illustrate changes in funding levels for altered line items, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	054-321	Support Services	198,075	198,074	0.0%	198,074	0.0%
5M0	054-610	Program Support	76,352	81,352	6.5%	81,352	0.0%

LINE ITEM SUMMARY - Legal Rights Service

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	054-100	Personal Services	182,847	162,281	162,280	162,281	0	**	0	.0
GRF	054-200	Maintenance	25,705	33,938	33,938	33,938	0	**	0	.0
GRF	054-300	Equipment	0	1,856	1,856	1,856	0	**	0	.0
GRF	054-321	Support Services	0	0	0	0	198,075	**	198,075	.0
GRF	054-401	Ombudsman	291,247	291,248	291,248	291,247	291,247	.0	291,247	.0
TOTAL General Revenue Fund			**499,799**	**489,323**	**489,322**	**489,322**	**489,322**	**.0**	**489,322**	**.0**
416	054-601	Gifts and Donations	0	0	0	1,352	0	**	0	.0
5M0	054-610	Program Support	129,694	36,294	3,800	75,000	81,352	**	81,352	.0
5M0	054-617	Martin Settlement	0	0	0	0	150,000	.0	0	(100.0)
TOTAL General Services Fund Group			**129,694**	**36,294**	**3,800**	**76,352**	**231,352**	**203.0**	**81,352**	**(64.8)**
3AG	054-613	Protection/Advcacy-Voter Accessblty	40,909	103,938	106,786	114,090	115,000	.8	115,000	.0
3B8	054-603	Protection/Advcacy Mentally Ill	1,118,745	1,032,420	995,983	1,059,041	1,089,999	2.9	1,089,999	.0
3CA	054-615	Work Incentives Plan & Assist	0	0	0	204,260	355,000	73.8	355,000	.0
3N3	054-606	Protection/Advccy-Indiv Rights	523,219	581,446	541,176	550,283	560,000	1.8	560,000	.0
3N9	054-607	Assistive Technology	168,732	154,743	163,133	141,686	160,000	12.9	160,000	.0
3R9	054-604	Family Support Collaborative	214,676	108,063	99,570	59,083	55,000	(6.9)	55,000	.0
3R9	054-616	Developmental Disability Publ	0	0	0	65,000	130,000	100.0	130,000	.0
3T2	054-609	Client Assistance Program	435,594	418,266	356,963	400,553	435,000	8.6	435,000	.0
3X1	054-611	Protect & Advoc/Benefic./Soc Sec	247,994	173,258	160,857	187,784	235,001	25.1	235,001	.0
3Z6	054-612	Traumatic Brain Injury	74,742	74,088	81,372	65,137	70,000	7.5	70,000	.0
305	054-602	Protection & Advocacy-Dev. Disb	1,272,880	1,339,551	1,462,543	1,369,082	1,500,000	9.6	1,500,000	.0
TOTAL Fed Special Revenue Fund Group			**4,097,491**	**3,985,773**	**3,968,383**	**4,215,999**	**4,705,000**	**11.6**	**4,705,000**	**.0**
5AE	054-614	Grants and Contracts	16,526	49,504	75,689	114,834	100,000	(12.9)	100,000	.0
TOTAL State Special Revenue Fund Group			**16,526**	**49,504**	**75,689**	**114,834**	**100,000**	**(12.9)**	**100,000**	**.0**
TOTAL Legal Rights Service			**4,743,510**	**4,560,894**	**4,537,194**	**4,896,507**	**5,525,674**	**12.8**	**5,375,674**	**(2.7)**

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 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	25
Legislative Information Systems Office	18
Correctional Institution Inspection Committee	6

The annual budget is approximately $22 million.

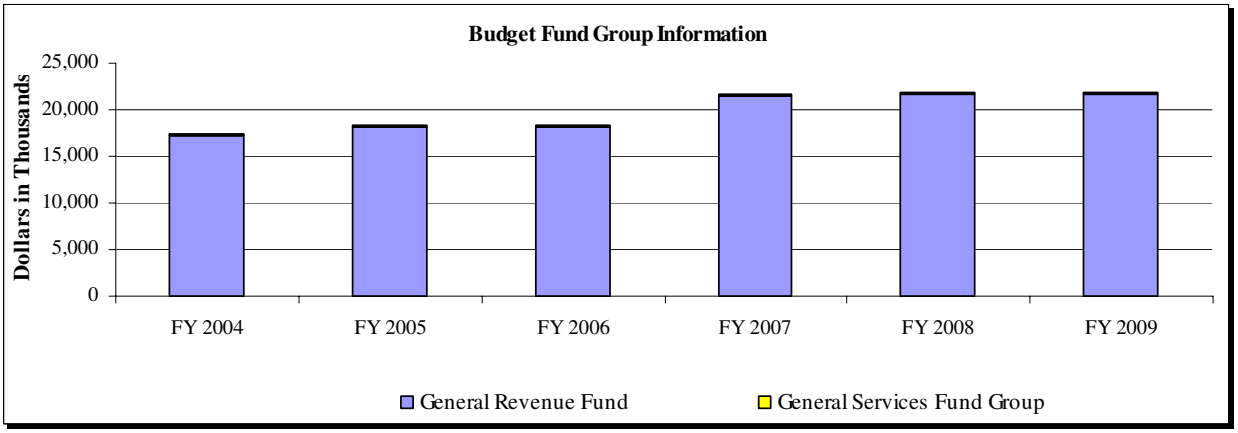
Pursuant to Section 107.03(B) of the Ohio Revised Code, the Governor may not alter the funding requests of agencies of the legislative branch of government.

More information regarding the Legislative Service Commission is available at http://www.lsc.state.oh.us/.

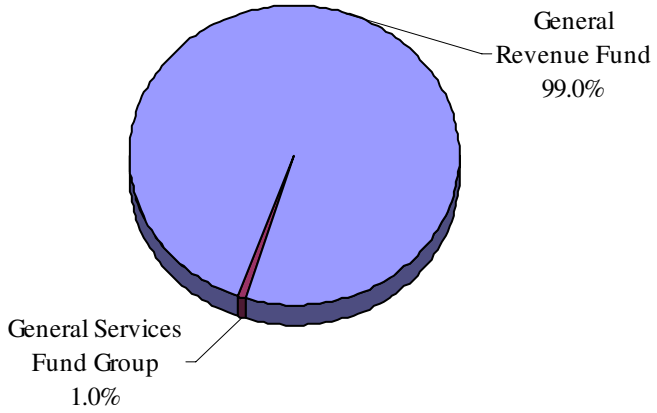
Agency Priorities

- Provide drafting, fiscal, research, training, and other technical and legislative services to the Ohio General Assembly.

Summary of Budget History and Recommendations

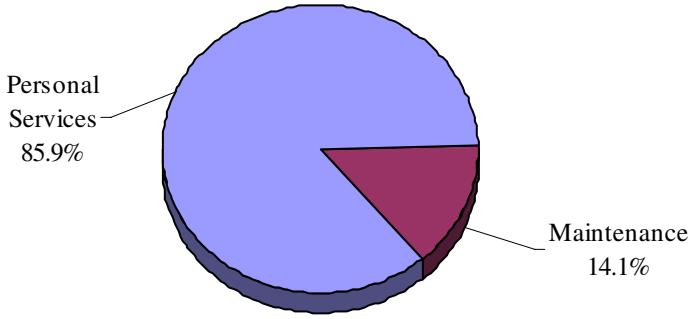


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	17,311	18,161	18,223	21,509	18.0	21,725	1.0	21,725	.0
General Services Fund Group	126	117	91	208	127.9	209	.9	209	.0
TOTAL	**17,437**	**18,279**	**18,314**	**21,717**	**18.6**	**21,934**	**1.0**	**21,934**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	14,938	15,582	14,790	18,662	26.2	18,848	1.0	18,848	.0
Purchased Services	619	569	604	0	(100.0)	0	.0	0	.0
Maintenance	1,590	1,552	1,615	3,025	87.3	3,086	2.0	3,086	.0
Equipment	289	575	1,305	0	(100.0)	0	.0	0	.0
Difference	0	0	0	30	.0	0	(100.0)	0	.0
TOTAL	**17,437**	**18,279**	**18,314**	**21,717**	**18.6**	**21,934**	**1.0**	**21,934**	**.0**

PROGRAM SERIES 01: Legislative Service Commission

This program series supports the work of the Legislative Service Commission, 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 Information Systems Office (LIS), and the Correctional Institution Inspection Committee (CIIC).

The Agency Request will:

- Continue the current level of 201 full-time positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	035-321	Operating Expense	16,186,691	16,186,691
GRF	GRF	035-402	Legislative Interns	1,022,120	1,022,120
GRF	GRF	035-405	Correctional Inst Inspect Com	393,900	393,900
GRF	GRF	035-409	National Associations Dues	460,560	460,560
GRF	GRF	035-410	Legislative Info Systems	3,661,250	3,661,250
GSF	4F6	035-603	Legislative Budget Services	154,025	154,025
GSF	410	035-601	Publication Expenses	25,250	25,250
GSF	5EF	035-607	House and Senate Telephone Usage	30,000	30,000
TOTAL FOR PROGRAM				**21,933,796**	**21,933,796**

LINE ITEM SUMMARY - Legislative Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	035-321	Operating Expense	12,208,373	12,763,323	12,443,708	16,026,427	16,186,691	1.0	16,186,691	.0
GRF	035-402	Legislative Interns	743,099	818,748	848,683	1,012,000	1,022,120	1.0	1,022,120	.0
GRF	035-404	Office of Education Oversight	848,994	971,309	315,268	0	0	.0	0	.0
GRF	035-405	Correctional Inst Inspect Com	148,308	250,290	317,700	390,000	393,900	1.0	393,900	.0
GRF	035-409	National Associations Dues	416,881	423,025	433,070	456,000	460,560	1.0	460,560	.0
GRF	035-410	Legislative Info Systems	2,945,564	2,934,708	3,864,849	3,625,000	3,661,250	1.0	3,661,250	.0
TOTAL General Revenue Fund			**17,311,219**	**18,161,403**	**18,223,278**	**21,509,427**	**21,724,521**	**1.0**	**21,724,521**	**.0**
4F6	035-603	Legislative Budget Services	125,660	117,290	91,052	152,500	154,025	1.0	154,025	.0
410	035-601	Publication Expenses	0	0	0	25,000	25,250	1.0	25,250	.0
5EF	035-607	House and Senate Telephone Usage	0	0	0	30,000	30,000	.0	30,000	.0
TOTAL General Services Fund Group			**125,660**	**117,290**	**91,052**	**207,500**	**209,275**	**.9**	**209,275**	**.0**
TOTAL Legislative Svcs. Commission			**17,436,879**	**18,278,693**	**18,314,330**	**21,716,927**	**21,933,796**	**1.0**	**21,933,796**	**.0**

State Library Board

Role and Overview

The State Library Board (SLO) develops, maintains, provides, and disseminates information, library materials, and services to Ohio's libraries, state government, and residents. The State Library fulfills this role through research, information, training, and consulting services to state government. The State Library also assists all types of local libraries to provide enhanced levels of service and products to their customers. Three main components allow the State Library to implement its mission: the State Library Board, the State Library itself, and the Ohio Public Library 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.

The OPLIN Board is appointed by the State Library Board to provide a statewide computer network for Ohio's public libraries. This network provides telecommunication connectivity, access to the Internet, and a large selection of research databases. 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 94 employees with an annual all-funds budget of approximately $24.5 million.

More information regarding the State Library is available at http://www.library.ohio.gov.

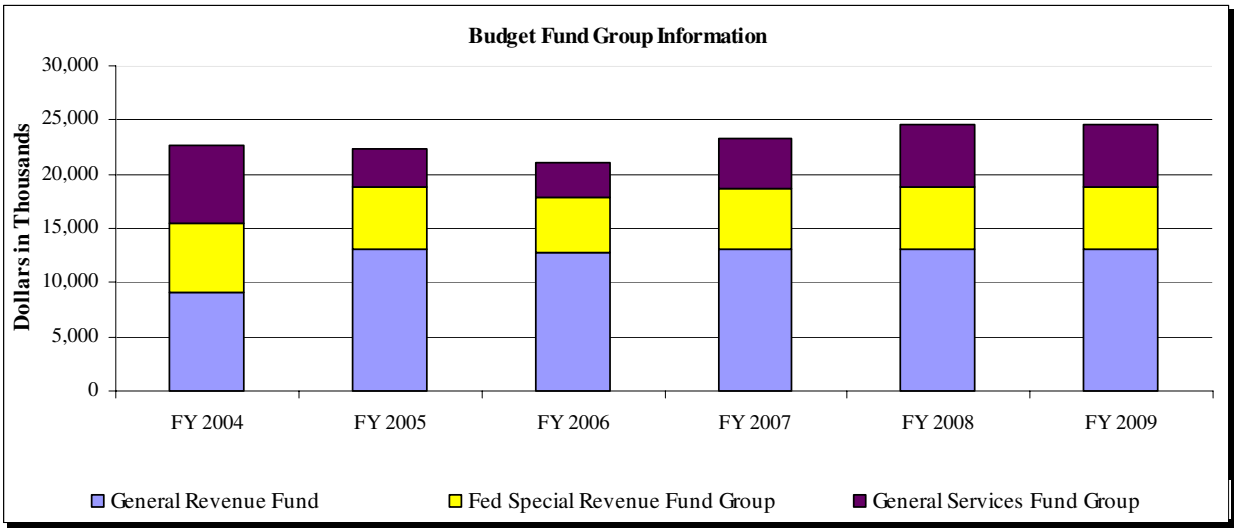
Turnaround Ohio Initiatives

- Provide a core set of electronic resources and 24/7 reference services (KnowItNow) to all Ohioans, enabling life-long learning and enhancing education and job opportunities.
- Provide equal access to e-government and employment services to all Ohio residents through their public libraries and the Ohio Public Library Information Network.
- Lead and partner with library organizations and state agencies to implement the Ready to Read Initiative statewide to ensure that every child enters kindergarten ready to read and better equipped to learn.

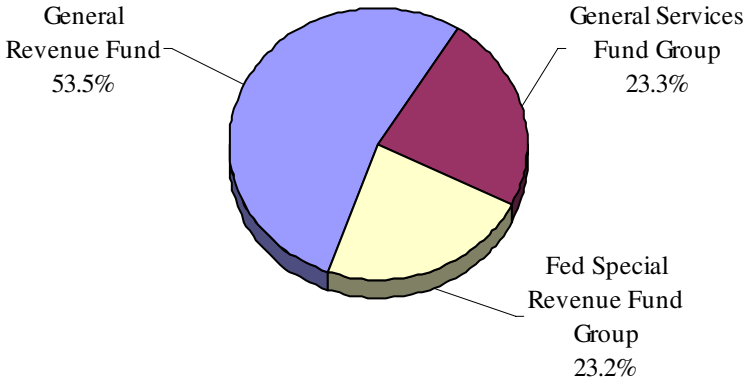
Agency Priorities

- Lead and partner in the development of library services throughout Ohio.
- Promote and enable resource sharing among libraries and library networks.
- Provide information to and about Ohio's state government.
- Ensure equity of access to information for all Ohio residents through the Ohio Public Library Information Network (OPLIN).

Summary of Budget History and Recommendations

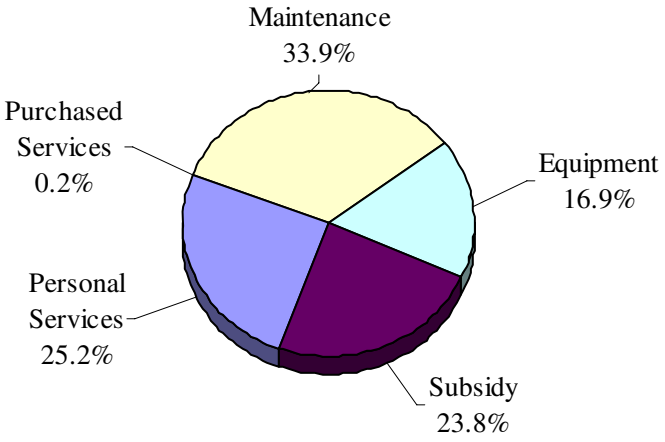


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	9,081	13,044	12,731	13,105	2.9	13,105	.0	13,105	.0
General Services Fund Group	7,142	3,553	3,229	4,601	42.5	5,717	24.3	5,717	.0
Fed Special Revenue Fund Group	6,431	5,717	5,173	5,644	9.1	5,692	.8	5,692	.0
TOTAL	**22,654**	**22,314**	**21,133**	**23,350**	**10.5**	**24,514**	**5.0**	**24,514**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	5,907	5,929	5,516	6,001	8.8	6,022	.4	6,316	4.9
Purchased Services	349	275	154	119	(23.0)	63	(47.3)	55	(12.8)
Maintenance	6,313	6,661	6,209	8,007	29.0	8,342	4.2	8,271	(.9)
Equipment	3,060	3,385	3,656	3,330	(8.9)	4,188	25.7	4,115	(1.7)
Subsidy	7,024	6,064	5,595	5,890	5.3	5,897	.1	5,754	(2.4)
Transfer & Other	1	1	2	2	35.9	2	.0	2	.0
TOTAL	**22,654**	**22,314**	**21,133**	**23,350**	**10.5**	**24,514**	**5.0**	**24,514**	**.0**

PROGRAM SERIES 01: Library Services to Ohio Government

This program series effectively implements and coordinates library services to state government employees and state agencies as well as supports the State Library's statutory requirement to maintain a comprehensive collection of official state documents for usage by state government employees at all levels.

Program 01.01: State Library Services to Ohio Government

This program coordinates library services that: 1) provide work-related research and reference services to state legislators and state employees; 2) circulate materials from the collection; 3) coordinate meeting/training room usage by state agencies; 4) serve as Ohio's only full regional depository for federal documents as well as for Ohio state agency documents; 5) provide access to databases and unique titles via OhioLINK; 6) assist and educate customers on usage of a library collection of more than two million items; 7) train State of Ohio employees to use

the Internet/on-line databases; and 8) provide the necessary administrative (fiscal, facility, technology, human resource, labor relation, and mail) support functions to administer this program.

The Executive Recommendation will:

- Provide access to more than two million library materials on site, more than 300 on-line databases, and nearly eight million titles held by OhioLINK;
- Support the State Library's charge as the regional depository to process approximately 20,000 federal and state documents annually to make these documents available to all Ohio residents;
- Support the digitization of state documents and cataloging of agency materials so that these documents are available at any time from anywhere via the Internet;
- Advocate for, promote, and customize library services to state government employees and state agencies through the provision of reference services, training, circulation, cataloging and agency visits; and
- Fund 34 positions in fiscal year 2008 and 33 positions in fiscal year 2009, compared to 37 positions in fiscal year 2007, to deliver library services to state government employees and agencies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	350-321	Operating Expenses	4,227,232	4,300,702
GSF	139	350-602	Intra-Agency Service Charges	9,000	9,000
GSF	459	350-602	Library Service Charges	62,352	7,531
TOTAL FOR PROGRAM				**4,298,584**	**4,317,233**

PROGRAM SERIES 02: Services to Ohio Library Communities

This program series supports the State Library's services to Ohio's public, school, and academic libraries to help them develop services and products to better meet the information needs of the libraries' customers.

Program 02.01: State Library Services to Ohio Library Communities

This program coordinates library services that :1) provide assistance to Ohio's libraries in the development of library services to customers; 2) serve as the machine lending agency for the Talking Book Program; 3) provide an on-line catalog and circulation system shared by 68 library systems serving more than 150 library buildings managed through the Serving Every Ohioan (SEO) Library Center in Caldwell; 4) coordinate 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 catalog of participating public and school libraries in Ohio; 5) train Ohio library staff on the use of bibliographic databases, obtaining LSTA funds, and submission of E-Rate applications; 6) coordinate the Ohio E-Book project with various types of libraries to provide digital books to library customers; 7) coordinate statewide projects to benefit Ohio residents through their local library; 8) collect a wide variety of usage and financial data on all 251 public library systems; and 9) provide the necessary administrative (fiscal, facility, technology, human resource, labor relation, and mail) support functions to administer this program.

The Executive Recommendation will:

- Offer library information, training, consulting, and support to Ohio librarians so that they can provide ever-improving and evolving library services to Ohio residents;
- Administer a shared catalog system that contains over five million items and circulates over 12 million library materials to approximately 700,000 registered borrowers;
- Operate a resource sharing consortium of approximately 130 school and public libraries allowing library materials to be delivered statewide;
- Support the State Library's role as the Machine Lending Agency for Ohio to loan special equipment needed to play recorded materials for blind and physically handicapped Ohioans who cannot use a traditional print book; and

- Fund 48 positions in fiscal year 2008 and fiscal year 2009, compared to 50 positions in fiscal year 2007, to provide library services to Ohio library communities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	350-321	Operating Expenses	2,071,445	1,997,975
GSF	459	350-602	Library Service Charges	2,595,740	2,650,561
FED	313	350-601	LSTA Federal	2,246,494	2,389,116
TOTAL FOR PROGRAM				**6,913,679**	**7,037,652**

Program 02.02: Ohio Public Library Information Network

This program makes network access available to Ohio's 251 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. This effort is coordinated by the State Library and is funded in part with Library Services and Technology Act (LSTA) federal funds.

The Executive Recommendation will:

- Fund the ongoing telecommunication and maintenance costs of the network;
- Support approximately 50 databases that provide access to approximately 10,000 magazines, newspapers and academic journals to all Ohio residents;
- Provide filtering grants to approximately 40 public libraries to purchase or maintain filters to screen out obscene and illegal Internet materials;
- Provide public libraries with support and advice in the efficient use of the network and Internet technologies; and
- Fund seven staff positions to oversee the OPLIN operations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	350-400	Ohio Public Library Info Ntwk	4,330,000	4,330,000
GSF	4S4	350-604	Ohio Public Lib Info Ntwk Tech	3,000,000	3,000,000
TOTAL FOR PROGRAM				**7,330,000**	**7,330,000**

Program 02.03: 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 Services-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.

The Executive Recommendation will:

- Fund the rental expenses for the Ohioana Library to lease over 7,500 square feet that is necessary to house the administrative offices and specialized library collection which provides opportunities for research of Ohio authors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	350-401	Ohioana Rental Payments	124,816	124,816
TOTAL FOR PROGRAM				**124,816**	**124,816**

PROGRAM SERIES 03: 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 03.01: Library Services and Technology Act Grants

This program coordinates the distribution of the federal 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.

The Executive Recommendation will:

- Enable federal library funds to be awarded directly to a library or administered statewide to provide a benefit to Ohio libraries and their patrons;
- Provide an opportunity for all types of libraries to apply for competitive grants and/or to benefit from statewide grant programs that directly impact library staff and users;
- Fund approximately 40 percent of received proposals for funding of library grants; and
- Ensure that a core set of electronic resources and services are available to all Ohio residents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	313	350-601	LSTA Federal	3,445,298	3,302,676
TOTAL FOR PROGRAM				**3,445,298**	**3,302,676**

Program 03.02: Regional Library Systems

This program partially supports four Regional Library Systems that provide continuing education and technology support programs to the staff and patrons in public, school, academic, and special libraries in all 88 counties throughout Ohio. The four Regional Library Systems include: 1) Northeast Ohio Library System (NEO-RLS)-Warren; 2) Northwest Library District (NORWELD)-Bowling Green; 3) Southeast Ohio Regional Library System (SERLS)-Wellston; and 4) Southwest and Neighboring Libraries (SWON)-Cincinnati.

The Executive Recommendation will:

- Enable all public library systems, individual public libraries, academic libraries, school district libraries and special libraries in all 88 counties to receive a direct library benefit from one of four regional library systems;
- Coordinate resources within a geographic area to maximize the delivery of quality library services in the most cost-effective manner; and
- Encourage collaboration amongst Regional Library Systems to realize greater efficiencies in the delivery of services to all libraries across Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	350-502	Regional Library Systems	1,010,441	1,010,441
TOTAL FOR PROGRAM				**1,010,441**	**1,010,441**

Program 03.03: 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.

The Executive Recommendation will:

- Allow the Public Library of Cincinnati and Hamilton County and the Cleveland Public Library to deliver library material to blind and physically handicapped Ohioans who cannot use a traditional print book;
- Serve over 20,000 Ohioans with reading materials produced by the National Library Service (NLS) or locally;
- Serve over 6,000 registered blind and physically handicapped readers in the Cincinnati area, where over 300,000 items are circulated each year; and
- Serve over 14,000 registered blind and physically handicapped readers in the Cleveland area, where over 600,000 items are circulated each year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	350-501	Library for the Blind-Cinci	535,615	535,615
GRF	GRF	350-503	Library for the Blind-Cleve	805,642	805,642
TOTAL FOR PROGRAM				**1,341,257**	**1,341,257**

Program 03.04: Special Grants

This program encompasses a variety of grants that the State Library has received in previous biennia and might expect to receive over the course of the fiscal year 2008-2009 biennium. Grants received include technology, training, and community outreach funds from the Bill and Melinda Gates Foundation.

The Executive Recommendation will:

- Provide an opportunity for the State Library to continue accepting and processing existing special grants as well as obtain new grants to benefit Ohio libraries and their customers.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	459	350-602	Library Service Charges	50,000	50,000
TOTAL FOR PROGRAM				**50,000**	**50,000**

LINE ITEM SUMMARY - Library Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	350-321	Operating Expenses	6,408,696	6,203,467	6,148,667	6,298,677	6,298,677	.0	6,298,677	.0
GRF	350-400	Ohio Public Library Info Ntwk	0	4,255,799	4,107,783	4,330,000	4,330,000	.0	4,330,000	.0
GRF	350-401	Ohioana Rental Payments	120,972	120,972	122,617	124,816	124,816	.0	124,816	.0
GRF	350-501	Library for the Blind-Cinci	561,037	535,615	535,615	535,615	535,615	.0	535,615	.0
GRF	350-502	Regional Library Systems	1,146,599	1,122,712	1,010,441	1,010,441	1,010,441	.0	1,010,441	.0
GRF	350-503	Library for the Blind-Cleve	843,880	805,642	805,642	805,642	805,642	.0	805,642	.0
TOTAL General Revenue Fund			**9,081,184**	**13,044,207**	**12,730,765**	**13,105,191**	**13,105,191**	**.0**	**13,105,191**	**.0**
139	350-602	Intra-Agency Service Charges	8,538	1,068	8,710	9,000	9,000	.0	9,000	.0
4S4	350-604	Ohio Public Lib Info Ntwk Tech	5,128,221	1,123,445	1,131,547	1,883,597	3,000,000	59.3	3,000,000	.0
459	350-602	Library Service Charges	2,004,893	2,428,166	2,089,155	2,708,092	2,708,092	.0	2,708,092	.0
TOTAL General Services Fund Group			**7,141,652**	**3,552,679**	**3,229,412**	**4,600,689**	**5,717,092**	**24.3**	**5,717,092**	**.0**
313	350-601	LSTA Federal	6,430,899	5,717,461	5,172,584	5,643,905	5,691,792	.8	5,691,792	.0
TOTAL Fed Special Revenue Fund Group			**6,430,899**	**5,717,461**	**5,172,584**	**5,643,905**	**5,691,792**	**.8**	**5,691,792**	**.0**
TOTAL State Library Board			**22,653,735**	**22,314,347**	**21,132,761**	**23,349,785**	**24,514,075**	**5.0**	**24,514,075**	**.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 approximately $743,000 supports a staff of five in addition to the three commission members. In fiscal year 2006, the commission docketed over 3,000 cases for hearing. More information regarding the Liquor Control Commission is available at http://www.lcc.ohio.gov/.

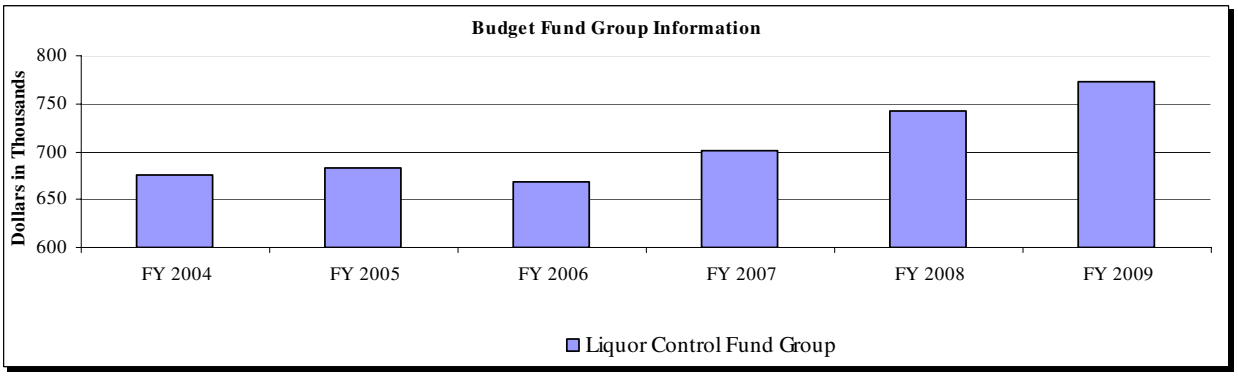
Turnaround Ohio Initiatives

- Operate with a high level of transparency and accountability to Ohio citizens.
- Develop initiatives which allow the public to hold operations to the highest ethical standards.
- Set benchmarks in operations that will rely on technology to ensure more efficient accomplishment of the commission's responsibilities.

Agency Priorities

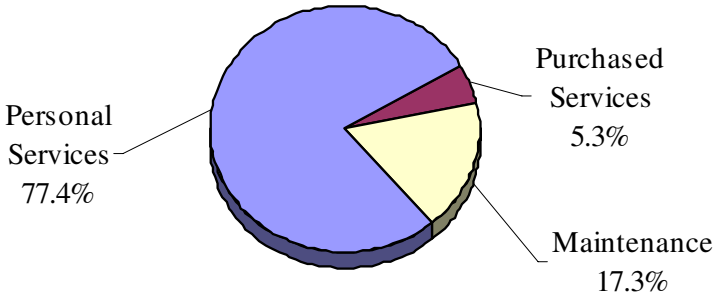
- Ensure fair and equitable hearings to all permit holders cited for a violation of Ohio's Liquor Control Laws, as well as for the non-prevailing party in permit applications decided by the Department of Commerce, Division of Liquor Control, and to all permit holders whose liquor license is at risk due to tax deficiencies.
- Promulgate rules, standards, and guidelines to efficiently carry out Chapters 4301 and 4303 of the Ohio Revised Code, and to eliminate those that are unnecessary, redundant, and contradictory.
- Increase awareness of the ability to use on-line technology to receive information about liquor control issues.
- Enhance collaboration with other state agencies, especially with the finalization and use of the Ohio Liquor Law Enforcement database project, to improve coordination of inter-agency processes.
- Protect the public while promoting the integrity of the industry.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Liquor Control Fund Group	676	683	668	701	4.9	743	6.1	773	4.0
TOTAL	**676**	**683**	**668**	**701**	**4.9**	**743**	**6.1**	**773**	**4.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	512	517	525	548	4.3	575	5.1	598	3.9
Purchased Services	20	25	22	28	26.6	40	42.9	40	.0
Maintenance	132	122	117	125	7.1	128	2.1	135	5.5
Equipment	11	19	3	0	(100.0)	0	.0	0	.0
Transfer & Other	1	0	1	0	(100.0)	0	.0	0	.0
TOTAL	**676**	**683**	**668**	**701**	**4.9**	**743**	**6.1**	**773**	**4.0**

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.

The Executive Recommendation will:

- Provide for continued protection of the public, permit holders, and the liquor industry by ensuring compliance with state liquor control laws and regulations;
- Allow the commission to continue exceeding its goal of issuing orders within 45 days of the hearings;
- Allow the commission to maintain its website, including hearing and rule-related information for the public, the liquor industry, and other state agencies; and

- Support completion of the collaborated network of databases of liquor permit holder information that are currently 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 2008	RECOMMENDED FY 2009
LCF	043	970-321	Operating Expenses	743,093	772,524
TOTAL FOR PROGRAM				**743,093**	**772,524**

LINE ITEM SUMMARY - Liquor Control Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
043	970-321	Operating Expenses	676,217	683,353	668,006	700,533	743,093	6.1	772,524	4.0
TOTAL Liquor Control Fund Group			**676,217**	**683,353**	**668,006**	**700,533**	**743,093**	**6.1**	**772,524**	**4.0**
TOTAL Liquor Control Commission			**676,217**	**683,353**	**668,006**	**700,533**	**743,093**	**6.1**	**772,524**	**4.0**

Ohio Lottery Commission

Role and Overview

The Ohio Lottery Commission (OLC) 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 361. The commission's total fiscal year 2007 annual budget is approximately $417 million.

The commission operates a variety of online and instant ticket games. Online lottery games include Pick 3, Pick 4, Classic Lotto, Kicker, Rolling Cash 5, and Mega Millions. Online games generated $946.9 million or 42.6 percent of the Lottery's total sales revenue in fiscal year 2006. There are also a wide variety of instant games, which generated nearly $1.3 billion or 57.4 percent of the Lottery's total sales revenue in fiscal year 2006.

Approximately $119 million and $121 million for fiscal years 2008 and 2009, respectively, or 29 percent of the total agency budget, supports operating costs. The charitable gaming oversight program's budget is approximately $2 million for both fiscal years 2008 and 2009. The balance of the budget request supports budgeted prize expenses including annuity prizes. Of the $2.2 billion in total sales revenues generated in fiscal year 2006, $646.3 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. The Ohio Lottery Commission transferred an additional $5.8 million to the Deferred Prizes Trust Fund to ensure continued funding of annuity prizes.

Since its inception, the Ohio Lottery Commission has contributed over $14.5 billion to primary, secondary, vocational, and special education in Ohio's schools.

More information regarding the Ohio Lottery Commission is available at http://www.ohiolottery.com/.

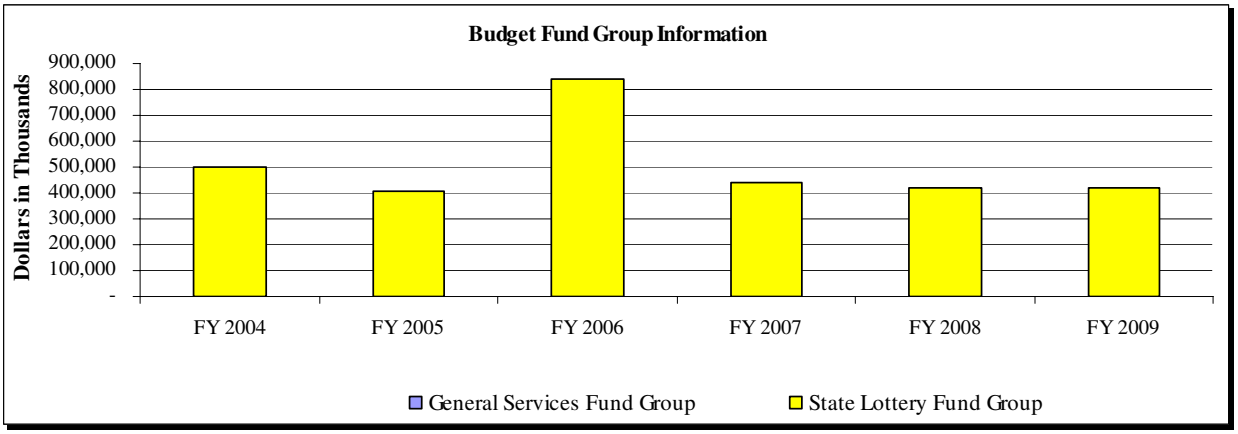
Turnaround Ohio Initiatives

- Support primary, secondary, vocational, and special education throughout the state by providing $657.9 million in fiscal year 2008 and $667.9 million in fiscal year 2009 to the Lottery Profits Education Fund.

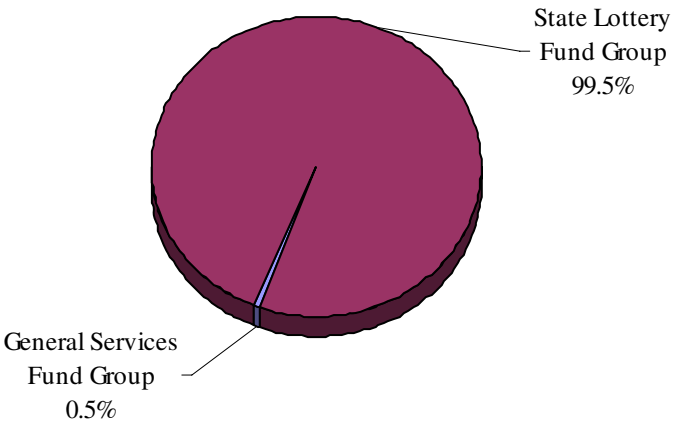
Agency Priorities

- Offer fair and honest games of chance to the public to benefit primary, secondary, special, and vocational education throughout the State of Ohio.
- Through a Memorandum of Understanding between the Ohio Lottery Commission and Attorney General's Office, provide charitable gaming licensing, site inspection, records review, audits & investigations, and settlement & license revocation services.
- Provide $335,000 annually to the Ohio Department of Alcohol and Drug Addiction Services supporting programs to supply treatment, prevention, intervention, education, and information to those individuals who request it.

Summary of Budget History and Recommendations

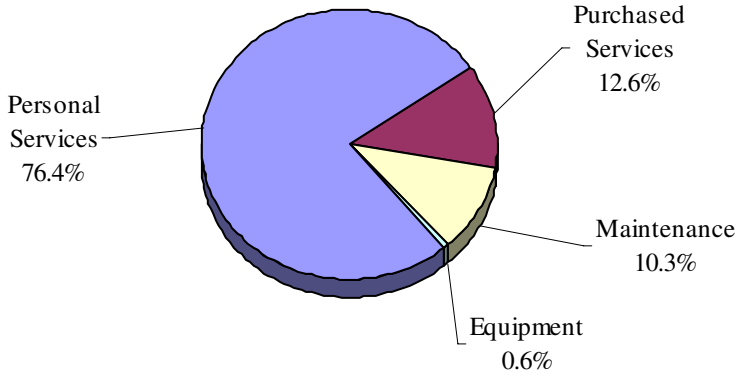


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	0	0	978	1,800	84.1	2,253	25.2	2,378	5.5
State Lottery Fund Group	498,624	404,357	839,469	438,066	(47.8)	418,693	(4.4)	420,501	.4
TOTAL	**498,624**	**404,357**	**840,447**	**439,866**	**(47.7)**	**420,946**	**(4.3)**	**422,879**	**.5**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Personal Services	418,445	325,768	750,219	343,366	(54.2)	321,559	(6.4)	322,824	.4
Purchased Services	43,424	42,071	49,523	52,514	6.0	53,279	1.5	53,366	.2
Maintenance	34,635	34,935	37,901	41,137	8.5	43,198	5.0	43,888	1.6
Equipment	1,806	1,251	2,479	2,495	.6	2,555	2.4	2,447	(4.2)
Subsidy	47	45	40	335	748.1	335	.0	335	.0
Transfer & Other	268	287	286	20	(93.0)	20	.0	20	.0
TOTAL	**498,624**	**404,357**	**840,447**	**439,866**	**(47.7)**	**420,946**	**(4.3)**	**422,879**	**.5**

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.

The Executive Recommendation will:

- Support the purchase of instant tickets, ticket security testing, warehousing, and distribution of instant tickets which include the contracted vendors' commission based on a percent of sales;

- Provide the funding for cash and non-cash (trips, cars, merchandise) prize payouts for winners; and
- Fund the annual payment for the annuity prize winnings for those prize 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 2008	RECOMMENDED FY 2009
SLF	044	950-403	Gaming Contracts	27,113,567	28,199,911
SLF	044	950-601	Direct Prize Payments	53,346,020	53,346,020
SLF	871	950-602	Annuity Prizes	3,128,627	3,128,627
TOTAL FOR PROGRAM				**83,588,214**	**84,674,558**

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.

The Executive Recommendation will:

- Support the purchase of thermal paper to produce the online lottery ticket, pre-printed bet cards, and operation of gaming computer system which include contracted vendors' commission based on a percent of sales;
- Provide for funding of cash prizes to holders' of winning tickets, including the Mega Millions game; and
- Fund the annual payment for the annuity prize winnings for those prize 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 2008	RECOMMENDED FY 2009
SLF	044	950-403	Gaming Contracts	23,305,793	23,050,793
SLF	044	950-601	Direct Prize Payments	94,370,266	94,370,266
SLF	871	950-602	Annuity Prizes	148,595,678	148,595,678
TOTAL FOR PROGRAM				**266,271,737**	**266,016,737**

Program 01.03: Marketing

The goal of the marketing program is to increase sales through product promotions in order 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 Make Me Famous/Make Me Rich television game show and associated prizes are also provided within this program.

The Executive Recommendation will:

- Support the payment to various vendors for the purchase of advertising development and media placement of TV, radio, and print advertising, and the production and transmission of the Lottery's daily drawing and television game show;
- Provide funds to purchase sales support, merchandise and promotional materials; and
- Provide funding for 11 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SLF	044	950-100	Personal Services	866,896	912,312
SLF	044	950-200	Maintenance	2,519,940	2,519,940
SLF	044	950-402	Advertising Contracts	18,000,000	18,000,000
TOTAL FOR PROGRAM				**21,386,836**	**21,432,252**

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.

The Executive Recommendation will:

- Fund approximately 326 full-time positions that implement and oversee the Lottery's other programs, and
- Provide for the general operational costs that include telecommunications, data processing and systems maintenance, facility rental and maintenance, motor vehicle replacement and maintenance, software licenses, independent auditor fees, records management, and ancillary support items for most of the Lottery's major Offices and Bureaus.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SLF	044	950-100	Personal Services	25,078,220	26,172,953
SLF	044	950-200	Maintenance	16,228,334	16,173,388
SLF	044	950-300	Equipment	2,554,500	2,446,500
SLF	044	950-402	Advertising Contracts	3,250,000	3,250,000
TOTAL FOR PROGRAM				**47,111,054**	**48,042,841**

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 Oversight

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.

The Executive Recommendation will:

- Maintain the Lottery's transfer of funding to the Ohio Department of Alcohol and Drug Addiction Services for the administration of problem gambling treatment program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SLF	044	950-500	Problem Gambling Subsidy	335,000	335,000
TOTAL FOR PROGRAM				**335,000**	**335,000**

PROGRAM SERIES 03: Charitable Gambling

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 for all 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.

The Executive Recommendation will:

- Support approximately 24 full-time positions that will build upon the licensure and monitoring of charitable gaming operations, which began in fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	231	950-604	Charitable Gaming Oversight	2,253,000	2,378,000
TOTAL FOR PROGRAM				**2,253,000**	**2,378,000**

LINE ITEM SUMMARY - Lottery Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
231	950-604	Charitable Gaming Oversight	0	0	977,947	1,800,000	2,253,000	25.2	2,378,000	5.5
TOTAL General Services Fund Group			**0**	**0**	**977,947**	**1,800,000**	**2,253,000**	**25.2**	**2,378,000**	**5.5**
044	950-100	Personal Services	23,119,486	23,371,631	23,626,293	25,457,016	25,945,116	1.9	27,085,265	4.4
044	950-200	Maintenance	17,067,866	16,303,587	17,282,680	17,954,156	18,748,274	4.4	18,693,328	(.3)
044	950-300	Equipment	1,805,985	1,251,141	2,433,784	2,494,718	2,554,500	2.4	2,446,500	(4.2)
044	950-402	Advertising Contracts	60,007,406	58,089,746	65,176,541	70,024,000	21,250,000	(69.7)	21,250,000	.0
044	950-403	Gaming Contracts	0	0	0	0	50,419,360	.0	51,250,704	1.6
044	950-500	Problem Gambling Subsidy	306,600	329,500	324,500	335,000	335,000	.0	335,000	.0
044	950-601	Direct Prize Payments	153,453,617	138,244,505	149,543,295	147,716,286	147,716,286	.0	147,716,286	.0
871	950-602	Annuity Prizes	242,863,357	166,766,890	581,081,520	174,085,092	151,724,305	(12.8)	151,724,305	.0
TOTAL State Lottery Fund Group			**498,624,317**	**404,357,000**	**839,468,613**	**438,066,268**	**418,692,841**	**(4.4)**	**420,501,388**	**.4**
TOTAL Lottery Commission			**498,624,317**	**404,357,000**	**840,446,560**	**439,866,268**	**420,945,841**	**(4.3)**	**422,879,388**	**.5**

Ohio Manufactured Homes Commission

Role and Overview

The Ohio Manufactured Homes Commission (OMHC) regulates installers of manufactured homes by promulgating and interpreting manufactured home installation standards and installation inspection procedures, licensing installers, certifying inspection departments, certifying third party inspection agencies, as well as the approval and monitor educational course sponsors. OMHC also provides an alternative dispute resolution program for homeowners, installers, retailers and manufacturers. The board's budget of approximately $420,000 supports a staff of four to assist the nine board members.

More information regarding the Ohio Manufactured Homes Commission is available at http://www.omhc.ohio.gov/.

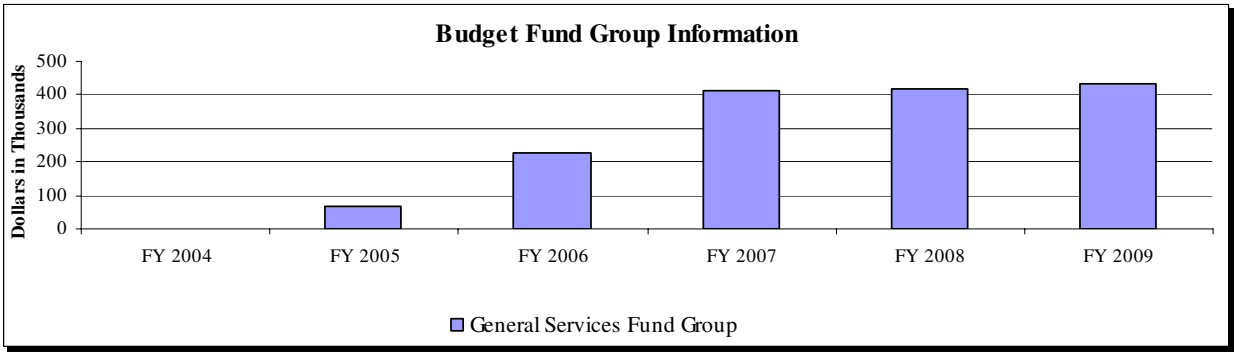
Turnaround Ohio Initiatives

- Provide increased transparency and easy access to renewal with the implementation of online renewal for both installers and inspectors.
- Enhance the Commission website to facilitate ease of access by the public and licensees.
- Work to minimize barriers to reciprocal licensure and make it easier to do business in the state of Ohio while protecting Ohioans from less knowledgeable, unlicensed installers.

Agency Priorities

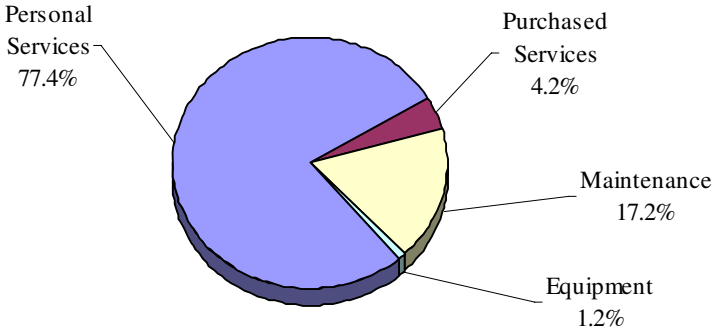
- Develop, provide interpretation for, and update the uniform Manufactured Home Installation Standards for Ohio.
- Train and license manufactured home installers and inspection agencies for uniform installation and inspections.
- Provide fair, consistent, cost effective and timely enforcement of the laws and rules within the scope of the Commission's authority.
- Provide for timely alternative dispute resolution including neutral inspection, mediation and arbitration of disputes among installers, retailer, manufacturers and homeowners.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	0	68	226	412	82.2	418	1.5	435	4.0
TOTAL	**0**	**68**	**226**	**412**	**82.2**	**418**	**1.5**	**435**	**4.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	0	44	146	312	113.3	320	2.7	341	6.5
Purchased Services	0	8	18	24	38.4	21	(14.9)	15	(26.1)
Maintenance	0	10	59	72	20.5	73	1.8	74	1.8
Equipment	0	5	3	5	43.1	5	.0	5	.0
TOTAL	**0**	**68**	**226**	**412**	**82.2**	**418**	**1.5**	**435**	**4.0**

PROGRAM SERIES 01: Regulation

This program series ensures the health, safety, and general welfare of Ohio citizen's and their property through oversight of the installation of manufactured homes.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Ohio Manufactured Homes Commission.

The Executive Recommendation will:

- Provide for three inspections for each of approximately 5,000 manufactured home placements annually;
- Regulate and license approximately 400 installers, 300 inspectors, 150 building departments, five third-party inspection agencies, and four course sponsors;
- Support the development of on-line renewal capacity for licensees and certified inspection departments; and
- Support the development of database software to facilitate reports regarding inspections, installation defects, and improve management by fact analysis of home installation performance.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	996-609	Operating Expenses	418,122	434,671
TOTAL FOR PROGRAM				**418,122**	**434,671**

LINE ITEM SUMMARY - Manufactured Homes Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	996-609	Operating Expenses	0	67,541	226,162	412,000	418,122	1.5	434,671	4.0
TOTAL General Services Fund Group			**0**	**67,541**	**226,162**	**412,000**	**418,122**	**1.5**	**434,671**	**4.0**
TOTAL MANUFACTURED HOMES COMMISSION			**0**	**67,541**	**226,162**	**412,000**	**418,122**	**1.5**	**434,671**	**4.0**

Role and Overview

The State Medical Board (MED) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice medicine in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules which govern the professions. The board's annual budget of approximately $7.8 million supports a staff of 86 in addition to the 12 board members. MED licenses approximately 38,250 medical doctors and 16,900 practitioners of limited branches of medicine including doctors of osteopathy, doctors of podiatric medicine, massage therapists, cosmetic therapists, anesthesiologist assistants, acupuncturists, and physician assistants. Additional information regarding the Medical Board is available at http://www.med.ohio.gov/.

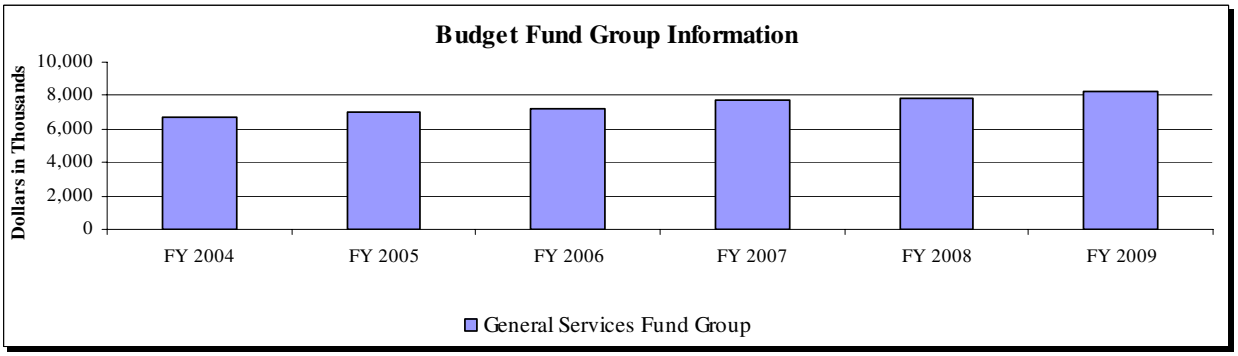
Turnaround Ohio Initiatives

- Develop a holistic approach to effective medical regulation that helps maintain the competency of licensees and prevents adverse outcomes.
- Engage in partnerships to leverage available resources and improve healthcare in Ohio.

Agency Priorities

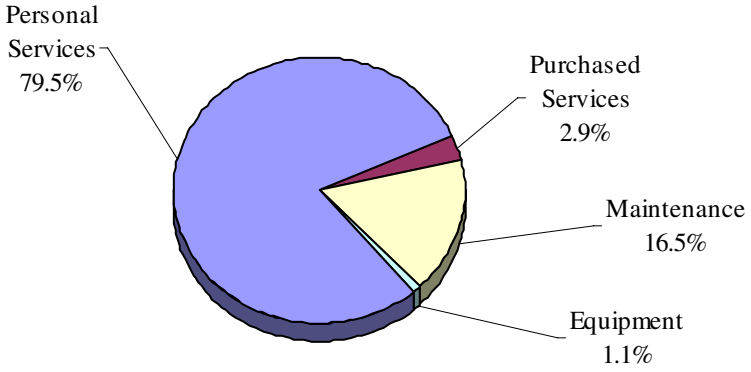
- Use technology to improve operations.
- Cut the length of time from receipt of complaint to completion of case.
- Bolster efforts to monitor at-risk licensees.
- Streamline the administrative hearing process.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	6,664	7,034	7,208	7,728	7.2	7,883	2.0	8,226	4.3
TOTAL	**6,664**	**7,034**	**7,208**	**7,728**	**7.2**	**7,883**	**2.0**	**8,226**	**4.3**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	5,390	5,532	5,660	6,181	9.2	6,266	1.4	6,538	4.3
Purchased Services	162	150	230	223	(3.0)	235	5.4	235	.0
Maintenance	1,080	1,263	1,158	1,268	9.5	1,321	4.1	1,336	1.2
Equipment	28	85	154	50	(67.5)	61	21.7	116	91.8
Transfer & Other	4	4	7	6	(8.8)	0	(100.0)	0	.0
TOTAL	**6,664**	**7,034**	**7,208**	**7,728**	**7.2**	**7,883**	**2.0**	**8,226**	**4.3**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Medical Board.

The Executive Recommendation will:

- Support continued issuance and renewal of licenses and certificates;
- Provide for the probationary monitoring of approximately 260 licensees;
- Support the investigation and resolution of about 3,800 alleged violations of statutes and rules each year;
- Support approximately 50 administrative hearings annually; and
- Support publication of the board newsletter to provide licensees information about changes in statutes and rules impacting their practice.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5C6	883-609	Operating Expenses	7,883,145	8,225,945
TOTAL FOR PROGRAM				**7,883,145**	**8,225,945**

LINE ITEM SUMMARY - Medical Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5C6	883-609	Operating Expenses	6,664,475	7,033,884	7,207,683	7,728,146	7,883,145	2.0	8,225,945	4.3
TOTAL General Services Fund Group			**6,664,475**	**7,033,884**	**7,207,683**	**7,728,146**	**7,883,145**	**2.0**	**8,225,945**	**4.3**
TOTAL MEDICAL BOARD			**6,664,475**	**7,033,884**	**7,207,683**	**7,728,146**	**7,883,145**	**2.0**	**8,225,945**	**4.3**

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 Ohio. OMTB requires annual licensing and conducts physical inspections of headquarters, satellite locations, and each medical transportation vehicle. The board's budget of approximately $471,000 per year supports a staff of three and 27 contract field inspectors in addition to the ten board members.

Additional information regarding the Ohio Medical Transportation Board is available at http://oal.ohio.gov/.

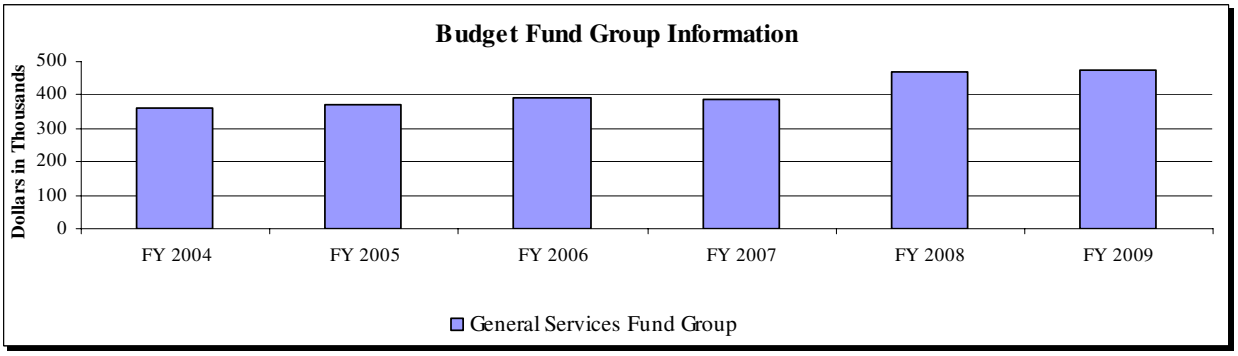
Turnaround Ohio Initiatives

- Ensure transparency and accountability in all operations.
- Reaffirm commitment to responsible budgeting.

Agency Priorities

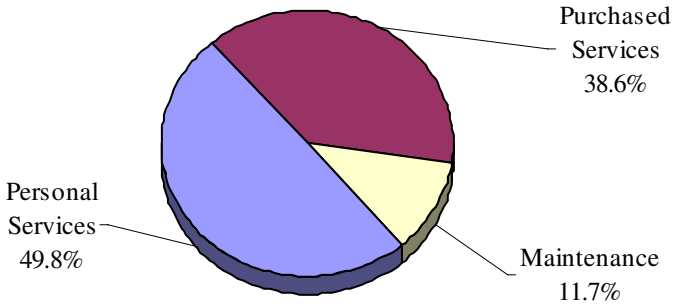
- Ensure safe medical transportation for citizens.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	363	371	394	388	(1.5)	471	21.4	473	.4
TOTAL	**363**	**371**	**394**	**388**	**(1.5)**	**471**	**21.4**	**473**	**.4**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	192	207	205	231	12.5	233	1.0	237	1.8
Purchased Services	58	97	143	106	(26.0)	184	73.7	180	(2.1)
Maintenance	61	64	46	51	10.8	54	6.4	56	3.0
Equipment	52	4	0	0	.0	0	.0	0	.0
Transfer & Other	0	0	0	1	.0	0	(100.0)	0	.0
TOTAL	**363**	**371**	**394**	**388**	**(1.5)**	**471**	**21.4**	**473**	**.4**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Ohio Medical Transportation Board.

The Executive Recommendation will:

- Ensure safe medical transportation for over 1,500,000 citizens;
- Provide service to 232 ambulettes; 140 ambulances; eight air medical organizations and approximately 2,700 medical transportation vehicles; and
- Increase the number of investigations related to complaints and alleged violations of Ohio law.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	915-604	Operating Expenses	471,450	473,450
TOTAL FOR PROGRAM				**471,450**	**473,450**

LINE ITEM SUMMARY - Medical Transportation Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	915-604	Operating Expenses	0	0	0	0	471,450	.0	473,450	.4
4N1	915-601	Operating Expenses	362,638	371,213	394,400	388,450	0	(100.0)	0	.0
TOTAL General Services Fund Group			**362,638**	**371,213**	**394,400**	**388,450**	**471,450**	**21.4**	**473,450**	**.4**
TOTAL Medical Transportation Board			**362,638**	**371,213**	**394,400**	**388,450**	**471,450**	**21.4**	**473,450**	**.4**

Role and Overview

The Department of Mental Health (ODMH) ensures that quality mental health care is available in communities for all Ohioans. The Governor appoints the director of the department which employs about 2,900 people and has an annual budget of approximately $1.1 billion. The department's responsibilities are to support and monitor local systems of care, provide inpatient and community services, improve mental health services to children and adolescents, improve mental health linkages to the criminal justice system, and provide institutional agencies with pharmaceuticals, medical supplies, food, and housekeeping supplies. Over 300 community agencies provide services to more than 200,000 adults and 100,000 youth annually. Of the adults, approximately 83,000 are considered severely mentally disabled and of the youth about 60,000 are considered to have a serious emotional disturbance.

More information regarding the Department of Mental Health is available at http://www.mh.state.oh.us.

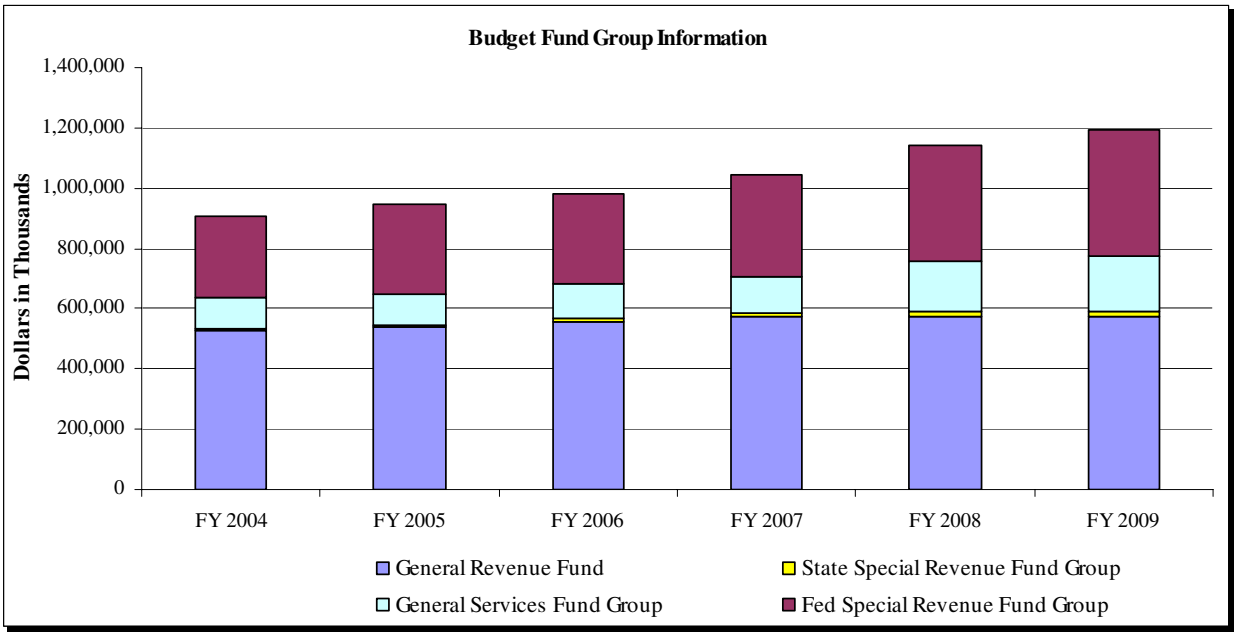
Turnaround Ohio Initiatives

- Work with stakeholders to align the Transformation State Incentive Grant (TSIG) with Turnaround Ohio by providing funding and support programs including: Access to Better Care (ABC), School Success, Early Care and Education, Incredible Years, and the Childhood Trauma Initiative.
- Provide funding and support for early childhood mental health professionals to ensure school readiness and school success, maternal depression screenings to increase awareness of the impact of maternal depression, and Devereux Early Childhood Assessment to identify and strengthen children's protective factors and decrease risk factors and behavioral concerns in children ages two to five.
- Continue to work in partnership with the Ohio Department of Education, families, and related state and local stakeholders to help teachers and school systems to achieve improved educational and developmental outcomes for all children, especially those with mental health problems.
- Continue to collaborate and jointly fund with Housing and Urban Development, Department of Development, the Ohio Housing Finance Agency, and Department of Rehabilitation and Correction to increase the amount of safe, decent, and affordable housing with supportive services in the community for people that would otherwise be homeless, hospitalized, or in the criminal justice system as a result of their mental illness.

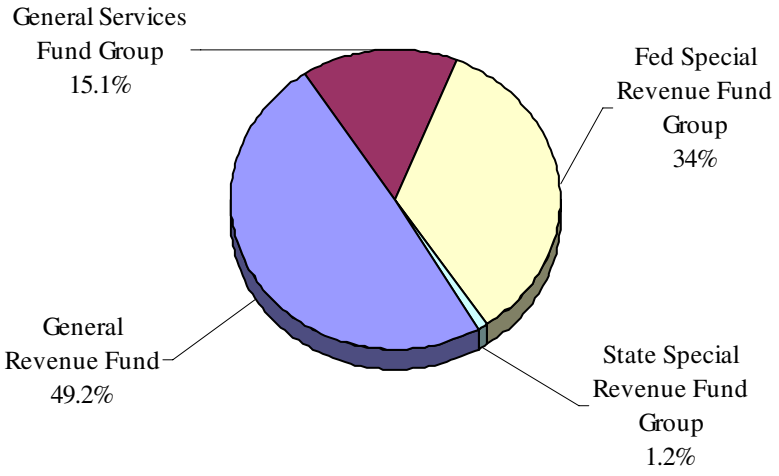
Agency Priorities

- Maintain essential community services and inpatient capacity.
- Focus on outcomes of consumers and their families to help them recover and lead resilient lives.
- Promote statewide access to high quality culturally competent evidence based services.
- Improve mental health services for Ohio's children and youth.

Summary of Budget History and Recommendations

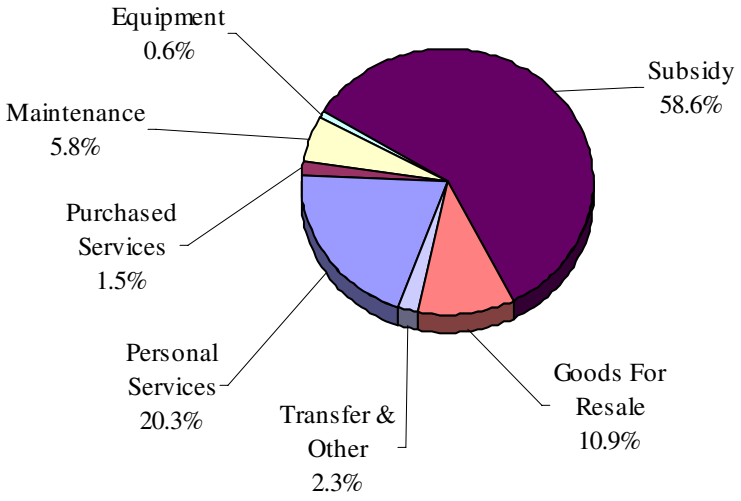


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	529,884	538,339	555,826	573,705	3.2	574,262	.1	576,634	.4
General Services Fund Group	103,210	101,165	115,456	119,571	3.6	169,431	41.7	184,369	8.8
Fed Special Revenue Fund Group	270,546	300,999	298,414	340,417	14.1	385,131	13.1	418,216	8.6
State Special Revenue Fund Group	5,458	8,014	13,012	13,009	.0	14,560	11.9	14,540	(.1)
TOTAL	**909,097**	**948,517**	**982,709**	**1,046,703**	**6.5**	**1,143,384**	**9.2**	**1,193,759**	**4.4**

FY 2008-09 Biennial Appropriation by Expense Category*



* Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	192,574	197,384	200,552	191,632	(4.4)	229,889	20.0	244,229	6.2
Purchased Services	8,506	8,888	9,372	12,345	31.7	17,993	45.7	17,545	(2.5)
Maintenance	48,553	51,285	53,460	49,943	(6.6)	67,952	36.1	68,152	.3
Equipment	2,431	2,666	3,853	2,709	(29.7)	7,575	179.6	7,433	(1.9)
Subsidy	558,551	586,624	602,428	647,617	7.5	673,385	4.0	696,086	3.4
Goods For Resale	72,845	76,786	87,134	84,025	(3.6)	118,297	40.8	135,285	14.4
Capital Improvements	200	0	0	350	.0	350	.0	350	.0
Transfer & Other	25,438	24,883	25,910	58,082	124.2	27,943	(51.9)	24,680	(11.7)
TOTAL	**909,097**	**948,517**	**982,709**	**1,046,703**	**6.5**	**1,143,384**	**9.2**	**1,193,759**	**4.4**

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 funding to 50 Alcohol, Drug Addiction, and Mental Health Services/Community Mental Health boards that purchase mental health services for consumers, including children and families.

The Executive Recommendation will:

- Operate nine hospital sites with 49 inpatient treatment units that provide care to 6,500 individuals admitted per year with a current average daily resident population of approximately 1,050;
- Provide emergency relief to communities in local crises with needs such as medication treatment, temporary housing, consumer-to-consumer support, and emergency outpatient care;
- Provide essential community mental health services such as community support services, counseling/psychotherapy, crisis intervention, and medication management; and
- Provide $5 million in fiscal year 2009 to be used to address system reform initiatives identified in an approved department plan following a performance review by the Office of Budget and Management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	334-408	Community and Hospital MH Services	400,324,545	400,324,545
GRF	GRF	334-410	System Reform	0	5,000,000
GSF	149	334-609	Hospital Operating Expenses	33,800,000	33,800,000
GSF	150	334-620	Special Education	120,930	120,930
FED	3A6	333-608	Community and Hospital Services	140,000	140,000
FED	3A6	334-608	Federal Miscellaneous Hospital	586,224	586,224
FED	3A7	333-612	Social Services Block Grant-Admin	25,000	25,000
FED	3A8	334-613	Federal Grants-Hospital	200,000	200,000
FED	3B0	334-617	Adult Basic and Literary Education	182,334	182,334
FED	3B1	334-635	Hospital Medicaid Expansion	2,000,000	2,000,000
FED	324	334-605	Medicaid/Medicare	34,500,000	50,500,000
SSR	485	334-632	Mental Health Operating	3,100,000	3,100,000
TOTAL FOR PROGRAM				**474,979,033**	**495,979,033**

Program 01.02: Community Distribution

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 service (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.

The Executive Recommendation will:

- Support community mental health services for adults with severe mental disabilities and children with severe emotional disturbances; and
- Support 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.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	334-506	Court Costs	976,652	976,652
GRF	GRF	335-505	Local MH Systems of Care	99,687,868	99,687,868
GSF	4P9	335-604	Community Mental Health Projects	250,000	250,000
FED	3A6	335-608	Federal Miscellaneous Community	2,178,699	2,178,699
FED	3A7	335-612	Social Services Block Grant-Community	8,657,288	8,657,288
FED	3A8	335-613	Fed Grant-Community MH Board Subsidy	2,595,040	2,595,040
FED	3A9	335-614	MH Health Block Grant-Community	14,969,400	14,969,400
SSR	5AU	335-615	Behavioral Healthcare	6,690,000	6,690,000
SSR	632	335-616	Community Capital Replacement	350,000	350,000
SSR	692	334-636	Community MH Board Risk Fund	80,000	80,000
TOTAL FOR PROGRAM				**136,434,947**	**136,434,947**

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.

The Executive Recommendation will:

- Continue the distribution of medications to indigent mentally ill citizens in the community to reduce unnecessary hospitalizations due to lack of medications;
- Fund a patient counseling hotline and phone consultations with mental health agencies and providers; and
- Provide drug information services and education programs where necessary.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 (FFP) 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.

The Executive Recommendation will:

- Provide Medicaid-covered mental health services for over 160,000 Medicaid-eligible persons.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3B1	335-635	Community Medicaid Expansion	299,614,455	316,699,716
TOTAL FOR PROGRAM				**299,614,455**	**316,699,716**

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.

The Executive Recommendation will:

- Provide forensic second opinion evaluations to determine competency for standing trial;
- Support 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;
- Fund mental health diversion re-entry alternatives to jails and prisons; and
- Fund training for forensic psychiatrists at the University of Cincinnati and Case Western University.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	332-401	Forensic Services	4,338,858	4,338,858
TOTAL FOR PROGRAM				**4,338,858**	**4,338,858**

Program 01.06: Family and Children First Council

This program is a partnership of government agencies and community organizations committed to improving the well-being of children and families. The Ohio Family and Children First Cabinet Council is composed of the Superintendent of Public Instruction and the Directors of the Departments of Youth Services, Job and Family Services, Mental Health, Health, Alcohol and Drug Addiction Services, and Mental Retardation and Developmental Disabilities. Along with its local partners, the council is charged with streamlining and coordinating existing governmental services for families seeking assistance for their children. The primary focus of Family and Children First is low-income, at-risk, and multi-needs children and families.

The Executive Recommendation will:

- Provide service coordination for low-income, at-risk, and multi-needs children and families; and

- Provide a subsidy of $20,000 per county for administrative support for local Family and Children First Councils.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	335-405	Family and Children First	2,260,000	2,260,000
SSR	232	333-621	Family and Children First	625,000	625,000
TOTAL FOR PROGRAM				**2,885,000**	**2,885,000**

Program 01.07: Behavioral Healthcare Services for Children

This program, also known as Access to Better Care (ABC), is a major children's initiative developed to respond to the growing realization that under-serving children with alcohol, drug, and/or mental health service needs result in increased costs in other areas. More specifically, lack of access to care can lead to school failure, suicide, criminal behavior, unwanted pregnancy, and other costly problems that present a growing challenge for Ohio's foster care and juvenile justice systems. With the involvement and input of parents, advocates, and state and local leaders, the ABC initiative has an emphasis on three strategies: prevention, early intervention, and treatment. This program builds on the behavioral health system of the Alcohol, Drug Addiction, and Mental Health Services/CMH/ADAS boards and their provider networks to provide a supportive leadership role for Family and Children First Councils (FCF) and their member agencies to better address the needs of children with mental health and substance use issues across the developmental spectrum and across the many settings where these children need or receive care. The ABC initiative honors Family and Children First's commitment to children and families by strengthening the role of parents as empowered advocates for their children via a more parent/child focused definition of service coordination.

The Executive Recommendation will:

- Implement effective family-centered treatment services and/or related supports to address early intervention services and/or services for intensive multi-system needs;
- Allocate, competitively, funds to ADAMH/CMH Boards in partnership with local Family and Children First Councils to collaborate on a local wraparound process for children, youth, and families; and
- Continue and expand the current six local systems' pilots to serve over 600 serious juvenile offenders with serious behavioral health needs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	335-404	Behavioral Health Services-Children	8,076,153	8,711,153
TOTAL FOR PROGRAM				**8,076,153**	**8,711,153**

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 Departments of Rehabilitation and Correction, Youth Services, and Mental Retardation and Developmental Disabilities.

The Executive Recommendation will:

- Supply food and pharmacy related goods and services to a customer base of over 50,000 individuals through numerous state and local entities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	151	336-601	General Administration	134,060,000	148,998,000
TOTAL FOR PROGRAM				**134,060,000**	**148,998,000**

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.

The Executive Recommendation will:

- Support programs through Ohio colleges and universities that educate mental health professionals; and
- Continue quality improvement practices evidenced by improved reporting mechanisms through the Mental Health Board Clinical Leadership Group.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	333-321	Central Administration	1,852,403	1,852,403
GRF	GRF	333-402	Resident Trainees	1,364,919	1,364,919
GSF	149	333-609	Central Office Operating	61,877	61,877
FED	3A9	333-614	MH Health Block Grant-Admin	49,000	49,000
FED	3B1	333-635	Community Medicaid Expansion	48,460	48,460
TOTAL FOR PROGRAM				**3,376,659**	**3,376,659**

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.

The Executive Recommendation will:

- Fund staff to support the oversight of inpatient behavioral healthcare organizations;
- Ensure JCAHO accreditation and Medicaid certification of state psychiatric hospitals; and
- Ensure quality standards of clinical priorities of patient care.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	333-321	Central Administration	242,646	242,646
GSF	149	333-609	Central Office Operating	7,131	7,131
FED	3B1	333-635	Community Medicaid Expansion	5,584	5,584
TOTAL FOR PROGRAM				**255,361**	**255,361**

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.

The Executive Recommendation will:

- Support 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
- Provide liaisons to the 50 community mental health boards and promote the local development of a comprehensive community support system of mental health.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	333-321	Central Administration	2,588,670	2,588,670
GSF	149	333-609	Central Office Operating	92,857	92,857
FED	3A8	333-613	Federal Grant-Administration	4,888,105	4,888,105
FED	3A9	333-614	MH Health Block Grant-Admin	199,000	199,000
FED	3B1	333-635	Community Medicaid Expansion	72,724	72,724
TOTAL FOR PROGRAM				**7,841,356**	**7,841,356**

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.

The Executive Recommendation will:

- Manage staff and operational requirements of the central office needed for budget control and coordination, administrative oversight, 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 2008	RECOMMENDED FY 2009
GRF	GRF	333-321	Central Administration	19,170,187	19,170,187
GRF	GRF	333-403	Pre-Admin 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 Operating	1,038,135	1,038,135
FED	3A9	333-614	MH Health Block Grant-Admin	500,470	500,470
FED	3B1	333-635	Community Medicaid Expansion	13,564,914	13,564,914
FED	324	333-605	Medicaid/Medicare	154,500	154,500
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
SSR	5V2	333-611	Non-Federal Grants Admin	580,000	560,000
TOTAL FOR PROGRAM				**39,794,759**	**39,774,759**

PROGRAM SERIES 05: Debt Service

This program series funds debt service payments to the Ohio Public Facilities Commission to retire debt borrowed to build mental health facilities.

Program 05.01: Debt Service

Debt Service is the principal and interest payment for past and present capital expenditures on Department of Mental Health-owned facilities.

The Executive Recommendation will:

- Fund debt service payments for mental health facilities to the Ohio Public Facilities Commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	333-415	Lease Rental Payments	23,767,400	20,504,500
TOTAL FOR PROGRAM				**23,767,400**	**20,504,500**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

333-635, Community Medicaid Expansion, and 334-605, Medicaid/Medicare: These two line items are increased due to increased utilization of mental health services by Medicaid-eligible people.

LINE ITEM SUMMARY - Mental Health

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	332-401	Forensic Services	4,389,409	4,352,826	4,319,519	4,338,858	4,338,858	.0	4,338,858	.0
GRF	333-200	Maintenance-Central Admin	966	0	0	0	0	.0	0	.0
GRF	333-300	Equipment-Central Admin	20,223	0	0	0	0	.0	0	.0
GRF	333-321	Central Administration	22,276,780	23,887,792	23,946,423	23,853,907	23,853,906	.0	23,853,906	.0
GRF	333-402	Resident Trainees	1,356,488	1,180,040	1,585,070	1,364,919	1,364,919	.0	1,364,919	.0
GRF	333-403	Pre-Admin Screening Expenses	650,135	650,135	650,135	650,135	650,135	.0	650,135	.0
GRF	333-415	Lease Rental Payments	24,102,718	22,380,819	22,340,731	23,833,600	23,767,400	(.3)	20,504,500	(13.7)
GRF	333-416	Research Program Evaluation	1,058,012	1,001,428	1,001,551	1,001,551	1,001,551	.0	1,001,551	.0
GRF	334-408	Community & Hosp MH Svcs	376,637,527	386,495,119	389,904,181	400,324,545	400,324,545	.0	400,324,545	.0
GRF	334-410	SYSTEM REFORM	0	0	0	0	0	.0	5,000,000	.0
GRF	334-506	Court Costs	944,666	989,364	1,024,008	976,652	976,652	.0	976,652	.0
GRF	335-404	Behavioral Health Services-Children	0	0	5,603,426	7,453,653	8,076,153	8.4	8,711,153	7.9
GRF	335-405	Family & Children First	0	0	2,259,928	2,260,000	2,260,000	.0	2,260,000	.0
GRF	335-419	Community Medication Subsidy	7,711,092	7,959,798	7,959,798	7,959,798	7,959,798	.0	7,959,798	.0
GRF	335-502	Community MH Programs	367,749	0	0	0	0	.0	0	.0
GRF	335-505	Local MH Systems of Care	88,541,757	89,441,409	95,231,237	99,687,868	99,687,868	.0	99,687,868	.0
GRF	335-508	Svcs for Sev. Ment. Disabled	1,826,042	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**529,883,564**	**538,338,730**	**555,826,007**	**573,705,486**	**574,261,785**	**.1**	**576,633,885**	**.4**
149	333-609	Cent Office Operating	606,318	760,889	843,639	893,786	1,200,000	34.3	1,200,000	.0
149	334-609	Hospital Operating Exp	21,550,859	15,231,458	19,136,075	24,408,053	33,800,000	38.5	33,800,000	.0
150	334-620	Special Education	103,007	97,899	106,254	120,930	120,930	.0	120,930	.0
151	235-601	Office of Support Services	80,749,834	85,045,108	95,360,010	0	0	.0	0	.0
151	336-601	General Administration	0	0	0	93,898,713	134,060,000	42.8	148,998,000	11.1
4P9	335-604	Community Mental Health Prjcts	200,000	30,000	10,000	250,000	250,000	.0	250,000	.0
TOTAL General Services Fund Group			**103,210,018**	**101,165,354**	**115,455,978**	**119,571,482**	**169,430,930**	**41.7**	**184,368,930**	**8.8**
3A6	333-608	Community & Hospital Services	22,550	19,085	41,225	55,000	140,000	154.5	140,000	.0
3A6	334-608	Federal Misc Hospital	0	254,235	58,903	586,224	586,224	.0	586,224	.0
3A6	335-608	Federal Misc Community	432,022	515,820	1,608,102	2,178,699	2,178,699	.0	2,178,699	.0
3A7	333-612	Social Services Block Gr-Adm	24,874	0	0	25,000	25,000	.0	25,000	.0
3A7	335-612	Social Services Block Gr-Comm	8,315,991	8,473,650	8,854,336	8,657,288	8,657,288	.0	8,657,288	.0
3A8	333-613	Federal Grant-Administration	158,951	176,591	844,040	4,888,105	4,888,105	.0	4,888,105	.0
3A8	334-613	Federal Grants-Hopital	0	0	0	200,000	200,000	.0	200,000	.0
3A8	335-613	Fed Grant-Commnty MH Brd Sbsdy	1,646,646	1,728,940	2,365,157	2,407,040	2,595,040	7.8	2,595,040	.0
3A9	333-614	MH Health Block Grant-Adm	746,966	749,177	727,608	748,470	748,470	.0	748,470	.0
3A9	335-614	MH Health Block Grant-Comm	14,166,497	15,183,131	14,542,504	14,969,400	14,969,400	.0	14,969,400	.0
3B0	334-617	Adult Basic and Literary Edu	195,360	153,665	145,207	178,807	182,334	2.0	182,334	.0
3B1	333-635	Community Medicaid Expansion	4,053,297	6,468,207	8,675,285	8,691,683	13,691,682	**	13,691,682	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Mental Health

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
3B1	334-635	Hospital Medicaid Expansion	634,582	320,811	0	2,000,000	2,000,000	.0	2,000,000	.0
3B1	335-635	Community Medicaid Expansion	229,539,045	256,470,330	250,219,361	282,807,902	299,614,455	5.9	316,699,716	5.7
324	333-605	Medicaid/Medicare	623,929	97,110	26,546	150,000	154,500	3.0	154,500	.0
324	334-605	Medicaid/Medicare	9,984,857	10,388,403	10,306,215	11,873,408	34,500,000	**	50,500,000	**
TOTAL Fed Special Revenue Fund Group			**270,545,567**	**300,999,155**	**298,414,489**	**340,417,026**	**385,131,197**	**13.1**	**418,216,458**	**8.6**
232	333-621	Family adn Children First	0	0	524,575	625,000	625,000	.0	625,000	.0
4X5	333-607	Behav. Health Medicaid Svcs	2,913,327	3,638,395	3,167,891	3,000,634	3,000,634	.0	3,000,634	.0
485	333-632	Mental Health Operating	280	8,654	32,017	134,233	134,233	.0	134,233	.0
485	334-632	Mental Health Operating	1,943,381	1,748,114	2,098,265	2,476,297	3,100,000	25.2	3,100,000	.0
5AU	335-615	Behavioral Healthcare	0	2,574,110	5,126,578	4,690,000	6,690,000	42.6	6,690,000	.0
5CH	335-622	Residential State Supplement	0	0	1,499,960	1,500,000	0	(100.0)	0	.0
5L2	334-619	Health Foundation/Greatr Cincinnati	51,008	0	0	0	0	.0	0	.0
5M2	333-602	PWLC Campus Improvement	200,000	0	0	0	0	.0	0	.0
5V2	333-611	Non-Federal Grants Adm	0	0	83,182	153,200	580,000	278.6	560,000	(3.4)
632	335-616	Community Capital Replacement	250,000	44,540	479,562	350,000	350,000	.0	350,000	.0
692	334-636	Community MH Board Risk Fund	100,000	0	0	80,000	80,000	.0	80,000	.0
TOTAL State Special Revenue Fund Group			**5,457,996**	**8,013,813**	**13,012,030**	**13,009,364**	**14,559,867**	**11.9**	**14,539,867**	**(.1)**
TOTAL Department of Mental Health			**909,097,145**	**948,517,052**	**982,708,504**	**1046,703,358**	**1143,383,779**	**9.2**	**1193,759,140**	**4.4**

**** 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 more than 3,700 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 mental retardation/developmental disabilities (MR/DD). These services include, but are not limited to, residential support, early intervention, family support, adult vocational, community employment services, facilitating self-support, and the administration of services and support. The department also provides funding for two waiver programs that enable people to live in and receive services in community residential settings. The department operates ten 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 has closed two developmental centers, Springview in June 2005 and Apple Creek in February 2006.

Additional information regarding the Ohio Department of Mental Retardation and Developmental Disabilities is available at http://dmr.ohio.gov.

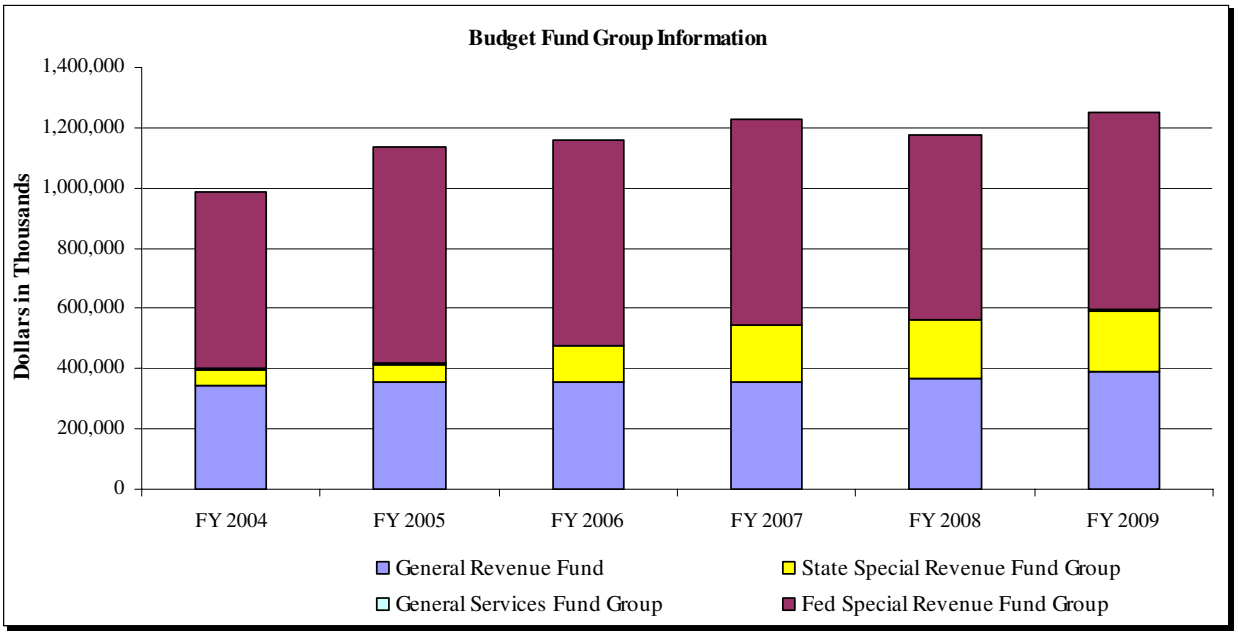
Turnaround Ohio Initiatives

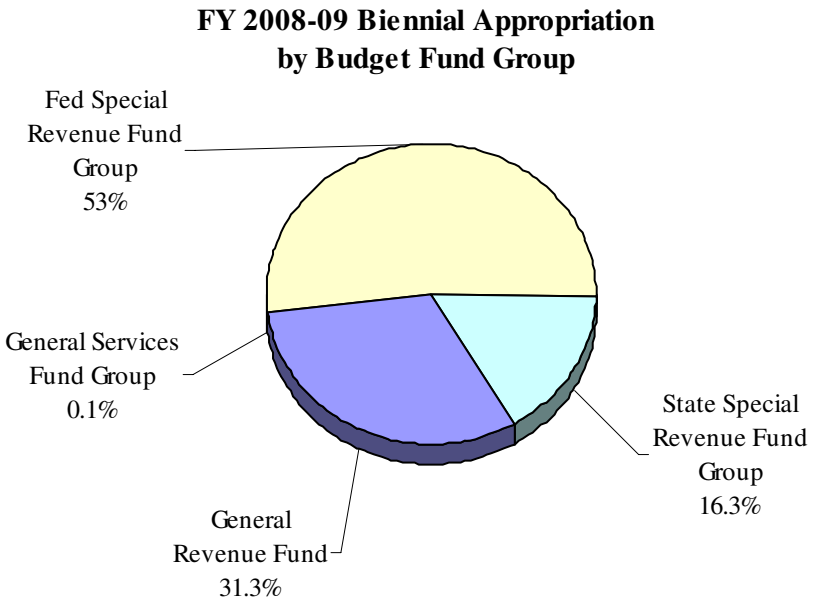
- Provide more waiver opportunities for individuals with mental retardation and developmental disabilities.
- Create service delivery models that evolve in response to consumer choices.

Agency Priorities

- Ensure access to a range of high-quality services that protect the health and safety of the individuals served.
- Develop fair and logical payment systems across all programs, improving financial accountability.
- Provide good stewardship of scarce resources in response to the needs of the state and communities.
- Work collaboratively with partners and stakeholders to develop a long-range strategic plan for improving policy and practice in the delivery of services to individuals with developmental disabilities and their families.

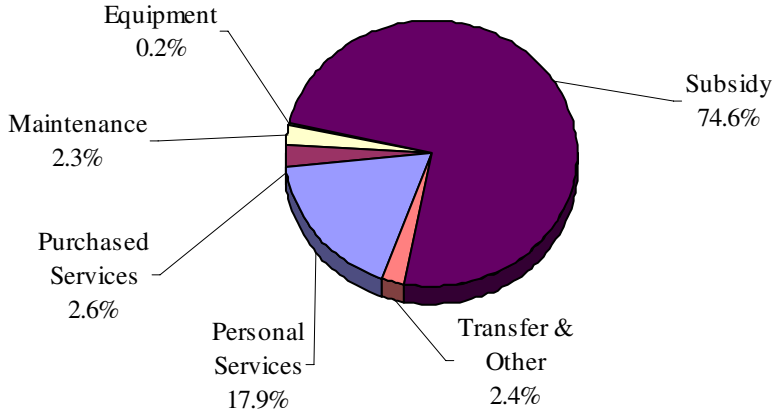
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
General Revenue Fund	343,388	354,109	355,981	354,795	(.3)	369,669	4.2	389,283	5.3
General Services Fund Group	4,596	3,733	997	1,272	27.6	1,022	(19.7)	1,022	.0
Fed Special Revenue Fund Group	588,761	718,762	683,344	684,077	.1	610,781	(10.7)	658,082	7.7
State Special Revenue Fund Group	51,444	61,683	119,282	190,432	59.6	192,359	1.0	204,308	6.2
TOTAL	**988,189**	**1,138,287**	**1,159,604**	**1,230,577**	**6.1**	**1,173,831**	**(4.6)**	**1,252,695**	**6.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Personal Services	216,795	213,461	205,225	238,852	16.4	211,691	(11.4)	222,963	5.3
Purchased Services	8,440	9,664	19,841	23,369	17.8	30,586	30.9	31,325	2.4
Maintenance	24,429	24,790	25,594	29,627	15.8	28,256	(4.6)	28,746	1.7
Equipment	1,062	1,805	1,290	5,547	330.0	2,371	(57.2)	2,296	(3.2)
Subsidy	706,556	855,902	844,542	839,953	(.5)	870,158	3.6	939,720	8.0
Transfer & Other	30,907	32,665	63,112	93,230	47.7	30,769	(67.0)	27,646	(10.1)
TOTAL	**988,189**	**1,138,287**	**1,159,604**	**1,230,577**	**6.1**	**1,173,831**	**(4.6)**	**1,252,695**	**6.7**

PROGRAM SERIES 01: Community Services

This program series contains programs that are designed to provide community-based support that will enable individuals with MR/DD to reside in the community.

Program 01.01: Medicaid Waivers

ODMR/DD administers two home- and community-based Medicaid waivers: the Individual Options (IO) and the Level One waivers. The primary purpose of this program is to provide home- and community-based services and support to individuals with mental retardation or other developmental disabilities that are cost effective, allow individuals to live in community-based settings, increase an individual's skills competencies and self-reliance, ensure an individual's health and safety, and maximize an individual's overall quality of life to the greatest extent possible.

The Executive Recommendation will:

- Provide funding for the IO waiver serving approximately 11,800 individuals;
- Provide funding for the Level One waiver serving approximately 4,650 individuals; and
- Provide funding for an additional 1,500 IO Waiver slots in compliance with the Martin v. Taft Consent Order.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	322-413	Residential and Support Services	920,000	920,000
GRF	GRF	322-416	Medicaid Waiver State Match	113,692,413	113,692,413
GRF	GRF	322-504	Martin Settlement	6,159,766	29,036,451
FED	3G6	322-639	Medicaid Waiver-Federal	445,878,461	496,031,119
SSR	4K8	322-604	Medicaid Waiver State Match	12,000,000	12,000,000
SSR	5Z1	322-624	County Board Waiver Match	116,000,000	126,000,000
TOTAL FOR PROGRAM				**694,650,640**	**777,679,983**

Program 01.02: Community Subsidies

This program contains the various state subsidies provided by ODMR/DD to the county boards of MR/DD to assist with the cost of administering and providing service and support, as required by state statute.

The Executive Recommendation will:

- Continue current subsidy funding levels to the 88 county boards of MR/DD to serve 76,000 individuals.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	322-413	Residential & Support Services	5,833,881	5,833,881
GRF	GRF	322-501	County Boards Subsidies	90,067,913	90,067,913
GRF	GRF	322-503	Tax Equity	14,000,000	14,000,000
SSR	221	322-620	Supplement Service Trust	150,000	150,000
TOTAL FOR PROGRAM				**110,051,794**	**110,051,794**

Program 01.03: Quality Assurance

This program assures the health and safety of individuals with MR/DD and ensures that they receive services that yield quality results. This is accomplished through the monitoring and investigation of major unusual incidents, the certification of providers of services, county board accreditation, residential facility licensure, the provision of guardianships, financial management and protector services, and targeted case management.

The Executive Recommendation will:

- Certify 1,800 new service providers;
- Review the licensure for approximately 1,200 licensed providers, 13,000 certified providers, and 88 county boards of MR/DD;
- Reduce guardianship caseload ratios through increased funding for protective services for individuals with MR/DD; and
- Maintain the Abuser Registry, which allows the state to review all substantiated cases of abuse, neglect, misappropriation, failure to report, and prohibited sexual relations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	320-412	Protective Services	2,792,322	2,792,322
GSF	4B5	320-640	Training & Service Development	50,000	50,000
FED	3A4	323-605	DC & Residential Facility Services & Support	11,051,389	355,250
FED	3G6	322-639	Medicaid Waiver-Federal	9,578,523	10,189,859
FED	3M7	322-650	CAFS Medicaid	4,123,713	0
FED	325	322-612	Community Service Programs & Grants	100,000	100,000
SSR	5DJ	322-625	Targeted Case Management Match	11,082,857	11,470,757
SSR	5DJ	322-626	Targeted Case Management Services	27,548,737	28,512,943
SSR	5EV	322-627	Program Fees	20,000	20,000
SSR	5S2	590-622	Medicaid Administration & Oversight	2,581,052	2,385,670
TOTAL FOR PROGRAM				**68,928,593**	**55,876,801**

Program 01.04: Grants

Federal grants are received from a variety of sources including Title XX, Real Choice Systems: Independence Plus and Quality Initiative, Foster Grandparents, Early Intervention, and grants for the Ohio Developmental Disabilities Council. The grants are used for a variety of purposes designed to serve and support individuals with MR/DD and improve Ohio's MR/DD system.

The Executive Recommendation will:

- Continue to provide services at current levels.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3A4	323-605	DC & Residential Facility Services & Support	242,564	245,480
FED	3A5	320-613	DD Council	2,705,004	2,743,630
FED	325	322-612	Community Service Program & Grants	11,086,114	11,064,639
TOTAL FOR PROGRAM				**14,033,682**	**14,053,749**

PROGRAM SERIES 02: State Operated Services

This program series contains the Developmental Centers program and the planning, budgeting, and project controls for state and community facilities.

Program 02.01: Developmental Centers

This program provides an institutional level of care to individuals at ten developmental centers located around the state. There are approximately 1,600 residents housed in the developmental centers. 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).

The Executive Recommendation will:

- Fund 3,344 staff in the developmental centers who will provide residential support services, 24-hour care, behavioral supports, therapy, and medical services for approximately 1,600 individuals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	323-321	DC & Residential Facility Operating Expenses	102,796,851	102,796,851
GSF	152	323-609	DC & Residential Operating Services	812,177	812,177
GSF	4B5	320-640	Training & Service Development	50,000	50,000
FED	3A4	323-605	DC & Residential Facility Services & Support	119,360,818	130,085,610
SSR	489	323-632	DC Direct Care Support	14,543,764	14,671,616
TOTAL FOR PROGRAM				**237,563,610**	**248,416,254**

Program 02.02: Facilities Development and Management

This program provides project management for various state and community facilities needed for the effective delivery of appropriate services. These include the purchase or renovation of community housing for individuals with MR/DD, development of Early Childhood and Family Centers and Adult Workshops, renovations for increased handicap accessibility, and maintenance of the ten developmental centers.

The Executive Recommendation will:

- Oversee the ongoing capital maintenance of ten developmental centers;
- Manage the construction and renovation of Early Childhood and Family Centers, as well as Adult Workshops and home accessibility modifications; and
- Manage the renovation, construction, and purchase of approximately 144 houses for individuals with MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3A4	323-605	DC & Residential Facility Services & Support	452,359	472,157
TOTAL FOR PROGRAM				**452,359**	**472,157**

PROGRAM SERIES 03: Central Administration

This program series contains the non-program specific activities supported in the Department of Mental Retardation and Developmental Disabilities central office.

Program 03.01: Central Administration

This program provides the department with the necessary infrastructural support to successfully carry out its mission. The intended outcome is to perform this function efficiently through economical use of resources, financial controls, improving management processes, and ensuring compliance with state and federal laws.

The Executive Recommendation will:

- Provide funding for fiscal administration, audit services, Medicaid policy development, waiver administration, IT services, and legal services for the Department of Mental Retardation and Developmental Disabilities; and
- Fund Central Administration's 165 staff members.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	320-321	Operating Expenses	9,638,610	9,638,610
GSF	152	323-609	DC & Residential Operating Services	100,000	100,000
GSF	488	322-603	Provider Audit Refunds	10,000	10,000
FED	3A4	323-605	DC & Residential Facility Services & Support	5,192,406	6,396,811
FED	3G6	322-639	Medicaid Waiver-Federal	854,187	397,851
FED	3M7	322-650	CAFS Medicaid	155,000	0
SSR	5H0	322-619	Medicaid Repayment	10,000	10,000
SSR	5S2	590-622	Medicaid Administration & Oversight	8,422,803	9,086,665
TOTAL FOR PROGRAM				**24,383,006**	**25,639,937**

PROGRAM SERIES 04: Debt Service

The program series includes the Debt Service Program.

Program 04.01: Debt Service

Debt Service is the principal and interest payment for past and present capital expenditures on Department of Mental Retardation and Developmental Disabilities-owned facilities.

The Executive Recommendation will:

- Continue the principal and interest payments on capital expenditures on Department of Mental Retardation and Developmental Disabilities-owned facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	320-415	Lease Rental Payments	23,767,400	20,504,500
TOTAL FOR PROGRAM				**23,767,400**	**20,504,500**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line items 322-417, Supported Living, 322-451, Family Support Services, and 322-452, Service and Support Administration, are all combined into 322-501, County Boards Subsidy. This change combines similar GRF subsidies to County Boards of MR/DD.

Line items 320-605, Administrative Support, and 322-605, Community Program Support, are combined into 323-605, DC & Residential Facility Services & Support. This change combines similar federal revenue used to support Developmental Center operations and services.

Line items 320-634, Protective Service, 323-608, Foster Grandparent Program, and 322-608, Grants for Infants and Families with Disabilities, are combined into 322-612, Community Service Programs & Grants. This change combines similar community grants.

Line item 322-613, DD Council Grants, is combined with 320-613, DD Council. Whereas formerly two line items were needed to track administrative and program costs, the OAKS system will reduce the number of line items needed.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	322-501	County Board Subsidies	90,067,913	90,067,913	0.0%	90,067,913	0.0%
3A4	323-605	DC & Residential Facilities Srvcs & Support	134,992,892	136,299,536	1.0%	137,555,308	0.9%
325	322-612	Community Service Programs & Grants	13,938,165	11,186,114	-19.7%	11,164,639	-0.2%
3A5	320-613	DD Council	4,099,680	2,705,004	-34.0%	2,743,630	1.4%

Line Item Notes

322-504, Martin Settlement: This line item has been created expressly to comply with the *Martin v. Taft* lawsuit settlement agreement. This provides the state share of funding for 600 IO waiver slots in fiscal year 2008 and 900 additional slots in fiscal year 2009.

322-650, CAFS Medicaid: This line item includes appropriation to pay late claims. The Community Alternative Funding program (CAFS) ended in fiscal year 2005. But the delay from the time of program closure to the final resolution of CAFS-related bills requires appropriation for the line item in fiscal year 2008.

LINE ITEM SUMMARY - Mental Retardation and Dev. Disabilities

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	320-321	Operating Expenses	9,036,650	9,285,061	9,378,560	9,357,874	9,638,610	3.0	9,638,610	.0
GRF	320-412	Protective Services	1,919,257	2,008,330	2,463,000	2,463,000	2,792,322	13.4	2,792,322	.0
GRF	320-415	Lease Rental Payments	24,102,718	22,380,819	22,340,731	23,833,600	23,767,400	(.3)	20,504,500	(13.7)
GRF	322-405	State Use Program	261,700	257,113	14,791	0	0	.0	0	.0
GRF	322-413	Residential & Support Services	7,746,079	7,702,390	6,890,156	7,423,021	6,753,881	(9.0)	6,753,881	.0
GRF	322-416	Medicaid Waiver State Match	90,590,348	99,190,711	106,181,843	107,192,413	113,692,413	6.1	113,692,413	.0
GRF	322-417	Supported Living	47,488,680	42,591,071	43,303,207	43,160,198	0	**	0	.0
GRF	322-451	Family Support Services	5,711,492	8,018,972	6,836,353	6,938,898	0	**	0	.0
GRF	322-452	Service and Support Administration	8,761,227	8,672,724	8,672,730	8,672,730	0	**	0	.0
GRF	322-501	County Boards Subsidies	31,176,572	35,927,589	31,337,721	31,296,087	90,067,913	**	90,067,913	.0
GRF	322-503	Tax Equity	13,010,615	14,981,203	14,000,000	14,000,000	14,000,000	.0	14,000,000	.0
GRF	322-504	Martin Settlement	0	0	0	0	6,159,766	**	29,036,451	**
GRF	323-321	DC & Rsdntl Facility Oper Expns	103,582,397	103,092,782	104,561,813	100,457,600	102,796,851	2.3	102,796,851	.0
TOTAL General Revenue Fund			**343,387,735**	**354,108,765**	**355,980,905**	**354,795,421**	**369,669,156**	**4.2**	**389,282,941**	**5.3**
152	323-609	DC & Rsdntl Operating Services	863,048	727,055	466,413	912,177	912,177	.0	912,177	.0
4B5	320-640	Training & Service Development	21,888	4,668	35,861	300,000	100,000	(66.7)	100,000	.0
4J6	322-645	Intersystem Services for Children	3,201,032	2,316,898	461,663	0	0	.0	0	.0
4U4	322-606	County Risk Fund	0	0	0	50,000	0	(100.0)	0	.0
4V1	322-611	Family and Children First	510,218	471,845	33,081	0	0	.0	0	.0
488	322-603	Provider Audit Refunds	0	212,509	0	10,000	10,000	.0	10,000	.0
TOTAL General Services Fund Group			**4,596,186**	**3,732,975**	**997,018**	**1,272,177**	**1,022,177**	**(19.7)**	**1,022,177**	**.0**
3A4	320-605	Administrative Support	9,105,888	10,052,740	7,082,407	13,492,892	0	**	0	.0
3A4	322-605	Community Program Support	359,860	1,603,977	0	1,500,000	0	**	0	.0
3A4	323-605	DC & Rsndtl Fac Srvs & Supprt	102,480,028	108,736,198	109,114,542	120,000,001	136,299,536	**	137,555,308	.9
3A5	320-613	DD Council	841,359	832,884	858,092	895,440	2,705,004	**	2,743,630	1.4
3A5	322-613	DD Council Grants	2,138,403	2,335,564	1,858,097	3,204,240	0	**	0	.0
3G6	322-639	Medicaid Waiver-Federal	270,052,678	306,701,920	381,771,189	427,272,813	456,311,171	6.8	506,618,829	11.0
3M7	322-650	CAFS Medicaid	189,898,794	276,798,471	171,979,187	103,773,730	4,278,713	**	0	(100.0)
325	320-634	Protective Services	100,000	100,000	100,000	100,000	0	**	0	.0
325	322-608	Grants Infants Families w/Disabilit	683,746	1,579,824	933,790	1,763,165	0	**	0	.0
325	322-612	Community Service Prgrm & Grnts	12,385,961	9,640,795	9,281,654	11,500,000	11,186,114	**	11,164,639	(.2)
325	322-617	Education Grants - Operating	4,820	0	0	0	0	.0	0	.0
325	323-608	Foster Grandparent Program	426,428	379,964	365,452	575,000	0	**	0	.0
325	323-617	Education Grnts - Residntl Facil	282,912	0	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**588,760,877**	**718,762,337**	**683,344,410**	**684,077,281**	**610,780,538**	**(10.7)**	**658,082,406**	**7.7**
221	322-620	Supplement Service Trust	0	125,375	0	150,000	150,000	.0	150,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

Executive Budget For Fiscal YEARS 2008 AND 2009

LINE ITEM SUMMARY - Mental Retardation and Dev. Disabilities

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K8	322-604	Medicaid Waiver State Match	18,972,244	11,433,571	9,182,059	12,000,000	12,000,000	.0	12,000,000	.0
489	323-632	DC Direct Care Support	10,222,586	8,163,898	12,035,511	15,625,627	14,543,764	(6.9)	14,671,616	.9
5DJ	322-625	Targeted Case Management Match	0	0	0	20,280,000	11,082,857	(45.4)	11,470,757	3.5
5DJ	322-626	Targeted Case Management Services	0	0	0	18,351,594	27,548,737	50.1	28,512,943	3.5
5EV	322-627	PROGRAM FEES	0	0	0	0	20,000	.0	20,000	.0
5H0	322-619	Medicaid Repayment	0	0	0	25,000	10,000	(60.0)	10,000	.0
5S2	590-622	Medicaid Administration & Oversight	4,983,474	5,722,592	6,105,525	8,000,000	11,003,855	37.5	11,472,335	4.3
5Z1	322-624	County Board Waiver Match	17,265,859	36,237,917	91,958,465	116,000,000	116,000,000	.0	126,000,000	8.6
TOTAL State Special Revenue Fund Group			**51,444,163**	**61,683,353**	**119,281,560**	**190,432,221**	**192,359,213**	**1.0**	**204,307,651**	**6.2**
TOTAL Dept of Mental Retardation/DD			**988,188,961**	**1138,287,430**	**1159,603,893**	**1230,577,100**	**1173,831,084**	**(4.6)**	**1252,695,175**	**6.7**

**** 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 or their designees of the Departments of Health, Job and Family Services, Mental Health, Mental Retardation and Developmental Disabilities, and the Superintendent of Public Instruction.

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. Pilot projects to address innovative approaches to addressing health disparities, e.g., cardio metabolic disorder, are included in the purview of the commission. Additionally, the commission provides grants for support activities for systemic lupus erythematosus (SLE).

In addition to these funds, the commission is in year two of a five-year diabetes prevention grant from the U.S. Department of Health and Human Services/Office of Minority Health. This grant is a State and Territorial Minority Demonstration Grant Program that is designed to build capacity and infrastructure within African American and Latino/Hispanic communities.

Additional information regarding the Ohio Commission on Minority Health is available at http://mih.ohio.gov/.

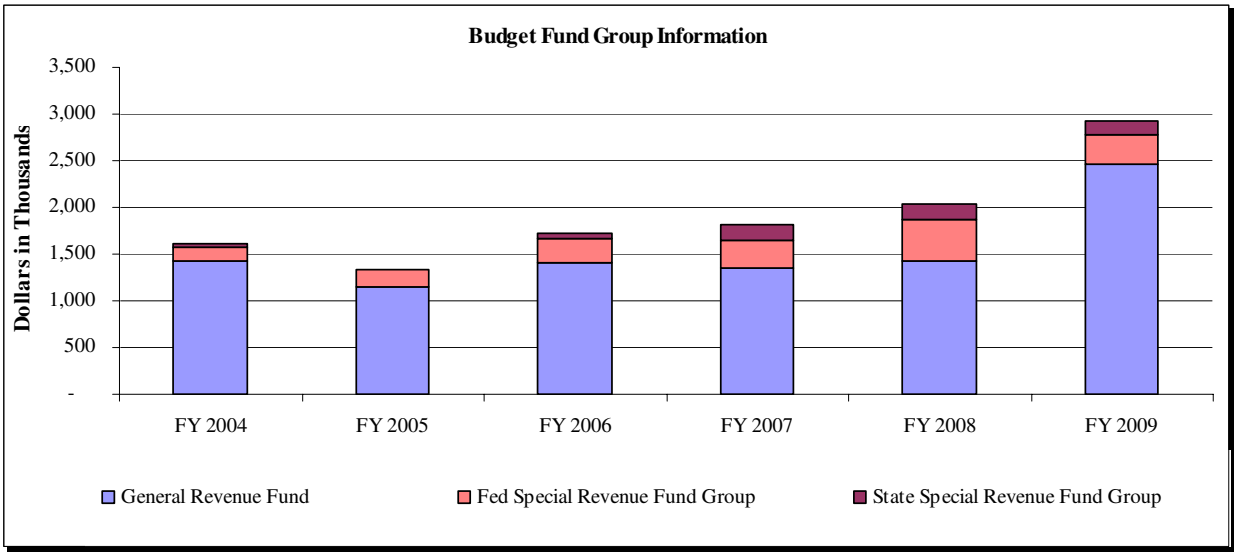
Turnaround Ohio Initiatives

- Provide culturally competent services resulting in high-quality services to prevent illness and injury, especially in economically disadvantaged minority communities.
- Utilize the REEP (Research Evaluation Enhancement Project) to assess performance based on measurable outcomes for all projects funded and citizens served by commission funded projects.
- Provide health awareness and disease prevention services through community-based agencies and organizations to address health disparities in African American, Latino/Hispanic, Asian, and Native American communities.
- Provide support groups and other services to improve the quality of life for all Ohioans impacted by Systemic Lupus Erythematosus (SLE).
- Develop strategic public and private partnerships to assure transparency and accountability in the healthcare system.

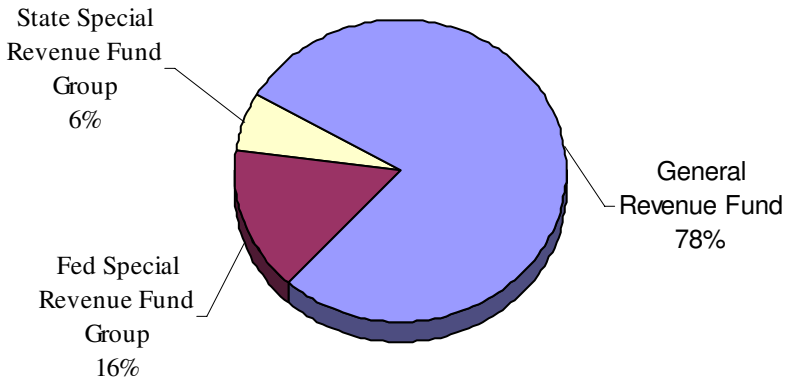
Agency Priorities

- Create local infrastructure and capacity to provide quality services in Ohio's seven largest cities.
- Continue to institutionalize and foster sustainability of local, innovative initiatives that demonstrate efficacy creating local funding streams.
- Build statewide infrastructure and capacity for cardio metabolic disorder programs based on community, academic, and medical partnerships.

Summary of Budget History and Recommendations

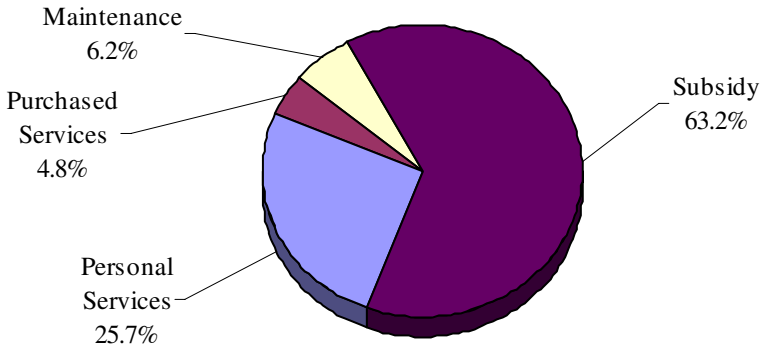


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,427	1,153	1,411	1,347	(4.6)	1,421	5.6	2,460	73.1
Fed Special Revenue Fund Group	141	173	257	299	16.3	457	53.1	320	(30.0)
State Special Revenue Fund Group	40	1	54	165	205.1	150	(9.3)	150	.0
TOTAL	**1,608**	**1,326**	**1,722**	**1,811**	**5.1**	**2,029**	**12.1**	**2,930**	**44.4**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	502	524	551	645	17.2	619	(4.1)	657	6.2
Purchased Services	50	31	95	6	(93.7)	124	1,968.4	115	(7.2)
Maintenance	105	111	157	61	(61.4)	157	159.8	150	(4.8)
Equipment	0	6	0	0	.0	0	(100.0)	0	.0
Subsidy	951	654	919	1,098	19.5	1,128	2.7	2,007	77.9
TOTAL	**1,608**	**1,326**	**1,722**	**1,811**	**5.1**	**2,029**	**12.1**	**2,930**	**44.4**

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.

The Executive Recommendation will:

- Fund five grants that focus on changing life styles and behaviors of minority population at risk of contracting one or more of the targeted diseases;
- Provide an additional $1 million for grants in fiscal year 2009 to offset funding historically received through the Tobacco Budget Bill; and
- Provide funding for 80 percent of MIH's administrative expenses.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	149-321	Operating Expenses	614,194	652,740
GRF	GRF	149-501	Minority Health Grants	670,965	1,670,965
TOTAL FOR PROGRAM				**1,285,159**	**2,323,705**

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.

The Executive Recommendation will:

- Fund grants of up to $13,000 per year to local entities focused on the treatment of lupus.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	149-502	Lupus Program	136,126	136,126
TOTAL FOR PROGRAM				**136,126**	**136,126**

Program 01.03: HIV Grants

This grant program is funded by the U.S. Department of Health and Human Services, Office of Minority Health. The grant is a State and Territorial Minority Demonstration Grant Program that is designed to build capacity and infrastructure within African American and Latino/Hispanic communities.

The Executive Recommendation will:

- Fund one grant to a minority agency in seven metropolitan areas to provide infrastructure and build capacity for the HIV community; and
- Provide funding for one staff member.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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.

The Executive Recommendation will:

- Provide 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 2008	RECOMMENDED FY 2009
FED	3J9	149-602	Federal Grants	307,486	170,297
TOTAL FOR PROGRAM				**307,486**	**170,297**

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, symposia, 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.

The Executive Recommendation will:

- Provide funding for culturally relevant conferences.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	4C2	149-601	Minority Health Conference	150,000	150,000
TOTAL FOR PROGRAM				**150,000**	**150,000**

LINE ITEM SUMMARY - Minority Health

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	149-321	Operating Expenses	532,035	529,884	587,773	539,423	614,194	13.9	652,740	6.3
GRF	149-501	Minority Health Grants	756,642	486,328	700,120	670,965	670,965	.0	1,670,965	149.0
GRF	149-502	Lupus Program	137,856	136,375	123,487	136,126	136,126	.0	136,126	.0
TOTAL General Revenue Fund			**1,426,533**	**1,152,587**	**1,411,380**	**1,346,514**	**1,421,285**	**5.6**	**2,459,831**	**73.1**
3J9	149-602	Federal Grants	140,920	172,707	256,873	298,750	457,486	53.1	320,297	(30.0)
TOTAL Fed Special Revenue Fund Group			**140,920**	**172,707**	**256,873**	**298,750**	**457,486**	**53.1**	**320,297**	**(30.0)**
4C2	149-601	Minority Health Conference	40,187	615	54,179	165,290	150,000	(9.3)	150,000	.0
TOTAL State Special Revenue Fund Group			**40,187**	**615**	**54,179**	**165,290**	**150,000**	**(9.3)**	**150,000**	**.0**
TOTAL Comm on Minority Health			**1,607,640**	**1,325,909**	**1,722,432**	**1,810,554**	**2,028,771**	**12.1**	**2,930,128**	**44.4**

Board of Motor Vehicle Collision Repair Registration

Role and Overview

The Board of Motor Vehicle Collision Repair Registration (CRB) was established to register and regulate collision repair facilities in Ohio. The board monitors licensees to ensure compliance with the laws and rules of Ohio. The annual budget of about $335,000 supports a staff of three in addition to the seven board members. CRB licenses approximately 1,400 facilities and estimates that approximately 500 facilities are currently operating without registration. Additional information about the Board of Motor Vehicle Collision Repair Registration is available at http://www.collisionboard.ohio.gov/.

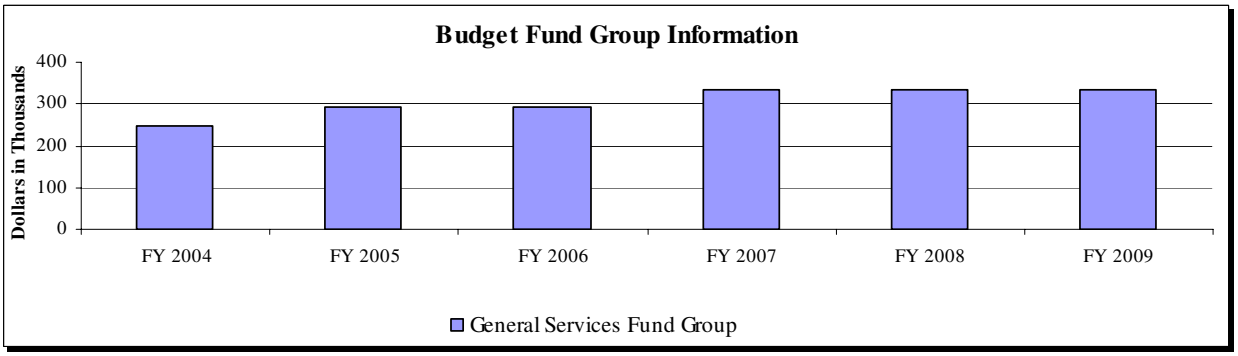
Turnaround Ohio Initiatives

- Continue to respond to the needs of the consumers and collision repair professionals.
- Enhance the level of efficiency, transparency, responsiveness, and accountability to the citizens of Ohio.
- Continue to promote consumer protection and education through industry oversight.
- Build upon the working relationship with educational professionals to create higher standards in the transportation industry.
- Develop a Performance Contract setting standards in line with the Turnaround Ohio strategies.

Agency Priorities

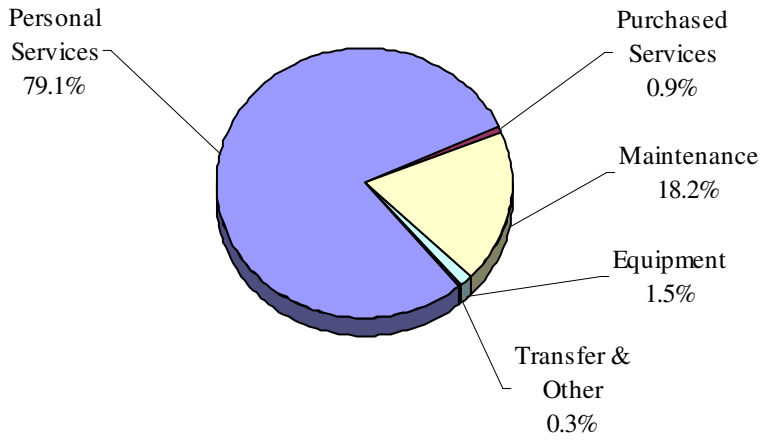
- Develop an on-line registration process for collision repair facilities, improving agency efficiency, and saving the industry valuable time.
- Digitize board licensing files in order to ensure their security and continuity of agency functions.
- Work with collateral organizations to encourage graduates of Ohio's professional degree programs to remain in the state after graduation.
- Ensure statutes and rules are current and responsive to the ever-changing needs of the profession.
- Enhance the board's website to facilitate ease of access by the public and registrants.
- Enforce registration laws to protect the consumer and level the playing field for the independent business operators in Ohio.
- Expand agency operations through better strategies and efficiency.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	248	294	293	335	14.5	335	.0	335	.0
TOTAL	**248**	**294**	**293**	**335**	**14.5**	**335**	**.0**	**335**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	185	188	227	255	12.2	265	4.1	265	.0
Purchased Services	8	18	2	18	757.7	3	(85.6)	3	.0
Maintenance	47	79	62	60	(3.6)	61	1.6	61	.0
Equipment	8	9	1	1	37.0	5	366.8	5	.0
Transfer & Other	0	1	0	1	282.6	1	(47.1)	1	.0
TOTAL	**248**	**294**	**293**	**335**	**14.5**	**335**	**.0**	**335**	**.0**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Motor Vehicle Collision Repair Registration.

The Executive Recommendation will:

- Maintain oversight of the over 1,400 collision repair facilities currently registered;
- Enhance the board's involvement in higher education industry standards; and
- Enforce the state registration laws to protect the consumer and level the playing field for the small businesses within the industry.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	865-601		334,995	334,995
TOTAL FOR PROGRAM				**334,995**	**334,995**

LINE ITEM SUMMARY - Motor Vehicle Collision Repair Registration

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	865-601		0	0	0	0	334,995	.0	334,995	.0
5H9	865-609	Operating Expenses -CRB	247,512	294,189	292,687	334,995	0	(100.0)	0	.0
TOTAL General Services Fund Group			**247,512**	**294,189**	**292,687**	**334,995**	**334,995**	**.0**	**334,995**	**.0**
TOTAL Bd of Collision Repair Registr			**247,512**	**294,189**	**292,687**	**334,995**	**334,995**	**.0**	**334,995**	**.0**

Role and Overview

The Ohio Department of Natural Resources (ODNR) through a variety of management, planning, regulatory, educational, and research strategies strives to ensure a balance between the conservation and wise use of Ohio's natural resources. This mission is accomplished through a wide range of conservation strategies and services, including the collection and dissemination of data crucial for economic development, environmental protection and resource stewardship. The agency employs nearly 2,600 permanent and seasonal staff and has an annual operating budget of approximately $336 million.

The department's 12 statutory divisions are strategically focused on outdoor recreation, land and water stewardship, Lake Erie protection and the stewardship of Ohio's fish, wildlife and plant communities. Operations and facilities are present in each of the state's 88 counties, where ODNR owns or manages more than 620,000 acres of land, including 74 state parks, 20 state forests, 130 nature preserves, 155 state wildlife areas and six state fish hatcheries. ODNR also has jurisdiction over more than 120,000 acres of inland waters and 7,000 miles of streams, including 12 designated state scenic rivers, as well as Ohio's portions of Lake Erie and the Ohio River. Among its other responsibilities, the department regulates the oil, gas and mineral industries in Ohio, manages the state's water resources, coordinates activities of county soil and water conservation districts, manages programs to monitor and protect Ohio's Lake Erie coastal resources and supports local recycling and litter prevention programs. More information regarding the Department of Natural Resources is available at www.ohiodnr.com.

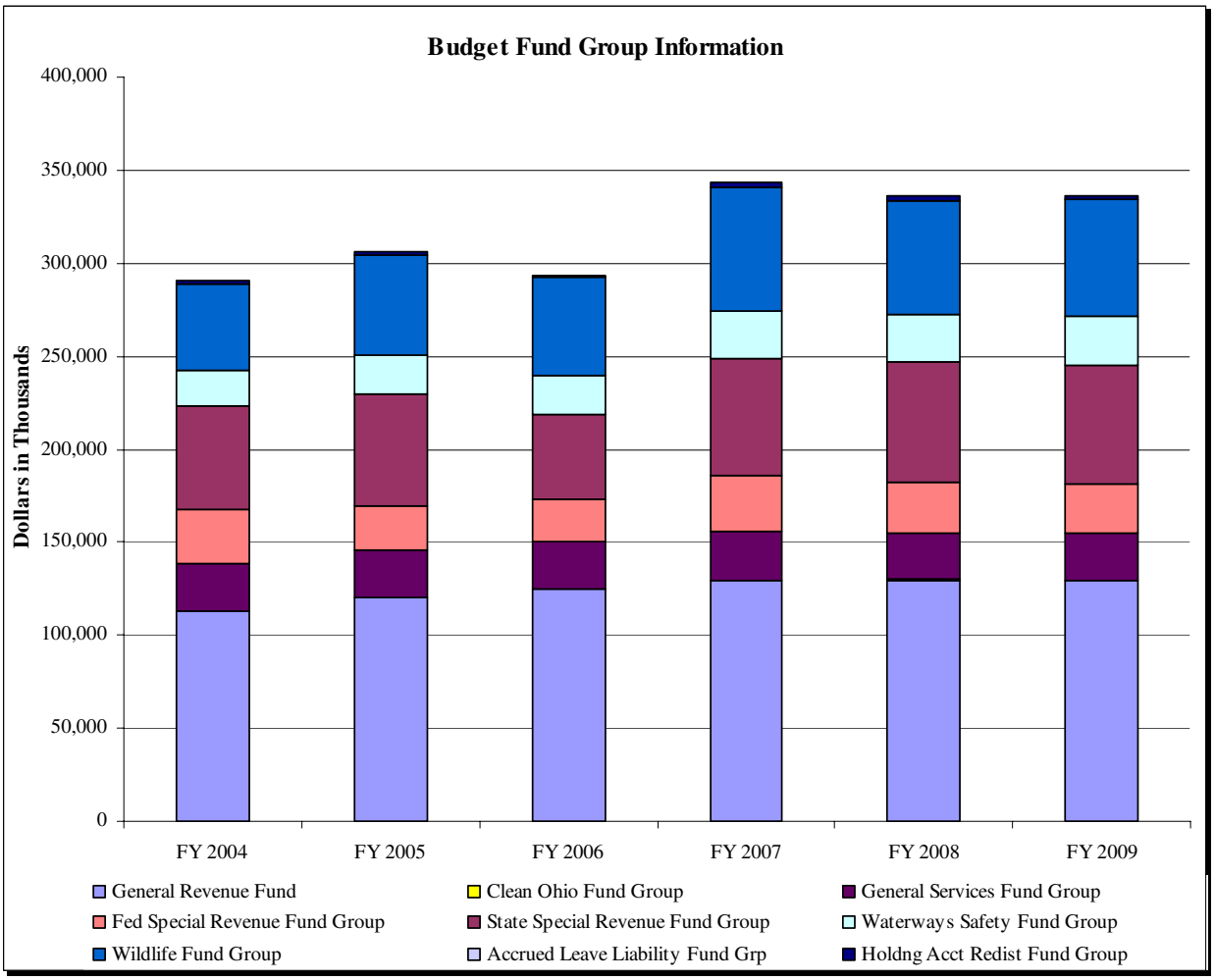
Turnaround Ohio Initiatives

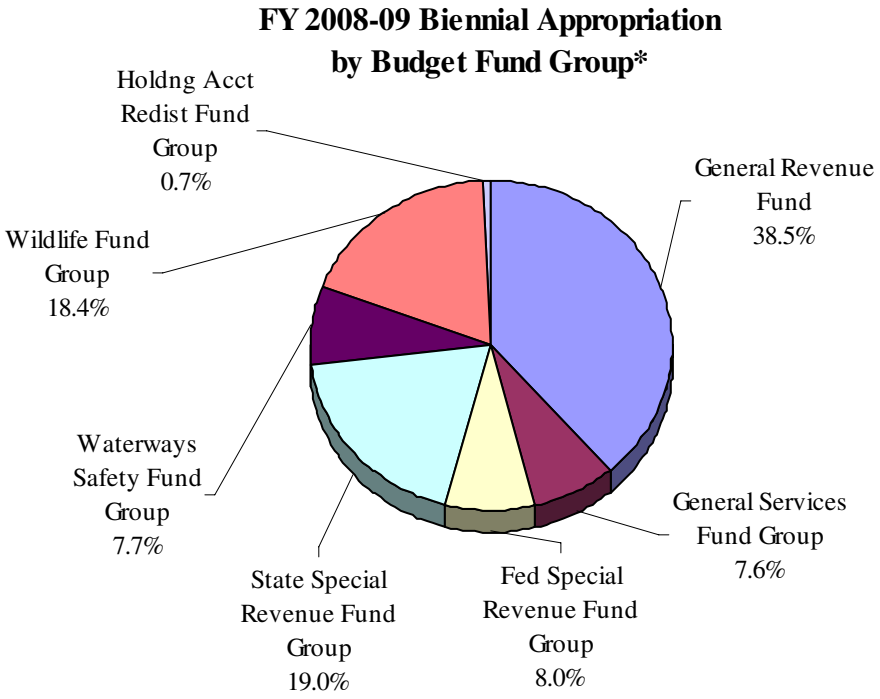
- Take a lead role through research and the development of appropriate regulatory structures to ensure Ohio's energy future through emerging technologies that offer optimal energy production from conventional resources as well as promising potential from new or under-utilized energy sources.
- Invest in recreation, conservation, and environmental improvements to ensure safe, diverse, healthy communities, and a higher quality of life for all Ohioans through grant programs and other partnerships with local governments and grassroots organizations.
- Strengthen the department's ability to provide economic decision makers with ready access to crucial data, maps, research, and other forms of information needed to retain, create, and attract jobs while making the wisest use of land and water resources.
- Invest to improve the efficiency, responsiveness, and Internet-accessibility of the department's regulatory programs, creating a jobs-friendly environment for those transacting business with the department.
- Strengthen the department's contribution to economic growth in one of the fastest-growing sectors of Ohio's economy, travel and tourism, through its facilities and programs promoting outdoor recreation and the appreciation of nature.

Agency Priorities

- 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.

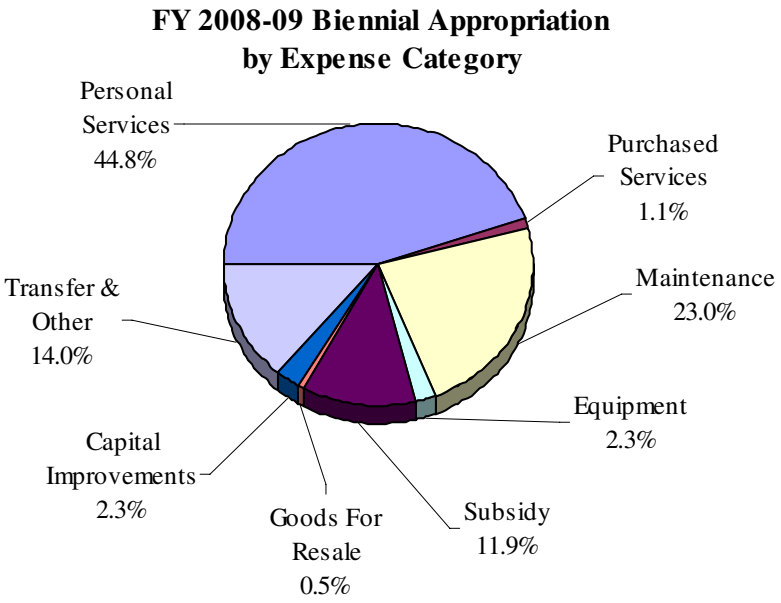
Summary of Budget History and Recommendations





*Budget fund groups accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	113,066	119,962	125,014	129,424	3.5	129,708	.2	129,481	(.2)
General Services Fund Group	25,525	25,855	25,639	26,532	3.5	25,196	(5.0)	25,644	1.8
Fed Special Revenue Fund Group	28,814	23,447	22,275	29,813	33.8	27,295	(8.4)	26,441	(3.1)
State Special Revenue Fund Group	56,083	60,466	46,032	62,379	35.5	64,420	3.3	63,445	(1.5)
Waterways Safety Fund Group	18,991	20,789	20,302	26,012	28.1	25,685	(1.3)	26,362	2.6
Wildlife Fund Group	46,257	53,451	52,673	66,807	26.8	61,422	(8.1)	62,622	2.0
Accrued Leave Liability Fund Grp	14	10	20	38	90.2	21	(44.9)	21	.0
Holdng Acct Redist Fund Group	1,389	2,027	1,122	2,374	111.7	2,229	(6.1)	2,287	2.6
Clean Ohio Fund Group	149	134	100	155	54.6	155	.0	155	.0
TOTAL	**290,288**	**306,141**	**293,177**	**343,534**	**17.2**	**336,131**	**(2.2)**	**336,456**	**.1**



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	134,449	140,218	136,275	149,669	9.8	148,720	(.6)	152,810	2.8
Purchased Services	1,727	2,039	2,434	2,752	13.1	3,849	39.9	3,610	(6.2)
Maintenance	52,587	56,424	60,067	74,976	24.8	78,245	4.4	76,535	(2.2)
Equipment	6,663	10,113	8,066	8,088	.3	7,631	(5.6)	7,631	.0
Subsidy	38,182	37,064	30,039	39,793	32.5	40,839	2.6	39,322	(3.7)
Goods For Resale	1,587	1,707	1,793	1,958	9.2	1,834	(6.4)	1,834	.0
Capital Improvements	10,346	6,518	4,887	16,651	240.7	7,735	(53.5)	7,716	(.3)
Transfer & Other	44,747	52,058	49,616	49,647	.1	47,278	(4.8)	46,998	(.6)
TOTAL	**290,288**	**306,141**	**293,177**	**343,534**	**17.2**	**336,131**	**(2.2)**	**336,456**	**.1**

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: 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.

The Executive Recommendation will:

- Provide technical assistance to Ohio communities concerning urban forest management and tree care programs;
- Provide forestry assistance to landowners of Ohio's 7.3 million acres of private forests and assist in creating forest stewardship plans;
- Identify, report, and monitor pest and disease suppression, infestation, and prevention; and
- Certify qualified Ohio municipalities with Tree City USA status.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	727-321	Division of Forestry	1,420,562	972,750
SSR	5K1	725-626	Urban Forestry Grant	10,000	12,000
SSR	509	725-602	State Forest	3,335,446	3,565,877
TOTAL FOR PROGRAM				**4,766,008**	**4,550,627**

Program 01.02: State Forest Management

This program manages 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 members also provide wildfire assistance and training to local volunteer fire departments.

The Executive Recommendation will:

- Manage and support over 186,000 acres of public forestland in 20 state forests;
- Share revenue from timber sales with counties, townships, and local school districts with the "Trees to Textbooks" program;
- Furnish local volunteer fire departments with equipment and supplies;
- Maintain and develop trails within forested state lands for hiking, backpacking, and mountain biking; and
- Improve all-terrain vehicle access and opportunities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	727-321	Division of Forestry	4,593,949	4,887,488
GSF	510	725-631	Maint- State Owned Residences	75,000	25,000
SSR	4M7	725-631	Wildfire Suppression	70,000	0
SSR	4M7	725-686	Wildfire Suppression	100,000	100,000
SSR	509	725-602	State Forest	1,683,000	1,593,547
090	R17	725-659	Performance Cash Bond Refunds	120,000	120,000
090	R43	725-624	Forestry	1,950,188	2,007,977
TOTAL FOR PROGRAM				**8,592,137**	**8,734,012**

Program 01.03: Forestry Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Forestry. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Fund existing administrative support staff; and

- Implement the management and fiber agreement for the newly acquired Raccoon Experimental Management Area.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	727-321	Division of Forestry	2,527,000	2,681,273
SSR	509	725-602	State Forest	52,500	52,500
TOTAL FOR PROGRAM				**2,579,500**	**2,733,773**

PROGRAM SERIES 02: Geological Survey

This program series defines 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.

The Executive Recommendation will:

- Collect and develop data concerning the geologic features of Ohio;
- Assist 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;
- Review 401/404 permit applications, construction plans for major public-works projects, and injection-well permit applications to ensure proposed activities are consistent with geologic conditions; and
- Monitor and maintain the seismic record of Ohio, providing advice to emergency management professionals and the media.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	728-321	Division of Geological Survey	1,478,133	1,478,133
GSF	155	725-601	Departmental Projects	0	69,053
FED	3P1	725-632	Geological Survey-Federal	655,000	720,000
SSR	4J2	725-628	Injection Well Review	58,808	60,063
SSR	511	725-646	Ohio Geologic Mapping	754,310	666,652
TOTAL FOR PROGRAM				**2,946,251**	**2,993,901**

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.

The Executive Recommendation will:

- Restructure division staff to emphasize Turnaround Ohio Clean Energy research and investigations;
- Provide educational and informational opportunities to high school and college students at the Collins Geological Laboratory and Sample Depository;
- Provide earthquake information from Ohio's on-line OhioSeis System and;
- Improve map and data offerings on www.odnr.com.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	728-321	Division of Geological Survey	411,574	411,574
GSF	508	725-684	Natural Resources Publication Ctr	82,280	82,280
SSR	511	725-646	Ohio Geologic Mapping	60,869	57,658
TOTAL FOR PROGRAM				**554,723**	**551,512**

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 and Recreation

This program administers, operates, and maintains Ohio's state park system. The system includes parks that have national, regional, or local interest and attract a broad, statewide group of users. Individual parks are operated to provide a quality recreational and educational experience for all visitors offering lodges, cottages, campgrounds and miles of trails for multiple users. All parks are characterized by attractive natural resources for all to enjoy. All aspects of park operations are part of the program including operating facilities, collecting revenue, maintenance, law enforcement, supervision, and administration.

The Executive Recommendation will:

- Provide multiple outdoor recreational opportunities and services at 74 state parks throughout Ohio;
- Maintain over 2,500 structures located in parks;
- Provide interpretive and educational programming;
- Operate campgrounds and lodges for overnight visits and conferences;
- Provide law enforcement patrols at parks; and
- Maintain recreational grounds and facilities such as trails, beaches, boat ramps, and marinas within state parks.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	730-321	Division of Parks and Recreation	39,874,841	39,874,841
GSF	510	725-631	Maint- State Owned Residences	170,000	170,000
SSR	512	725-605	State Parks Operations	27,314,288	27,314,288
SSR	512	725-680	Parks Facilities Maintenance	2,576,240	2,576,240
WSF	086	725-414	Waterways Improvement	3,925,075	4,062,452
ALF	4M8	725-675	FOP Contract	12,406	12,406
TOTAL FOR PROGRAM				**73,872,850**	**74,010,227**

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.

The Executive Recommendation will:

- Coordinate and guide activities to protect, preserve, and improve Lake Erie and its coastal resources;
- Provide assistance to local agencies and non-profit organizations through grants and counsel; and
- Ensure 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	697	725-670	Submerged Lands	751,342	772,011
FED	3P3	725-650	Coastal Management-Federal	2,643,323	1,691,237
SSR	514	725-606	Lake Erie Shoreline	892,113	732,113
TOTAL FOR PROGRAM				**4,286,778**	**3,195,361**

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: Water Management

This program includes subprograms of Canal Lands/Hydraulic Operations, Dam Safety, and Floodplain Management. The Canals Subprogram operates and maintains the Miami and Erie and Ohio and Erie Canals. The Dam Safety subprogram addresses the protection of life, health, and property against damages resulting from the failure of dams and levees. The Floodplain Management Subprogram provides leadership toward the cooperative management of Ohio's floodplains to reduce the potential of flood damage, promotes the natural benefits of floodplains, and is Ohio's coordinator for the National Flood Insurance Program.

The Executive Recommendation will:

- Maintain the remaining watered sections of Ohio's historic canal systems;
- Regulate, permit, and inspect man-made dams to protect downstream inhabitants;
- Provide technical assistance in emergency situations;
- Provide information on maintenance and operational procedures to dam owners for specific properties;
- Ensure wise use of floodplains in order to maximize the benefits of floodplains as both a natural and economic resource and to reduce flood damage; and
- Coordinate 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.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-456	Canal Lands	332,859	332,859
GRF	GRF	733-321	Division of Water	1,506,409	1,615,147
GSF	4S9	725-622	NatureWorks Personnel	61,234	61,234
GSF	430	725-671	Canal Lands	905,584	941,694
FED	3P4	725-660	Water-Federal	316,304	316,734
SSR	615	725-661	Dam Safety	548,223	595,416
TOTAL FOR PROGRAM				**3,670,613**	**3,863,084**

Program 05.02: Water Resources

This program is comprised of three subprograms: Water Planning, Water Inventory, and Ground Water Resources. The Water Planning Subprogram compiles and evaluates water resources data and provides water resources information, education resources, and data analysis to promote effective development and management of the state's water resource needs. This subprogram is also an active partner in the efforts toward implementation of the Great Lakes basin-wide water management programs and an interstate compact. The Water Inventory and Cooperative Gauging Subprogram provides hydrologic data and analyses for planning, managing, and developing sustainable uses of Ohio's water resources. The Ground Water Resources Subprogram influences decisions affecting Ohio's aquifer systems by providing information, guidance, and technical advice to achieve a balance between the use of the resource and its long-term sustainability.

The Executive Recommendation will:

- Provide comprehensive technical support to water well owners with comprehensive ground water records, uses, and potential supply capabilities to resolve problems, disputes, and ensure a sufficient water supply for many to use and enjoy;
- Perform 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;
- Maintain records of groundwater aquifers, reservoirs, and watersheds; and provide other technical materials about Ohio's streams and their drainage basins;
- Coordinate 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;
- Register 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; and
- Administer Project WET (Water Education for Teachers) in Ohio and undertake other environmental education activities related to water.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-423	Stream & Ground Water Gauging	311,910	311,910
GRF	GRF	733-321	Division of Water	1,260,347	1,181,779
GSF	155	725-601	Departmental Projects	246,542	246,542
GSF	508	725-684	Natural Resources Publication Ctr	10,000	10,000
GSF	516	725-620	Water Management	2,913,618	2,931,513
SSR	4J2	725-628	Injection Well Review	6,000	6,000
TOTAL FOR PROGRAM				**4,748,417**	**4,687,744**

Program 05.03: Water Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Water. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Improve the quality, quantity, and access of water resource data and information on www.odnr.com so that stakeholders have the information to make sound and sustainable economic decisions.

FUND				RECOMMENDED	

GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	733-321	Division of Water	440,863	460,693
GSF	430	725-671	Canal Lands	26,888	29,352
SSR	514	725-606	Lake Erie Shoreline	25,000	25,000
TOTAL FOR PROGRAM				**492,751**	**515,045**

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: Resource Assistance

This program supports Soil and Water Conservation Districts and local governments with technical assistance and training to improve delivery of local assistance to landowners/managers installing pollution control and conservation practices.

The Executive Recommendation will:

- Provide engineering and technical training to over 125 technical specialists employed by county soil and water conservation districts;
- Assist 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
- Assist SWCDs and Division of Soil and Water staff in planning facilities to abate pollution as necessary to resolve complaints relating to agricultural and urban pollution.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	737-321	Division of Soil and Water	1,708,193	1,617,933
GSF	155	725-601	Departmental Projects	291,642	213,976
SSR	5BV	725-683	Soil and Water Districts	120,000	120,000
TOTAL FOR PROGRAM				**2,119,835**	**1,951,909**

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.

The Executive Recommendation will:

- Conduct professional development workshops for SWCD staff members;
- Prepare and disseminate educational programs and materials to SWCDs dealing with the broad range of natural resource issues facing the SWCDs, cooperating landowners, and others; and
- Provide professional development for K-12 teachers and education specialists throughout the state with events like the Ohio Envirothon.

FUND	RECOMMENDED

GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	155	725-601	Departmental Projects	317,622	327,879
SSR	5BV	725-683	Soil and Water Districts	10,000	10,000
TOTAL FOR PROGRAM				**327,622**	**337,879**

Program 06.03: Resource Management

This program implements statewide urban and non-point source water pollution control programs, assisting Ohio's 88 soil and water conservation districts and local governments and organizations to implement local non-point source pollution control programs.

The Executive Recommendation will:

- Implement and regulate statewide agricultural, urban, and non-point source water pollution control programs;
- Assist Ohio's 88 SWDCs in implementing non-point source pollution control programs locally; and
- Investigate agricultural sediment, livestock waste, and silvicultural complaints.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-407	Conservation Reserve Enhancement	1,000,000	1,000,000
GRF	GRF	737-321	Division of Soil and Water	420,025	427,126
GSF	155	725-601	Departmental Projects	960,662	974,887
SSR	5BV	725-683	Soil and Water Districts	315,000	315,000
TOTAL FOR PROGRAM				**2,695,687**	**2,717,013**

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.

The Executive Recommendation will:

- Coordinate and provide 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;
- Support approximately 30 local watershed coordinators in planning and implementing programs to protect local water resources;
- Assist six counties in helping local communities comply with storm water regulations that protect streams and wetlands; and
- Provide technical assistance with agricultural and urban conservation issues.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-502	Soil and Water Districts	9,836,436	9,836,436
GRF	GRF	737-321	Division of Soil and Water	1,174,208	1,224,146
SSR	5BV	725-683	Soil and Water Districts	1,405,000	1,405,000
TOTAL FOR PROGRAM				**12,415,644**	**12,465,582**

Program 06.05: Soil and Water Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Soil and Water Conservation. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Maintain existing administrative staff;
- Expand the Soil and Water Information Management System (SWIS) to all 88 county soil and water conservation districts; and
- Provide guidance for the Turnaround Ohio Clean Energy Initiative concerning agricultural practices for biofuel production.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	737-321	Division of Soil and Water	772,362	805,583
GSF	155	725-601	Departmental Projects	135,750	100,500
TOTAL FOR PROGRAM				**908,112**	**906,083**

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 multiple statewide 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.

The Executive Recommendation will:

- Provide 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
- Perform 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	738-321	Division of Real Estate & Land Mgt	993,849	1,028,633
GSF	207	725-690	Real Estate Services	64,000	64,000
GSF	4S9	725-622	NatureWorks Personnel	62,740	62,740
GSF	430	725-671	Canal Lands	217,610	179,036
GSF	635	725-664	Fountain Square Facilities Mgt.	3,023	3,127
090	R17	725-659	Performance Cash Bond Refunds	10,000	10,000
TOTAL FOR PROGRAM				**1,351,222**	**1,347,536**

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.

The Executive Recommendation will:

- Administer four major grant programs that make significant funds available to local governments to promote park development and recreational trail opportunities.

FUND	RECOMMENDED

GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	738-321	Division of Real Estate & Land Mgt	282,020	291,890
GSF	635	725-664	Fountain Square Facilities Mgt.	20,369	21,756
FED	3B6	725-653	Fed Land & Water Conservation Grnts	2,000,000	2,000,000
FED	3Z5	725-657	REALM Federal	1,850,000	1,850,000
SSR	521	725-627	Off-Road Vehicle Trails	198,490	143,490
CLF	061	725-405	Clean Ohio Operating	145,848	145,528
TOTAL FOR PROGRAM				**4,496,727**	**4,452,664**

Program 07.03: Facilities Management Services

This program maintains the nine buildings and 22 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 Expositions Center.

The Executive Recommendation will:

- Provide 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	635	725-664	Fountain Square Facilities Mgt.	2,828,930	2,829,576
TOTAL FOR PROGRAM				**2,828,930**	**2,829,576**

Program 07.04: 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.

The Executive Recommendation will:

- Coordinate DNR's environmental review program and plans for possible expansion of DNR's stream mitigation program; and
- Review approximately 300 projects annually for compliance with environmental regulations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	738-321	Division of Real Estate & Land Mgt	184,122	189,119
TOTAL FOR PROGRAM				**184,122**	**189,119**

Program 07.05: Recycling and Litter Prevention

This program provides grants and assistance to the state's local solid waste, recycling and litter prevention authorities to coordinate, encourage, and market statewide waste reduction programs. The program emphasizes market development of industries and processes to reduce the waste stream in Ohio, coordinates state government recycling programs, and markets scrap tire recycling.

The Executive Recommendation will:

- Administer competitive grant awards to local communities to encourage recycling and keep Ohio clean; and
- Provide market development grants to create demand for recycled material for manufacturing to reduce the waste stream to extend landfill life expectancy.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4D5	725-618	Recycled Materials	50,000	50,000
SSR	532	725-644	Litter Control and Recycling	6,164,491	6,160,030
SSR	586	725-633	Scrap Tire Program	1,000,000	1,000,000
TOTAL FOR PROGRAM				**7,214,491**	**7,210,030**

Program 07.06: REALM Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Real Estate and Land Management. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Maintain existing staffing level while improving division and stakeholder services; and
- Continue representation on the Northland Alliance economic development group and the Solid Waste Advisory Council.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	738-321	Division of Real Estate & Land Mgt	831,883	782,232
GSF	155	725-601	Departmental Projects	20,000	40,000
GSF	635	725-664	Fountain Square Facilities Mgt.	224,665	232,528
SSR	532	725-644	Litter Control and Recycling	116,190	120,651
CLF	061	725-405	Clean Ohio Operating	9,152	9,472
TOTAL FOR PROGRAM				**1,201,890**	**1,184,883**

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 staff members stand ready for emergency deployment in response to natural disasters and other emergencies.

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.

The Executive Recommendation will:

- Issue new and renewal permits and collect appropriate fees;
- Provide boat information to registered boaters, new boat owners, watercraft sales agents, law enforcement organizations, boat dealers, other states, and other agencies; and
- Conduct inspections, researches, and assign Hull Identification Numbers (HINs) as required by the newly adopted HIN program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WSF	086	739-401	Division of Watercraft	1,635,000	1,655,000
TOTAL FOR PROGRAM				**1,635,000**	**1,655,000**

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.

The Executive Recommendation will:

- Educate the public and promote the safe use of Ohio's lakes and waterways through boating education and skills courses;
- Provide 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;
- Perform on-the-water law enforcement patrols and conduct vessel safety inspections;
- Provide maritime homeland security as well as emergency flood response throughout the state; and
- Allow 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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	14,480,681	14,900,681
WSF	5AW	725-682	Watercraft Revolving Loans	1,000,000	1,000,000
TOTAL FOR PROGRAM				**16,613,526**	**17,033,526**

Program 08.03: Watercraft Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Watercraft. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Maintain existing staff level and provide strategic planning to serve Ohio's boating public; and
- Continue to modernize cash management activities through check imaging and electronic balance transfers.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
WSF	086	739-401	Division of Watercraft	3,511,000	3,611,000
TOTAL FOR PROGRAM				**3,511,000**	**3,611,000**

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 seven district offices, four fish and wildlife research stations, six 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.

The Executive Recommendation will:

- Operate 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;
- Maintain 66 public access sites for boat and shore fishing access;
- Manage aquatic resources on 481 miles of the Ohio River, 23 million acres of Lake Erie, and 61,500 miles of rivers and streams;
- Conduct studies to improve fish populations and aquatic wildlife diversity; and
- Coordinate Ohio's State Management Plan for aquatic nuisance species.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-425	Wildlife License Reimbursement	250,000	200,000
SSR	5P2	725-634	Wildlife Boater Angler Admin.	3,500,000	3,500,000
WLF	015	740-401	Division of Wildlife	8,619,650	8,907,597
WLF	817	725-655	Wildlife Conservation Checkoff Fund	1,274,500	1,274,500
WLF	818	725-629	Cooperative Fisheries Research	1,500,000	1,500,000
WLF	819	725-685	Ohio River Management	128,584	128,584
TOTAL FOR PROGRAM				**15,272,734**	**15,510,681**

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 one million visitor use days per year. Additionally, it owns and maintains the Old Woman Creek National Estuarine Research Reserve on Lake Erie.

The Executive Recommendation will:

- Manage Ohio's terrestrial wildlife resources and their habitats;
- Provide professional assistance to landowners for habitat improvement and management for wildlife-oriented recreation;
- Provide responsible recreational hunting and trapping opportunities to Ohio sportsmen and women;
- Monitor, prevent, and control the spread of wildlife diseases that could threaten the health of Ohioans and the state's wildlife resources; and
- Own and maintain 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-425	Wildlife License Reimbursement	250,000	200,000
WLF	015	740-401	Division of Wildlife	13,161,386	13,208,363
WLF	815	725-636	Cooperative Management Projects	120,449	120,449
WLF	816	725-649	Wetlands Habitat	966,885	966,885
WLF	817	725-655	Wildlife Conservation Checkoff Fund	2,629,400	2,629,400
TOTAL FOR PROGRAM				**17,128,120**	**17,125,097**

Program 09.03: Wildlife Education, Law, and Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Wildlife. Activities include administration, business services, human resources, and strategic planning, as well as a statewide law enforcement operation and public information and education program.

The Executive Recommendation will:

- Issue hunting and fishing licenses and perform inspections of license agents and vendors;
- Enforce wildlife, sport fishing and commercial fishing laws and regulations;
- Investigate stream litter, pollution induced fish kills, and hunting incidents;
- Administer hunter and angler education programs using 1,800 certified instructors to train 23,000 to 25,000 hunter education students and over 100,000 fishermen annually;
- Implement 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); and
- Create and distribute wildlife education material linked to state science standards, coordinate efforts of 117 Project WILD facilitators, certify WILD school sites, and provide an e-newsletter for environmental educators.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-401	Wildlife-GRF Central Support	2,705,950	2,800,930
GSF	508	725-684	Natural Resources Publication Ctr	6,000	6,000
GSF	510	725-631	Maint- State Owned Residences	78,611	78,611
WLF	015	740-401	Division of Wildlife	31,924,964	32,790,040
WLF	817	725-655	Wildlife Conservation Checkoff Fund	1,096,100	1,096,100
ALF	4M8	725-675	FOP Contract	8,438	8,438
TOTAL FOR PROGRAM				**35,820,063**	**36,780,119**

PROGRAM SERIES 10: Natural Areas and Preserves

This program series is responsible for the management, acquisition, and protection of Ohio's most pristine areas and waterways. These natural areas characterize the state's natural landscape, flora, geology, and provide habitat for rare and endangered species. Additionally, this program series 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 of which the Division of Natural Areas and Preserves manages 82 sites.

The Executive Recommendation will:

- Protect nearly 15,000 acres of unique and endangered sites throughout Ohio through habitat management;
- Coordinate and conduct interpretive programming;
- Allow preserve managers to receive annual in-service training for fire regulations, law enforcement, herbicide application; and
- Provide facility management, maintenance, and grounds keeping services by preserve managers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	741-321	Division of Natural Areas & Pres.	1,447,220	1,474,984
GSF	155	725-601	Departmental Projects	27,554	27,554
GSF	508	725-684	Natural Resources Publication Ctr	10,000	10,000
GSF	510	725-631	Maint- State Owned Residences	30,000	30,000
FED	3P0	725-630	Natural Areas & Preserves-Fed	215,000	215,000
SSR	522	725-656	Natural Areas and Preserves	1,539,350	1,538,952
TOTAL FOR PROGRAM				**3,269,124**	**3,296,490**

Program 10.02: Ohio Scenic River

This program is responsible for administering Ohio's Scenic Rivers Program. The program protects Ohio's remaining high-quality streams for future generations. Scenic river designation is a cooperative venture among state and local governments, citizens' groups, and local communities within a watershed. Today, Ohio has 11 state-designated streams encompassing over 700 river miles and 20 stream segments.

The Executive Recommendation will:

- Manage over 700 miles of specially designated scenic rivers and streams, working closely with local governments and conservation groups;
- Review public projects and local zoning cases that may impact river resources;
- Implement the Stream Quality Monitoring Project;
- Provide assistance on technical issues to landowners and local officials; and
- Work 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 2008	RECOMMENDED FY 2009
GRF	GRF	741-321	Division of Natural Areas & Pres.	458,163	383,815
GSF	155	725-601	Departmental Projects	55,631	65,631
SSR	4U6	725-668	Scenic Rivers Protection	407,100	407,100
TOTAL FOR PROGRAM				**920,894**	**856,546**

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 compiling the official list of plants that are threatened or endangered in Ohio and is used by government, universities, and industry for environmental assessments and research.

The Executive Recommendation will:

- Maintain the official record of rare and endangered plants and animals, outstanding natural communities, and special geologic features in the state;
- Provide technical assistance on habitat management issues;
- Conduct environmental reviews; and
- Provide data to planners, developers, researchers, and governmental officials.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	741-321	Division of Natural Areas & Pres.	319,865	337,804
GSF	155	725-601	Departmental Projects	134,818	124,818
SSR	522	725-656	Natural Areas and Preserves	11,320	11,718
TOTAL FOR PROGRAM				**466,003**	**474,340**

Program 10.04: Natural Areas Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Natural Areas and Preserves. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Reduce administrative support staff; and
- Implement the Ohio Cave Program to preserve and protect these unique geologic formations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	741-321	Division of Natural Areas & Pres.	889,626	923,291
GSF	155	725-601	Departmental Projects	4,181	4,181
TOTAL FOR PROGRAM				**893,807**	**927,472**

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: Minerals Regulatory

This program provides for enforcement, inspection, regulation, permitting, and application review of coal, industrial minerals, and oil and gas well drilling and plugging in the State of Ohio. The program provides for safe and environmentally sound fossil fuel extraction and reclamation while eliminating environmental problems and public safety hazards. The program encourages economic benefit in an environmentally responsible manner.

The Executive Recommendation will:

- Regulate surface and underground coal mining and reclamation activities;
- Regulate mining activities for industrial minerals such as gravel, limestone, clay, shale, gypsum, and dolomite;
- Conduct inspections to ensure activities conform to permitting rules;
- Review and process mining permit applications; and
- Collect fees and maintain bonds to ensure reclamation of the affected land is completed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3B7	725-654	Reclamation - Regulatory	1,494,075	1,522,048
FED	3P2	725-642	Oil and Gas-Federal	172,828	179,062
SSR	4J2	725-628	Injection Well Review	1,580	1,637
SSR	518	725-643	Oil and Gas Permit Fees	2,149,160	2,147,868
SSR	518	725-677	Oil & Gas Well Plugging	800,000	800,000
SSR	526	725-610	Strip Mining Admin. Fees	1,324,542	1,276,470
SSR	527	725-637	Surface Mining Administration	1,300,525	1,521,361
090	R17	725-659	Performance Cash Bond Refunds	149,263	149,263
TOTAL FOR PROGRAM				**7,391,973**	**7,597,709**

Program 11.02: 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.

The Executive Recommendation will:

- Inspect surface and underground mines to provide safety consultations and enforce worker safety laws;
- Provide mine safety and emergency rescue training;
- Maintain three rescue stations; and
- Provide air quality analyses to protect underground miners.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	744-321	Division of Mineral Resource Mgmt	2,151,241	2,129,723
GSF	508	725-684	Natural Resources Publication Ctr	247	0
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	76,531	78,695
TOTAL FOR PROGRAM				**2,514,971**	**2,495,370**

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.

The Executive Recommendation will:

- Administer 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;
- Develop, design, and oversee reclamation projects; and
- Respond to citizen complaints and requests for information.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3B5	725-645	Federal Abandoned Mine Lands	13,564,538	13,541,122
FED	3R5	725-673	Acid Mine Drainage Abatement/Trtmnt	1,999,998	2,025,001
SSR	529	725-639	Unreclaimed Land Fund	2,471,955	1,689,785
SSR	531	725-648	Reclamation Forfeiture	2,028,411	2,027,280
TOTAL FOR PROGRAM				**20,064,902**	**19,283,188**

Program 11.04: Mineral Resources Program Support

This program provides and allocates the costs of executive leadership and administrative staffing services for the Division of Mineral Resources Management. Activities include administration, business services, human resources, communications, and strategic planning.

The Executive Recommendation will:

- Maintain existing administrative and support staff;
- Implement H.B. 443 changes that revamped severance tax and mining permit fees for coal and industrial mineral producers; and

- Provide guidance for the Turnaround Ohio Clean Energy Initiative for underground carbon sequestration and coal bed methane production.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	744-321	Division of Mineral Resource Mgmt	916,926	938,444
FED	3B5	725-645	Federal Abandoned Mine Lands	743,126	766,545
FED	3B7	725-654	Reclamation - Regulatory	613,216	585,244
FED	3P2	725-642	Oil and Gas-Federal	54,133	55,447
SSR	4J2	725-628	Injection Well Review	1,190	1,233
SSR	518	725-643	Oil and Gas Permit Fees	425,218	438,700
SSR	526	725-610	Strip Mining Admin. Fees	607,949	627,401
SSR	527	725-637	Surface Mining Administration	475,786	346,535
SSR	529	725-639	Unreclaimed Land Fund	420,561	334,472
SSR	531	725-648	Reclamation Forfeiture	33,823	34,957
TOTAL FOR PROGRAM				**4,291,928**	**4,128,978**

PROGRAM SERIES 12: 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 12.01: Natural Resources Program Support

This program includes the Office of the Director, which 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.

The Executive Recommendation will:

- Provide active management of all division activities;
- Allow program to continue active involvement in problem resolution, legislative initiatives, customer service, and implementation of new systems; and
- Support 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	725-404	Fountain Sq Rental Pymnts-OBA	1,094,900	1,081,200
GRF	GRF	725-413	OPFC Rental Payments	19,589,400	18,316,200
GRF	GRF	725-903	Natural Resources G.O. Debt Service	24,713,800	25,723,000
GRF	GRF	729-321	Office of Information Technology	440,895	440,895
GSF	155	725-601	Departmental Projects	65,000	65,000
GSF	157	725-651	Central Support Indirect	6,139,724	6,436,503
GSF	204	725-687	Information Services	4,676,627	4,676,627
GSF	4X8	725-662	Water Resources Council	125,000	125,000
FED	3B3	725-640	Federal Forest Pass-Thru	225,000	225,000
FED	3B4	725-641	Federal Flood Pass-Thru	490,000	490,000
TOTAL FOR PROGRAM				**57,560,346**	**57,579,425**

Program 12.02: 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.

The Executive Recommendation will:

- Provide 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;
- Coordinate reviews of county petition ditch projects; and
- Manage the Ohio Department of Transportation/Department of Natural Resources Roadway Maintenance Program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	736-321	Division of Engineering	3,118,703	3,118,703
GSF	227	725-406	Parks Projects Personnel	110,000	110,000
GSF	4S9	725-622	NatureWorks Personnel	401,026	401,026
GSF	508	725-684	Natural Resources Publication Ctr	40,000	40,000
TOTAL FOR PROGRAM				**3,669,729**	**3,669,729**

Program 12.03: 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.

The Executive Recommendation will:

- Coordinate comprehensive law enforcement programs throughout the state in each DNR division;
- Provide dispatching services 24-hours a day, seven days a week;
- Implement and administer MARCS; and
- Coordinate with the Ohio Department of Public Safety Emergency Management Agency for emergencies, disasters, and other life or property threatening occurrences.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	157	725-651	Central Support Indirect	89,226	92,172
GSF	223	725-665	Law Enforcement Administration	2,230,485	2,358,307
GSF	635	725-664	Fountain Square Facilities Mgt.	532,848	553,411
TOTAL FOR PROGRAM				**2,852,559**	**3,003,890**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 725-603, Forestry - Federal, is merged into 725-602, State Forest, to consolidate similar funding and program activities.

Line item 725-689, REALM Support Services, is merged into 725-664, Fountain Square Facilities Management, to consolidate similar funding and program activities.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
509	725-602	State Forest	6,974,270	5,070,946	-27.3%	5,211,924	2.8%
328	725-603	Forestry - Federal	-	-	-	-	-
635	725-664	Fountain Square Facilities Management	3,690,223	3,609,835	-2.2%	3,640,398	0.8%
206	725-689	REALM Support Services	-	-	-	-	-

Line Item Notes

725-630, Natural Areas and Preserves-Fed: The Department of Natural Resources will receive more federal funding than in past years, which will allow the department to administer a statewide system of nature preserves, including acquiring and dedicating lands as nature preserves. For additional information, please refer to Program 10.01, Natural Areas and Preserves.

725-639, Unreclaimed Land: The Department of Natural Resources will receive increased revenue due to recent legislative changes and will be able to fulfill new legislative mandates. For additional information, please refer to Program 11.03, Abandoned Mine Lands.

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	725-401	Wildlife-GRF Central Support	0	0	1,315,000	1,365,000	2,705,950	98.2	2,800,930	3.5
GRF	725-404	Fountain Sq Rental Pymnts-OBA	1,083,217	1,018,864	1,018,945	1,092,000	1,094,900	.3	1,081,200	(1.3)
GRF	725-407	Conservation Reserve Enhancement	1,118,022	1,145,625	1,000,000	1,000,000	1,000,000	.0	1,000,000	.0
GRF	725-412	Reclamation Commission	55,599	54,473	0	0	0	.0	0	.0
GRF	725-413	OPFC Rental Payments	13,510,930	16,533,053	18,521,462	20,962,800	19,589,400	(6.6)	18,316,200	(6.5)
GRF	725-423	Stream & Ground Water Gauging	324,814	311,910	311,134	311,910	311,910	.0	311,910	.0
GRF	725-425	Wildlife License Reimbursement	716,319	646,319	646,319	646,319	500,000	(22.6)	400,000	(20.0)
GRF	725-456	Canal Lands	302,859	332,859	332,859	332,859	332,859	.0	332,859	.0
GRF	725-502	Soil and Water Districts	11,182,024	10,654,572	9,836,436	9,836,436	9,836,436	.0	9,836,436	.0
GRF	725-903	Natural Resources G.O. Debt Service	20,522,600	23,399,025	25,359,756	24,359,100	24,713,800	1.5	25,723,000	4.1
GRF	727-321	Division of Forestry	8,765,922	8,596,825	8,241,512	8,541,511	8,541,511	.0	8,541,511	.0
GRF	728-321	Division of Geological Survey	1,708,870	1,552,210	1,729,223	1,630,000	1,889,707	15.9	1,889,707	.0
GRF	729-321	Office of Information Technology	476,319	397,119	378,365	440,895	440,895	.0	440,895	.0
GRF	730-321	Division of Parks and Recreation	34,044,043	35,850,223	37,858,103	39,874,841	39,874,841	.0	39,874,841	.0
GRF	731-321	Office of Coastal Management	217,271	291,073	259,312	259,707	0	(100.0)	0	.0
GRF	733-321	Division of Water	3,280,933	3,206,700	3,257,094	3,207,619	3,207,619	.0	3,257,619	1.6
GRF	736-321	Division of Engineering	3,165,458	3,307,038	2,842,333	3,118,703	3,118,703	.0	3,118,703	.0
GRF	737-321	Division of Soil and Water	4,143,226	4,227,994	4,087,942	4,074,788	4,074,788	.0	4,074,788	.0
GRF	738-321	Division of Real Estate & Land Mgt	2,196,134	2,323,455	2,336,312	2,291,873	2,291,874	.0	2,291,874	.0
GRF	741-321	Division of Natural Areas & Pres.	3,088,421	2,994,722	2,909,287	3,009,505	3,114,874	3.5	3,119,894	.2
GRF	744-321	Division of Mineral Resource Mgmt	3,163,249	3,118,260	2,773,013	3,068,167	3,068,167	.0	3,068,167	.0
TOTAL General Revenue Fund			**113,066,230**	**119,962,319**	**125,014,407**	**129,424,033**	**129,708,234**	**.2**	**129,480,534**	**(.2)**
155	725-601	Departmental Projects	2,838,308	3,876,900	2,599,445	3,011,726	2,259,402	(25.0)	2,260,021	.0
157	725-651	Central Support Indirect	7,571,893	7,724,429	5,710,811	6,528,675	6,228,950	(4.6)	6,528,675	4.8
161	725-635	Parks Facilities Maintenance	1,527,205	1,574,749	410,747	0	0	.0	0	.0
162	725-625	CCC Operations	270,958	0	0	0	0	.0	0	.0
204	725-687	Information Services	2,953,775	3,082,349	4,224,876	4,676,627	4,676,627	.0	4,676,627	.0
206	725-689	REALM Support Services	358,001	334,055	364,909	350,000	0	**	0	.0
207	725-690	Real Estate Services	52,575	37,707	23,144	64,000	64,000	.0	64,000	.0
223	725-665	Law Enforcement Administration	707,943	1,186,445	3,821,968	3,101,184	2,230,485	(28.1)	2,358,307	5.7
227	725-406	Parks Projects Personnel	0	0	143,227	110,000	110,000	.0	110,000	.0
4D5	725-618	Recycled Materials	7,117	59,214	58,183	50,000	50,000	.0	50,000	.0
4S9	725-622	NatureWorks Personnel	571,676	564,496	398,814	307,648	525,000	70.7	525,000	.0
4X8	725-662	Water Resources Council	51,080	78,227	107,815	251,000	125,000	(50.2)	125,000	.0
430	725-671	Canal Lands	974,278	887,362	900,047	950,082	1,150,082	21.1	1,150,082	.0
508	725-684	Natural Resources Publication Ctr	184,219	131,825	221,714	157,792	148,527	(5.9)	148,280	(.2)
510	725-631	Maint- State Owned Residences	203,518	256,928	218,711	442,238	353,611	(20.0)	303,611	(14.1)
516	725-620	Water Management	4,117,212	2,310,400	2,410,646	2,459,120	2,913,618	18.5	2,931,513	.6

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
635	725-664	Fountain Square Facilities Mgt.	2,726,339	3,342,586	3,311,185	3,340,223	3,609,835	**	3,640,398	.8
697	725-670	Submerged Lands	408,643	406,830	712,381	732,010	751,342	2.6	772,011	2.8
TOTAL General Services Fund Group			**25,524,740**	**25,854,502**	**25,638,623**	**26,532,325**	**25,196,479**	**(5.0)**	**25,643,525**	**1.8**
3B3	725-640	Federal Forest Pass-Thru	104,960	106,710	140,242	150,000	225,000	50.0	225,000	.0
3B4	725-641	Federal Flood Pass-Thru	321,013	334,454	346,568	350,000	490,000	40.0	490,000	.0
3B5	725-645	Federal Abandoned Mine Lands	9,500,908	9,672,618	11,056,648	14,307,666	14,307,664	.0	14,307,667	.0
3B6	725-653	Fed Land & Water Conservation Grnts	6,914,339	2,132,305	892,860	2,000,000	2,000,000	.0	2,000,000	.0
3B7	725-654	Reclamation - Regulatory	2,122,653	2,093,504	2,036,367	2,107,291	2,107,291	.0	2,107,292	.0
3P0	725-630	Natural Areas & Preserves-Fed	559,706	357,073	14,012	30,000	215,000	**	215,000	.0
3P1	725-632	Geological Survey-Federal	671,066	895,125	593,290	602,773	655,000	8.7	720,000	9.9
3P2	725-642	Oil and Gas-Federal	224,402	232,667	258,116	252,000	226,961	(9.9)	234,509	3.3
3P3	725-650	Coastal Management-Federal	1,288,456	1,540,274	2,415,115	2,602,949	2,643,323	1.6	1,691,237	(36.0)
3P4	725-660	Water-Federal	313,373	371,862	317,314	420,525	316,304	(24.8)	316,734	.1
3R5	725-673	Acid Mine Drainage Abatement/Trtmnt	1,412,728	1,644,083	1,174,223	2,225,000	1,999,998	(10.1)	2,025,001	1.3
3Z5	725-657	REALM Federal	3,385,332	1,273,091	652,762	1,578,871	1,850,000	17.2	1,850,000	.0
328	725-603	Forestry - Federal	1,708,968	2,529,199	2,125,276	2,928,098	0	**	0	.0
332	725-669	Federal Mine Safety Grant	286,119	263,606	252,688	258,102	258,102	.0	258,102	.0
TOTAL Fed Special Revenue Fund Group			**28,814,023**	**23,446,571**	**22,275,481**	**29,813,275**	**27,294,643**	**(8.4)**	**26,440,542**	**(3.1)**
4J2	725-628	Injection Well Review	84,345	34,726	29,688	79,957	67,578	(15.5)	68,933	2.0
4M7	725-631	Wildfire Suppression	46,241	45,526	92,972	0	70,000	.0	0	(100.0)
4M7	725-686	Wildfire Suppression	0	0	0	100,000	100,000	.0	100,000	.0
4U6	725-668	Scenic Rivers Protection	559,466	125,453	212,739	407,100	407,100	.0	407,100	.0
5BV	725-683	Soil and Water Districts	0	0	1,276,591	1,850,000	1,850,000	.0	1,850,000	.0
5B3	725-674	Mining Regulation	1,310	14,505	6,515	28,850	28,850	.0	28,850	.0
5K1	725-626	Urban Forestry Grant	545,561	206,447	121,403	10,000	10,000	.0	12,000	20.0
5P2	725-634	Wildlife Boater Angler Admin.	831,342	889,504	3,356,009	4,350,000	3,500,000	(19.5)	3,500,000	.0
509	725-602	State Forest	797,862	1,679,099	739,590	4,046,172	5,070,946	**	5,211,924	2.8
511	725-646	Ohio Geologic Mapping	512,866	417,215	303,469	549,310	815,179	48.4	724,310	(11.1)
512	725-605	State Parks Operations	28,358,218	28,360,107	24,516,533	26,814,288	27,314,288	1.9	27,314,288	.0
512	725-680	Parks Facilities Maintenance	0	0	1,738,865	2,576,240	2,576,240	.0	2,576,240	.0
514	725-606	Lake Erie Shoreline	732,554	775,174	611,669	941,663	917,113	(2.6)	757,113	(17.4)
518	725-643	Oil and Gas Permit Fees	2,184,847	2,381,166	3,013,322	2,432,053	2,574,378	5.9	2,586,568	.5
518	725-677	Oil & Gas Well Plugging	747,919	860,737	782,348	902,325	800,000	(11.3)	800,000	.0
521	725-627	Off-Road Vehicle Trails	55,050	189,180	41,912	143,490	198,490	38.3	143,490	(27.7)
522	725-656	Natural Areas and Preserves	463,257	826,169	604,670	1,550,670	1,550,670	.0	1,550,670	.0
526	725-610	Strip Mining Admin. Fees	2,006,450	5,130,663	1,924,454	1,932,492	1,932,491	.0	1,903,871	(1.5)
527	725-637	Surface Mining Administration	2,707,386	2,376,580	863,331	2,322,702	1,852,842	(20.2)	1,946,591	5.1

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
529	725-639	Unreclaimed Land Fund	645,438	713,732	740,566	631,257	2,892,516	**	2,024,257	(30.0)
531	725-648	Reclamation Forfeiture	1,538,551	2,217,482	1,554,241	2,062,237	2,062,234	.0	2,062,237	.0
532	725-644	Litter Control and Recycling	11,798,826	11,539,906	2,805,047	7,099,999	6,280,681	(11.5)	6,280,681	.0
586	725-633	Scrap Tire Program	1,209,179	1,254,978	286,173	1,000,000	1,000,000	.0	1,000,000	.0
615	725-661	Dam Safety	256,820	427,887	337,574	548,223	548,223	.0	595,416	8.6
655	725-667	Lake Katherine Management	0	0	72,702	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**56,083,488**	**60,466,236**	**46,032,383**	**62,379,028**	**64,419,819**	**3.3**	**63,444,539**	**(1.5)**
086	725-414	Waterways Improvement	3,742,799	3,747,143	3,715,657	3,792,343	3,925,075	3.5	4,062,452	3.5
086	725-418	Buoy Placement	51,853	52,647	49,655	52,182	52,182	.0	52,182	.0
086	725-501	Waterway Safety Grants	65,580	65,580	65,580	137,867	137,867	.0	137,867	.0
086	725-506	Watercraft Marine Patrol	523,396	541,453	575,244	576,153	576,153	.0	576,153	.0
086	725-513	Watercraft Educational Grants	364,994	373,257	345,674	366,643	366,643	.0	366,643	.0
086	739-401	Division of Watercraft	14,242,489	16,008,976	15,549,755	20,086,681	19,626,681	(2.3)	20,166,681	2.8
5AW	725-682	Watercraft Revolving Loans	0	0	0	1,000,000	1,000,000	.0	1,000,000	.0
TOTAL Waterways Safety Fund Group			**18,991,111**	**20,789,056**	**20,301,565**	**26,011,869**	**25,684,601**	**(1.3)**	**26,361,978**	**2.6**
015	740-401	Division of Wildlife	41,813,672	47,410,427	47,354,517	58,025,549	53,706,000	(7.4)	54,906,000	2.2
81B	725-688	Wildlife Habitat Fund	0	0	0	1,065,308	0	(100.0)	0	.0
815	725-636	Cooperative Management Projects	105,698	100,082	128,192	120,449	120,449	.0	120,449	.0
816	725-649	Wetlands Habitat	785,161	1,299,188	904,812	966,886	966,885	.0	966,885	.0
817	725-655	Wildlife Conservation Checkoff Fund	2,559,141	3,606,497	3,056,237	5,000,000	5,000,000	.0	5,000,000	.0
818	725-629	Cooperative Fisheries Research	954,566	996,852	1,178,565	1,500,000	1,500,000	.0	1,500,000	.0
819	725-685	Ohio River Management	38,529	38,113	50,273	128,584	128,584	.0	128,584	.0
TOTAL Wildlife Fund Group			**46,256,767**	**53,451,159**	**52,672,596**	**66,806,776**	**61,421,918**	**(8.1)**	**62,621,918**	**2.0**
4M8	725-675	FOP Contract	13,682	9,756	19,895	37,844	20,844	(44.9)	20,844	.0
TOTAL Accrued Leave Liability Fund Grp			**13,682**	**9,756**	**19,895**	**37,844**	**20,844**	**(44.9)**	**20,844**	**.0**
R17	725-659	Performance Cash Bond Refunds	422,386	217,398	155,046	374,263	279,263	(25.4)	279,263	.0
R43	725-624	Forestry	966,454	1,809,745	966,593	2,000,000	1,950,188	(2.5)	2,007,977	3.0
TOTAL Holdng Acct Redist Fund Group			**1,388,840**	**2,027,143**	**1,121,639**	**2,374,263**	**2,229,451**	**(6.1)**	**2,287,240**	**2.6**
061	725-405	Clean Ohio Operating	149,292	133,835	100,250	155,000	155,000	.0	155,000	.0
TOTAL Clean Ohio Fund Group			**149,292**	**133,835**	**100,250**	**155,000**	**155,000**	**.0**	**155,000**	**.0**
TOTAL Dept of Natural Resources			**290,288,173**	**306,140,577**	**293,176,839**	**343,534,413**	**336,130,989**	**(2.2)**	**336,456,120**	**.1**

**** Please see the Appropriation Line Item analysis for further detail.**

Role and Overview

The Board of Nursing (NUR) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice nursing in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of $7.1 million supports a staff of 56 in addition to the 13 board members. The board also provides grants for nursing education programs. NUR has issued over 210,000 licenses and certificates to nurses in the last two years. More information about the Board of Nursing is available at http://www.nursing.ohio.gov/.

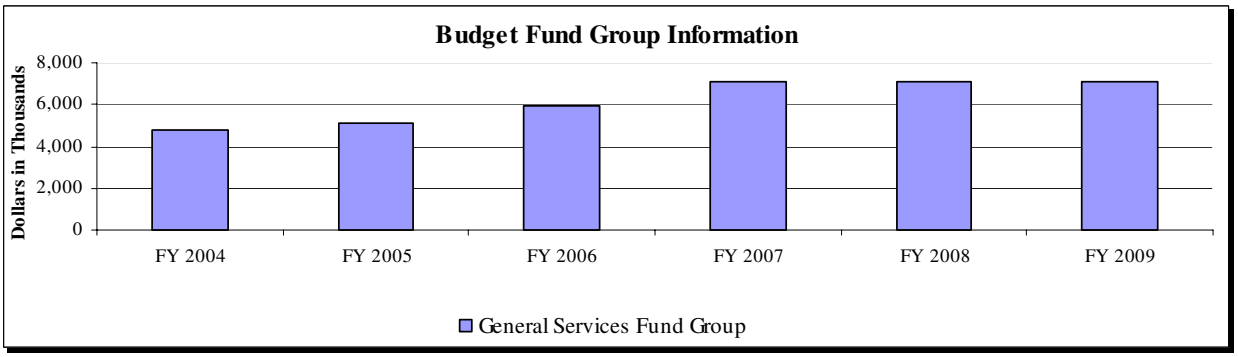
Turnaround Ohio Initiatives

- Streamline licensure and certification processes through the increased use of technology and on-line renewals.
- Streamline the board's pre-licensure nursing education program approval processes to provide increased opportunities for students to obtain a higher education.
- Address Ohio's nursing and nursing faculty shortages by maximizing the use of the Nurse Education Assistance Loan Program (NEALP) and the Nurse Education Grant Program (NEGP).

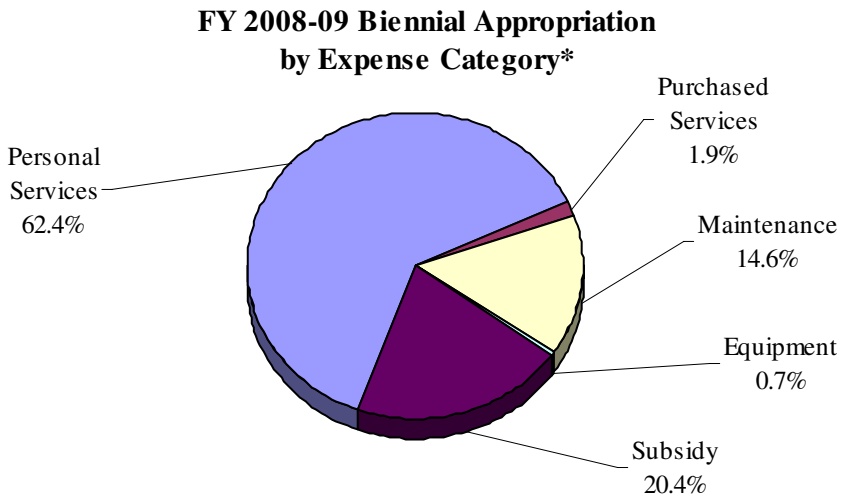
Agency Priorities

- License or certify an increasing number of applicants as quickly as possible while assuring applicants are appropriately credentialed to practice.
- Provide additional practice guidance for licensees and certificate holders through the development of interpretive guidelines and dissemination of information.
- Safeguard the health of the public by streamlining operations to most efficiently handle the increasing number of complaints, investigations, and adjudications.
- Review and propose revisions to the nursing law and rules to address pertinent issues and provide greater clarity to those regulated by the board.
- Implement a partnership with employers to provide practice remediation for licensees and certificate holders when required.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	4,748	5,092	5,955	7,116	19.5	7,116	.0	7,116	.0
TOTAL	**4,748**	**5,092**	**5,955**	**7,116**	**19.5**	**7,116**	**.0**	**7,116**	**.0**



* Categories of expense accounting for less than 0.1% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	3,573	3,799	3,845	4,395	14.3	4,355	(.9)	4,529	4.0
Purchased Services	198	106	110	244	121.6	133	(45.5)	133	.0
Maintenance	902	1,088	1,239	954	(23.0)	1,125	17.9	951	(15.5)
Equipment	72	98	60	70	16.9	50	(28.6)	50	.0
Subsidy	0	0	694	1,450	108.9	1,450	.0	1,450	.0
Transfer & Other	3	1	6	3	(51.4)	3	.0	3	.0
TOTAL	**4,748**	**5,092**	**5,955**	**7,116**	**19.5**	**7,116**	**.0**	**7,116**	**.0**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Board of Nursing.

The Executive Recommendation will:

- Support the operations of the board including implementation of certification for medication aides;
- Fund the investigation of complaints and adjudication of licensees and certificate holders who violate the law and rules;

- Provide funding for focusing on practice issues to provide greater clarity to licensees and certificate holders; and
- Support actions to implement a partnership with employers to provide practice remediation for licensees and certificate holders when required.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	884-609	Operating Expenses	5,661,280	5,661,280
GSF	5AC	884-602	Nurse Education Grant Program	1,450,000	1,450,000
GSF	5P8	884-601	Nursing Special Issues	5,000	5,000
TOTAL FOR PROGRAM				**7,116,280**	**7,116,280**

LINE ITEM SUMMARY - State Board of Nursing

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	884-609	Operating Expenses	4,747,915	5,092,223	5,221,560	5,661,280	5,661,280	.0	5,661,280	.0
5AC	884-602	Nurse Education Grant Program	0	0	694,099	1,450,000	1,450,000	.0	1,450,000	.0
5P8	884-601	Nursing Special Issues	0	0	39,000	5,000	5,000	.0	5,000	.0
TOTAL General Services Fund Group			**4,747,915**	**5,092,223**	**5,954,659**	**7,116,280**	**7,116,280**	**.0**	**7,116,280**	**.0**
TOTAL BOARD OF NURSING			**4,747,915**	**5,092,223**	**5,954,659**	**7,116,280**	**7,116,280**	**.0**	**7,116,280**	**.0**

Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board

Role and Overview

The Ohio Occupational Therapy, Physical Therapy, and Athletic Trainers Board (OTPTAT) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice occupational therapy, physical therapy, and athletic training in Ohio. The board monitors those licensees to ensure compliance with the laws in the Ohio Revised Code. The board's annual budget of approximately $893,000 supports a staff of 9 in addition to the 20 board members. OTPTAT has approximately 18,600 licensees. Additional information regarding the Occupational Therapy, Physical Therapy, and Athletic Trainers Board is available at: http://otptat.ohio.gov/.

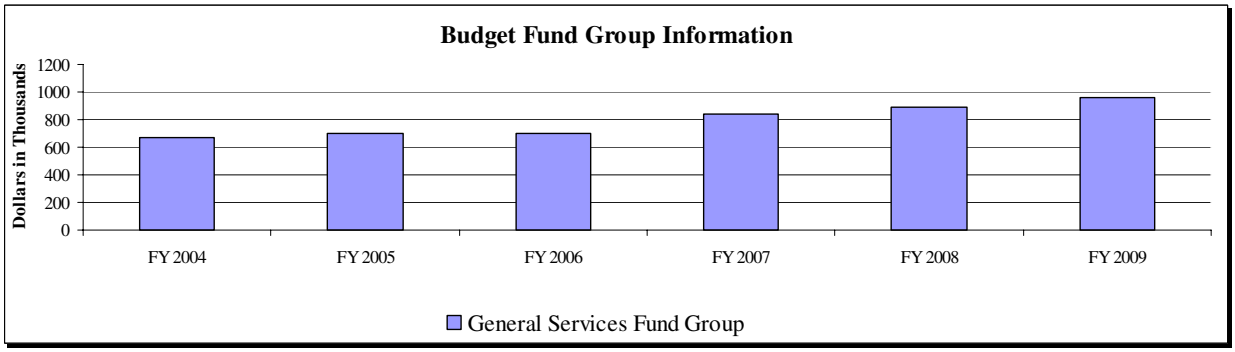
Turnaround Ohio Initiatives

- Operate with a high level of transparency, responsiveness, and accountability to Ohio citizens and other customers.
- Work on identifying methods to educate licensees and the consumers of their services to increase access to high-quality health care services.

Agency Priorities

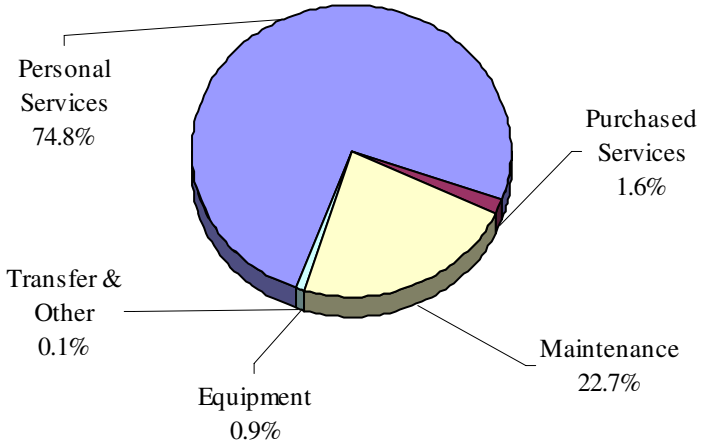
- Examine ways to increase cultural competence of licensees to ensure that health care services are delivered in a manner that is aware of and respects different societal and cultural beliefs.
- Enhance procedures to ensure that licensees seeking to reenter the workforce after an extended period out of active practice can quickly return to practice in a manner that ensures that the individual is still able to practice competently.
- Increase awareness of the ability to use on-line technology to receive information from the board, including posting copies of the actual adjudication orders on the public license verification website.
- Protect the public health through regulation and education while promoting the integrity of the industry.
- Streamline the application process, including use of online applications, to allow qualified and competent applicants to enter the job market as soon as possible, including enhancing mechanisms to allow licensees to conduct business and pay for services online.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	668	705	696	837	20.1	892	6.7	964	8.0
TOTAL	**668**	**705**	**696**	**837**	**20.1**	**892**	**6.7**	**964**	**8.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	477	540	541	656	21.1	675	2.9	714	5.8
Purchased Services	7	14	1	12	1,100.0	15	22.5	15	.0
Maintenance	165	150	150	167	11.4	202	21.0	219	8.1
Equipment	19	1	4	1	(75.9)	0	(100.0)	16	.0
Transfer & Other	1	0	0	1	66.7	1	.0	1	.0
TOTAL	**668**	**705**	**696**	**837**	**20.1**	**892**	**6.7**	**964**	**8.0**

PROGRAM SERIES 01: Regulation

This program series ensures the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: Occupational Therapy

This program includes the operations of regulating the occupational therapy profession, including issuing and renewing licenses, monitoring continuing education requirements, and investigating complaints filed with the board.

The Executive Recommendation will:

- Fund nine employees, travel reimbursement expenses for five Occupational Therapy Section members, and other costs of doing business such as rent and Department of Administrative Services fees;
- Maintain funding of the e-Licensing system, including development of an online license application;
- Fund purchase of replacement computers and software in fiscal year 2009;

- Support the regulation of over 3,900 occupational therapists and 2,400 occupational therapy assistants, including the renewal of approximately 3,100 licensees per fiscal year and the issuance of approximately 200 initial licenses to occupational therapists and 160 initial licenses to occupational therapy assistants; and
- Finance board enforcement activities, including investigating approximately 20 complaints per year and conducting administrative hearings resulting in the discipline of approximately ten licensees per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	890-609	Operating Expenses	303,361	327,755
TOTAL FOR PROGRAM				**303,361**	**327,755**

Program 01.02: Physical Therapy

This program includes the operations of regulating the physical therapy profession including issuing and renewing licenses, monitoring continuing education requirements, and investigating complaints filed with the board.

The Executive Recommendation will:

- Fund nine employees, travel reimbursement expenses for nine Physical Therapy Section members, and other costs of doing business such as rent and Department of Administrative Services fees;
- Maintain funding of the e-Licensing system, including development of an online license application;
- Fund purchase of replacement computers and software in fiscal year 2009;
- Support the regulation of over 6,500 physical therapists and 4,600 physical therapist assistants, including the renewal of approximately 5,600 licensees per fiscal year and the issuance of approximately 300 initial licenses to physical therapists and 280 initial licenses to physical therapist assistants; and
- Finance board enforcement activities, including investigating approximately 35 complaints per year and conducting administrative hearings resulting in the discipline of approximately 15 licensees per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	890-609	Operating Expenses	508,578	549,470
TOTAL FOR PROGRAM				**508,578**	**549,470**

Program 01.03: Athletic Trainers Board

This program includes the operations of regulating the athletic training profession including issuing and renewing licenses, monitoring continuing education requirements, and investigating complaints filed with the board.

The Executive Recommendation will:

- Fund nine employees, travel reimbursement expenses for five Athletic Trainers Section members, and other costs of doing business such as rent and Department of Administrative Services fees;
- Maintain funding of the e-Licensing system, including development of an online license application;
- Fund purchase of replacement computers and software in fiscal year 2009;
- Support the regulation of over 1,700 athletic trainers, including the renewal of approximately 850 licensees per fiscal year and the issuance of approximately 160 initial licenses to athletic trainers; and
- Finance board enforcement activities, including investigating approximately 25 complaints per year and conducting administrative hearings resulting in the discipline of approximately ten licensees per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	890-609	Operating Expenses	80,302	86,759
TOTAL FOR PROGRAM				**80,302**	**86,759**

LINE ITEM SUMMARY - Occupational & Physical Therapy & Athletic Trainers

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	890-609	Operating Expenses	668,185	705,273	696,365	836,573	892,241	6.7	963,984	8.0
TOTAL General Services Fund Group			**668,185**	**705,273**	**696,365**	**836,573**	**892,241**	**6.7**	**963,984**	**8.0**
TOTAL OCCUPATIONAL & PHYS THERAPY BD			**668,185**	**705,273**	**696,365**	**836,573**	**892,241**	**6.7**	**963,984**	**8.0**

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 22,000 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 literary and cultural significance.

The association has a six-member staff. The state support provided in fiscal year 2007 was $200,000. The association also generates an additional 30 to 40 percent in non-state contributions.

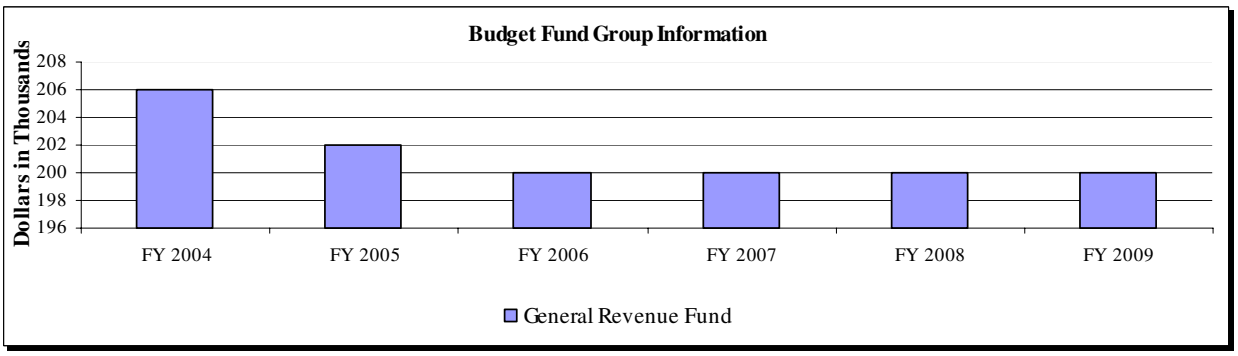
More information regarding the Ohioana Library Association is available at http://www.ohioana.org/.

Turnaround Ohio Initiatives

- Promoting and preserving the outstanding accomplishments of Ohioans in the arts, with a major focus on the literary arts.
- Fostering and celebrating the arts and literature promotes Ohio's educational initiatives at all levels - from early childhood through college, as well as lifelong learning.

Agency Priorities

- Recognize and encourage the creative accomplishments of Ohioans, preserve and expand a permanent archive of books, manuscripts, and other material by Ohioans and about Ohio, and disseminate information about the work of Ohio writers, musicians, and other artists to researchers, schools, and the general public.
- Maintain the Ohioana Collection, a permanent archive of books, sheet music, and biographical information.
- Publish the Ohioana Quarterly and maintain the Association's website as a means to disseminate information to researchers, schools, and the general public.
- Coordinate and distribute Ohioana Awards to recognize and encourage the creative accomplishments of Ohioans.



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	206	202	200	200	.0	200	.0	200	.0
TOTAL	**206**	**202**	**200**	**200**	**.0**	**200**	**.0**	**200**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Subsidy	206	202	200	200	.0	200	.0	200	.0
TOTAL	**206**	**202**	**200**	**200**	**.0**	**200**	**.0**	**200**	**.0**

PROGRAM SERIES 01: Ohioana Library Association

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 legacy 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 upon which Ohioana's other services are built. Not including the value of the books donated to the collection, independent support provides approximately 44 percent of the total cost of this initiative. The market value of the books donated in fiscal year 2006 was $14,646. The Ohioana Rental Payments line item, within the State Library's budget, supports the rent obligation for housing the Ohioana collection.

The Executive Recommendation will:

- Make accessible to the citizens of Ohio the electronic records for all books donated to Ohioana during the next biennium;
- Provide reference information on Ohio writers and their work to students, teachers, news media, and the general public;
- Allow for the creation and promotion of ten special educational exhibits on Ohioana's website, in the library, and at the Governor's residence using items from our collection; and
- Serve as the leverage necessary for Ohioana to generate the additional funds to maintain and enhance this service as well as other programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	355-501	Library Subsidy	64,000	64,000
TOTAL FOR PROGRAM				**64,000**	**64,000**

Program 01.02: Ohioana Quarterly

This program includes the production and distribution of the *Ohioana Quarterly*, the newly created and widely used Ohioana website, and other educational resource materials for libraries, schools, and the general public. This program is a significant source of Ohioana's independent funding. Not including the value of volunteer time, independent support provides approximately 45 percent of the total cost of this initiative.

The Executive Recommendation will:

- Provide the support necessary for Ohioana to learn about and secure new books for the Ohioana collection, which averages approximately new 1,000 books annually;
- Enable the editor of the quarterly to coordinate the work of more than 100 volunteer reviewers and at least one college intern each quarter, which results in the creation and distribution the Ohioana Quarterly to more than 2,000 individuals, organizations, and businesses, plus 225 libraries;
- Make it possible for Ohioana to continue to build new partnerships, to update its website, and promote the programs of other literary organizations, especially those of libraries, museums, and book stores around the state of Ohio; and
- Serve as the leverage necessary for Ohioana to generate the additional funds to maintain and enhance this service as well as all programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	355-501	Library Subsidy	66,000	66,000
TOTAL FOR PROGRAM				**66,000**	**66,000**

Program 01.03: Ohioana Awards and Public Recognition

This initiative includes the nine Ohioana awards programs that range from writing contests for high school students to the prestigious Ohioana Career Award. This program also supports the regional public recognition of writers in Cincinnati and Central Ohio, as well as Ohioana's involvement in other projects such as the Ohioana Authors radio series, which was made in partnership with WOSU media and the Ohio Humanities Council; the Out Poetry contest held in partnership with the Ohio Arts Council, Thurber House, and the National Poetry Foundation; the filming and airing of the Ohioana Awards presentations done in partnership with Ohio Government TV, as well as other projects. Independent support provides approximately 65 percent of the total cost of this initiative.

The Executive Recommendation will:

- Allow Ohioana to continue its awards programs, as well as to expand new programs to foster and nurture young writers;
- Enable Ohioana to distribute the new Ohio Literary Map to all Ohio schools and public libraries, and make it possible for the map to become an online interactive resource for students and teachers throughout the state; and
- Serve as the important leverage necessary for Ohioana to build more public/private partnerships.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	355-501	Library Subsidy	70,000	70,000
TOTAL FOR PROGRAM				**70,000**	**70,000**

LINE ITEM SUMMARY - Ohioana Library Association

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	355-501	Library Subsidy	206,435	202,134	200,000	200,000	200,000	.0	200,000	.0
TOTAL General Revenue Fund			**206,435**	**202,134**	**200,000**	**200,000**	**200,000**	**.0**	**200,000**	**.0**
TOTAL Ohioana Library Association			**206,435**	**202,134**	**200,000**	**200,000**	**200,000**	**.0**	**200,000**	**.0**

Role and Overview

The Ohio Optical Dispensers Board (ODB) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice opticianry and ocularistry in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of about $334,000 supports a staff of four in addition to the nine board members. ODB oversees more than 4,100 licensed opticians, ocularists, and apprentices. More information about the Ohio Optical Dispensers Board is available at http://optical.ohio.gov/.

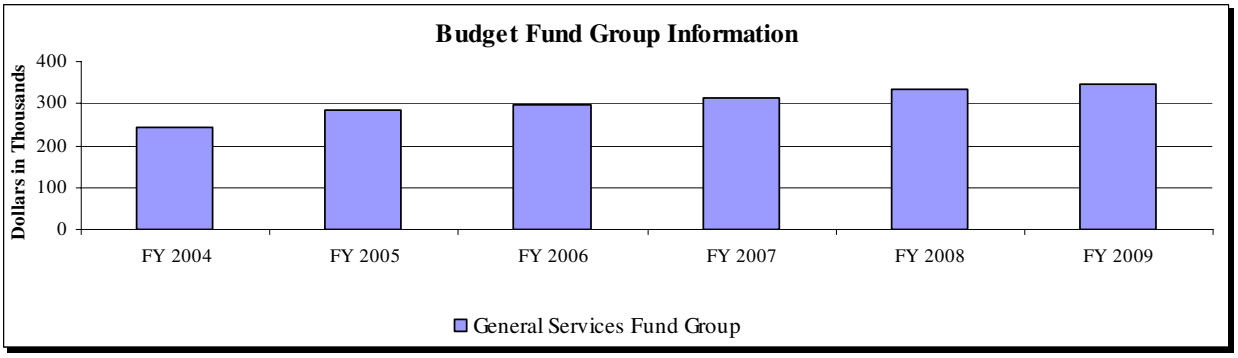
Turnaround Ohio Initiatives

- Enhance operations to ensure a high level of transparency, responsiveness, and accountability to licensees, employers, and consumers.
- Implement standards to ensure the provision of safe and ethical dispensing of optical aids to Ohio citizens.

Agency Priorities

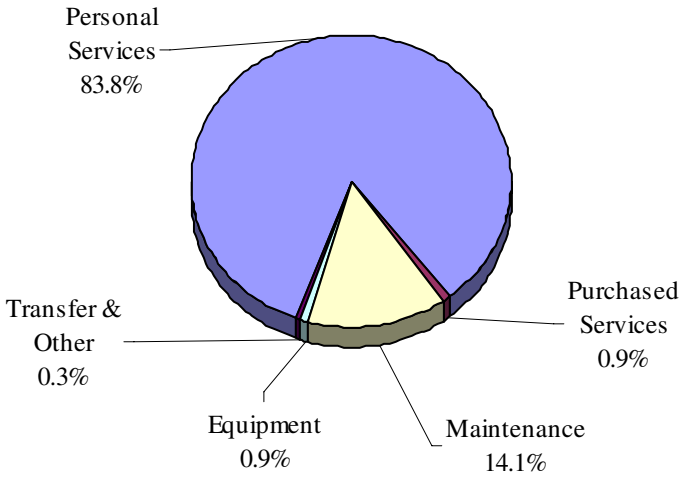
- Revise statutory definition of "optical aid" to clearly define the board's authority to prohibit the illegal dispensing/sales of contact lenses.
- Protect the public health through regulation and education while promoting the integrity of the optical dispensing industry.
- Collaborate with other state agencies to ensure that policies and regulations adopted by both entities reflect the various state laws contained in both the board's law and rules.
- Implement outreach programs to minority groups to encourage diversity of recruiting into the practice of Opticianry and Ocularistry.
- Encourage the development of continuing education programs that increase cultural competence of licensees to ensure that the delivery of Opticianry and Ocularistry services are delivered in a manner that demonstrates respect for different societal/cultural beliefs.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	244	286	297	313	5.2	334	6.7	345	3.5
TOTAL	**244**	**286**	**297**	**313**	**5.2**	**334**	**6.7**	**345**	**3.5**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	187	224	235	254	8.0	281	10.7	289	2.9
Purchased Services	0	0	1	0	(100.0)	3	.0	3	.0
Maintenance	56	56	59	59	(.8)	47	(19.9)	49	3.4
Equipment	0	5	2	0	(100.0)	2	.0	4	100.0
Transfer & Other	0	0	0	0	(100.0)	1	.0	1	.0
TOTAL	**244**	**286**	**297**	**313**	**5.2**	**334**	**6.7**	**345**	**3.5**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Ohio Optical Dispensers Board.

The Executive Recommendation will:

- Support the continuing operations of the board and staff;
- Support the regulation of the education, licensure, and discipline of dispensing opticians and ocularists; and
- Provide for an increased number of investigations and disciplinary actions for illegal dispensing/sales of contact lenses.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	894-609	Operating Expenses	333,656	345,324
TOTAL FOR PROGRAM				**333,656**	**345,324**

LINE ITEM SUMMARY - Optical Dispensers Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	894-609	Operating Expenses	243,545	285,752	297,114	312,656	333,656	6.7	345,324	3.5
TOTAL General Services Fund Group			**243,545**	**285,752**	**297,114**	**312,656**	**333,656**	**6.7**	**345,324**	**3.5**
TOTAL OPTICAL DISPENSERS BOARD			**243,545**	**285,752**	**297,114**	**312,656**	**333,656**	**6.7**	**345,324**	**3.5**

State Board of Optometry

Role and Overview

The State Board of Optometry (OPT) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice optometry in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules which govern the profession. The board's annual budget of slightly more than $344,000 supports a staff of three in addition to the six board members. OPT licenses approximately 2,072 optometrists. Additional information regarding the Board of Optometry is available at http://optometry.ohio.gov/.

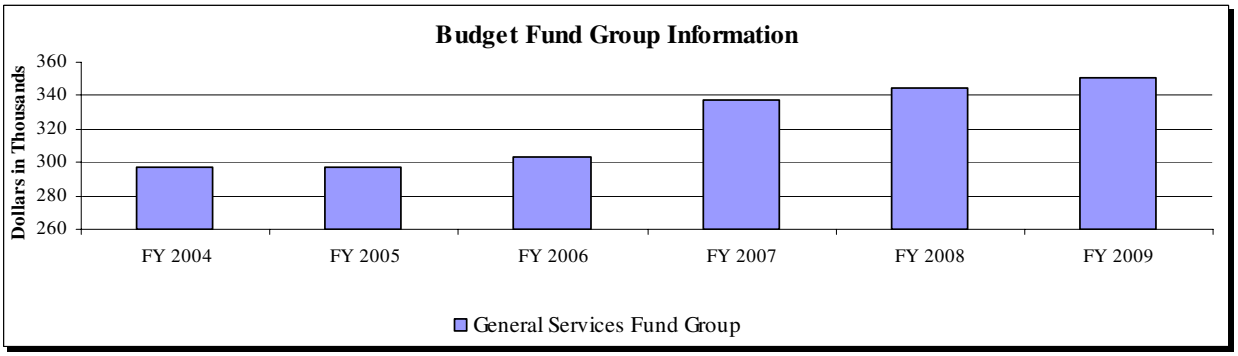
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies.
- Ensure the board operates in an effective and efficient manner that establishes appropriate regulatory performance standards and protection for Ohio's citizens.
- Work in a collaborative effort across government and beyond to improve Ohio's health care system.
- Perform all activities of the board with a high level of transparency and accountability to the public.

Agency Priorities

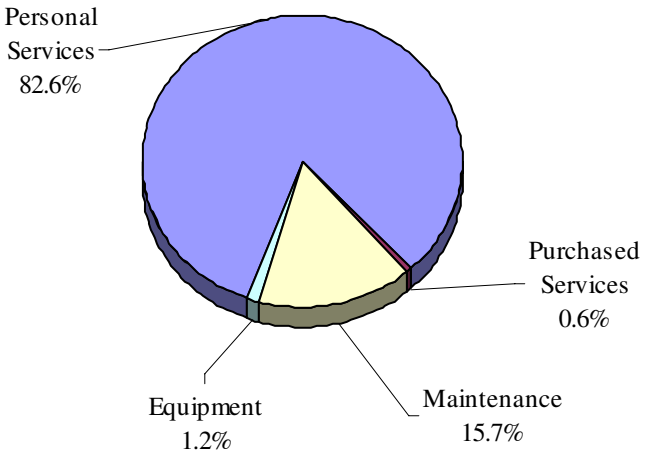
- Assure professionally competent optometrists by regulating examinations and licensure through enforcement of the Ohio Optometry Laws and Administrative Rules. Review current laws and rules for any unnecessary impediments to the profession.
- Continue the expedient manner in which all regulatory responsibilities are conducted to ensure a high level of service to both the public and the profession.
- Work with all stakeholders to identify opportunities that would permit optometrists, as primary eye care doctors, to direct their services at early intervention and prevention of chronic and costly healthcare conditions.
- Maintain an up-to-date website with notices for meetings, board minutes, and other relevant, informative materials.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	297	297	303	337	11.0	345	2.3	351	1.9
TOTAL	**297**	**297**	**303**	**337**	**11.0**	**345**	**2.3**	**351**	**1.9**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	238	245	248	273	10.2	284	4.1	290	2.1
Purchased Services	0	0	0	2	.0	2	(25.0)	2	.0
Maintenance	55	50	55	59	6.8	55	(5.3)	54	(1.8)
Equipment	3	1	1	3	262.3	3	4.2	5	50.0
Transfer & Other	0	0	0	0	.0	0	.0	0	.0
TOTAL	**297**	**297**	**303**	**337**	**11.0**	**345**	**2.3**	**351**	**1.9**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Optometry.

The Executive Recommendation will:

- Support the operations of the board and staff;
- Provide yearly licensing application and renewal for licensees;
- Support completion of an average of 90 investigations each year; and
- Maintain on-site inspections of 150 optometric locations annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	885-609	Operating Expenses	344,571	351,071
TOTAL FOR PROGRAM				**344,571**	**351,071**

LINE ITEM SUMMARY - Optometry

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	885-609	Operating Expenses	296,555	296,834	303,299	336,771	344,571	2.3	351,071	1.9
TOTAL General Services Fund Group			**296,555**	**296,834**	**303,299**	**336,771**	**344,571**	**2.3**	**351,071**	**1.9**
TOTAL BOARD OF OPTOMETRY			**296,555**	**296,834**	**303,299**	**336,771**	**344,571**	**2.3**	**351,071**	**1.9**

State Board of Orthotics, Prosthetics, and Pedorthics

Role and Overview

The State Board of Orthotics, Prosthetics, and Pedorthics (OPP) was established in 2002 to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely operate in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules which govern the profession. The board's annual budget of slightly more than $111,000 supports a staff of two in addition to the seven board members. OPP licenses approximately 370 persons. Ohio is one of 11 states currently requiring licensure in Orthotics and Prosthetics and fewer require licensure in Pedorthics. Additional information regarding the Board of Orthotics, Prosthetics, and Pedorthics is available at http://www.opp.ohio.gov/

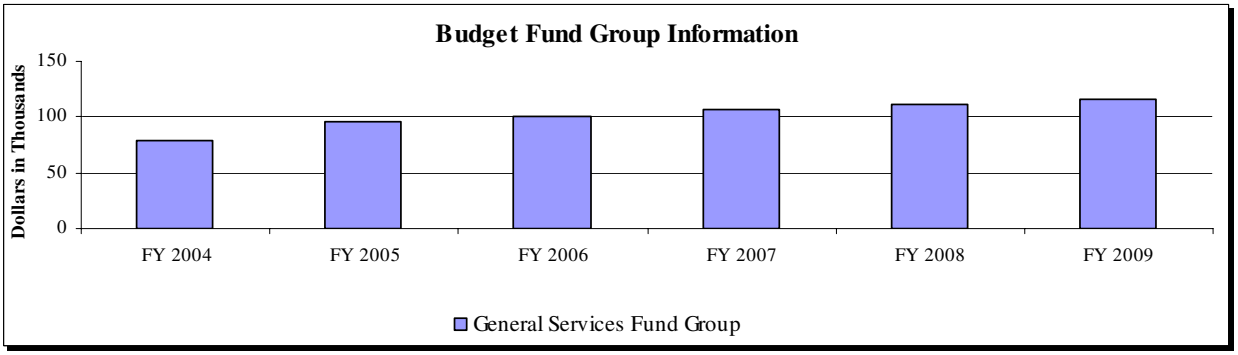
Turnaround Ohio Initiatives

- Ease the burden of regulations that prohibit and constrain development in Ohio.
- Operate with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

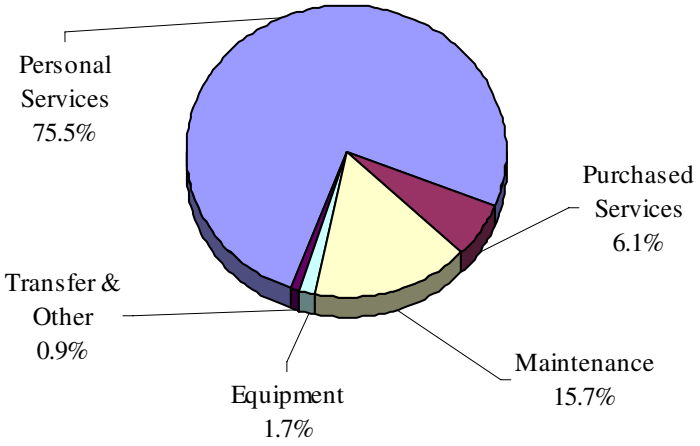
- Utilize its rule-making authority to clarify the Practice Act and seek agreement between Ohio law and federal regulations.
- Utilize information technology to improve its website interface and disseminate information to its credentialing partners in the healthcare community.
- Pursue opportunities to share resources, experience and knowledge with other regulatory boards for operational efficiencies.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	79	96	100	106	5.5	111	5.0	116	4.5
TOTAL	**79**	**96**	**100**	**106**	**5.5**	**111**	**5.0**	**116**	**4.5**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	59	68	74	84	13.6	85	.9	88	4.1
Purchased Services	4	3	2	3	46.7	6	132.0	8	29.3
Maintenance	15	15	17	18	.6	18	2.5	18	.0
Equipment	1	9	6	1	(88.0)	2	172.4	2	(20.5)
Transfer & Other	0	0	1	1	9.1	1	(41.7)	1	28.6
TOTAL	**79**	**96**	**100**	**106**	**5.5**	**111**	**5.0**	**116**	**4.5**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Orthotics, Prosthetics and Pedorthics.

The Executive Recommendation will:

- Support the operations of the board and staff;
- Provide for the development of on-line licensing application and renewal processes; and
- Ensure a timely response to complaints of unlicensed practice and practice below standards.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4K9	973-609	Operating Expenses	111,300	116,260
TOTAL FOR PROGRAM				**111,300**	**116,260**

LINE ITEM SUMMARY - Orthotics, Prosthetics, Pedorthics Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	973-609	Operating Expenses	79,253	96,151	100,492	106,035	111,300	5.0	116,260	4.5
TOTAL General Services Fund Group			**79,253**	**96,151**	**100,492**	**106,035**	**111,300**	**5.0**	**116,260**	**4.5**
TOTAL ORTHOTIC PROSTHETIC PEDORTHICS			**79,253**	**96,151**	**100,492**	**106,035**	**111,300**	**5.0**	**116,260**	**4.5**

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.

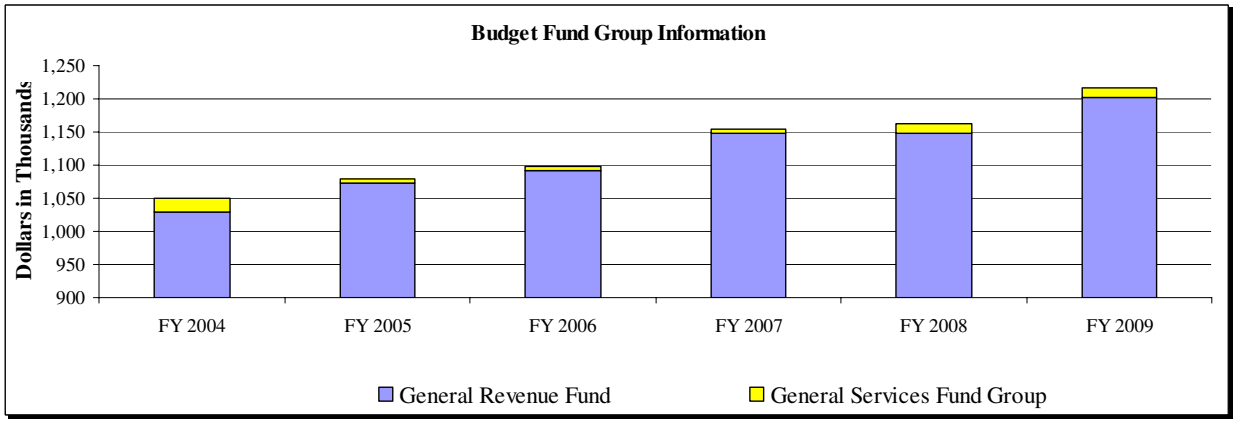
The three members of the board are appointed by the Governor, with the advice and consent of the Senate, and serve six-year terms. A staff of eight assists the board, which has an annual budget of approximately $1.2 million. Additional information regarding the State Personnel Board of Review is available at http://pbr.ohio.gov/.

Turnaround Ohio Initiatives

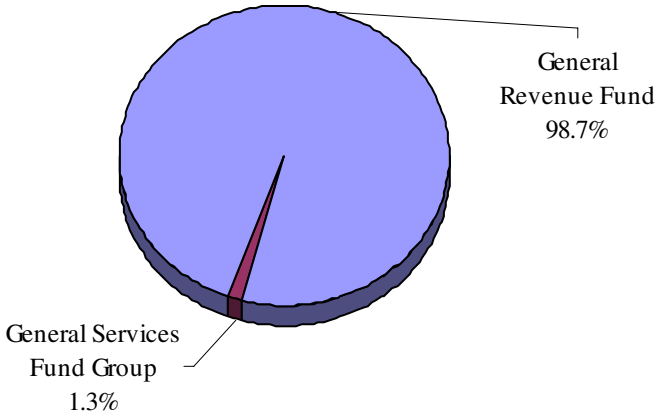
- Facilitate governmental accountability and fair and equitable treatment by helping to ensure state, state university, general health district, and municipal compliance with Ohio's civil service laws.
- Conduct comprehensive review of Chapter 124 of the Ohio Administrative Code to simplify rules and eliminate unnecessary burdens where possible and continue to review and streamline agency operations, stressing customer service and mission enhancement.

Agency Priorities

- Ensure that the citizens of the State of Ohio are provided with an efficient and high quality civil service system, as contemplated by Article 15, Section 10 of the Ohio Constitution.
- Provide all parties appearing before the State Personnel Board of Review with a fair, comprehensive, and impartial review of their respective claims, consistent with Ohio Revised Code Chapters 124 and 4167.
- Monitor and assist Ohio's approximately 220 municipal civil service commissions to ensure the uniform application of Ohio's civil service laws at the municipal level.

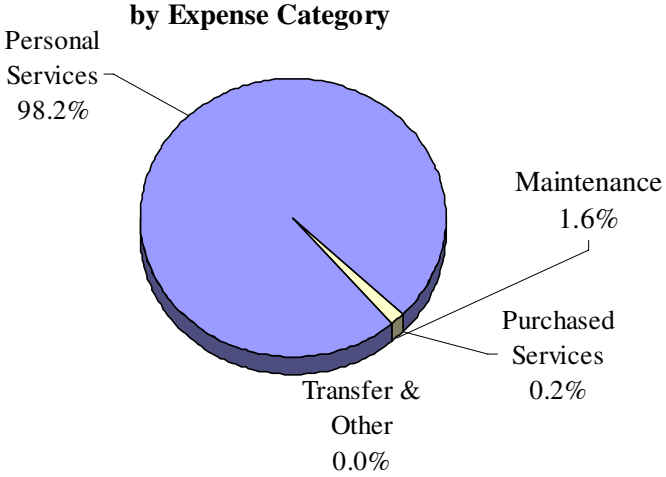


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,030	1,073	1,092	1,148	5.1	1,148	.0	1,202	4.7
General Services Fund Group	20	6	5	6	17.1	15	154.2	15	.0
TOTAL	**1,049**	**1,080**	**1,097**	**1,154**	**5.2**	**1,163**	**.8**	**1,217**	**4.6**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	890	897	882	981	11.2	987	.6	1,027	4.1
Purchased Services	7	4	10	15	55.4	18	16.1	18	.0
Maintenance	150	176	160	149	(6.6)	154	2.8	166	8.3
Equipment	0	1	43	3	(92.8)	0	(100.0)	0	.0
Transfer & Other	2	1	2	5	163.4	5	.0	5	.0
TOTAL	**1,049**	**1,080**	**1,097**	**1,154**	**5.2**	**1,163**	**.8**	**1,217**	**4.6**

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 municipal civil service commissions and personnel boards.

The Executive Recommendation will:

- Allow the board to adjudicate more than 500 cases per year filed by employees who have been displaced by removal, layoff, and reorganization;
- Allow the board to provide all parties appearing before it with a fair, comprehensive, and impartial review of their respective claims;
- Allow the board to assist in maintaining the integrity of the civil service system; and
- Allow the board to assist municipal civil service commissions to ensure the uniform application of Ohio's civil service laws at the municipal level.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	124-321	Operating Expenses	1,148,181	1,201,643
GSF	636	124-601	Records and Reporting Support	15,000	15,000
TOTAL FOR PROGRAM				**1,163,181**	**1,216,643**

LINE ITEM SUMMARY - Personnel Board of Review

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	124-321	Operating Expenses	1,029,552	1,073,432	1,091,975	1,148,000	1,148,181	.0	1,201,643	4.7
TOTAL General Revenue Fund			**1,029,552**	**1,073,432**	**1,091,975**	**1,148,000**	**1,148,181**	**.0**	**1,201,643**	**4.7**
636	124-601	Records adn Reporting Support	19,524	6,299	5,037	5,900	15,000	154.2	15,000	.0
TOTAL General Services Fund Group			**19,524**	**6,299**	**5,037**	**5,900**	**15,000**	**154.2**	**15,000**	**.0**
TOTAL Personnel Board of Review			**1,049,076**	**1,079,731**	**1,097,012**	**1,153,900**	**1,163,181**	**.8**	**1,216,643**	**4.6**

Ohio State Board of Pharmacy

Role and Overview

The Ohio State Board of Pharmacy (PRX) was established in 1884 to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice pharmacy and to legally distribute drugs in Ohio. The board monitors pharmacists and pharmacy intern licensees to ensure compliance with the laws in the Ohio Revised Code and has statewide jurisdiction for enforcement of criminal drug laws. The board also maintains an electronic database to monitor the distribution of controlled substances and dangerous drugs by terminal and wholesale distributors. The board has just over 31,000 licensees. The board's annual budget of approximately $5.8 million supports a staff of 50 in addition to nine board members. Additional information regarding the Board of Pharmacy is available at: http://pharmacy.ohio.gov/.

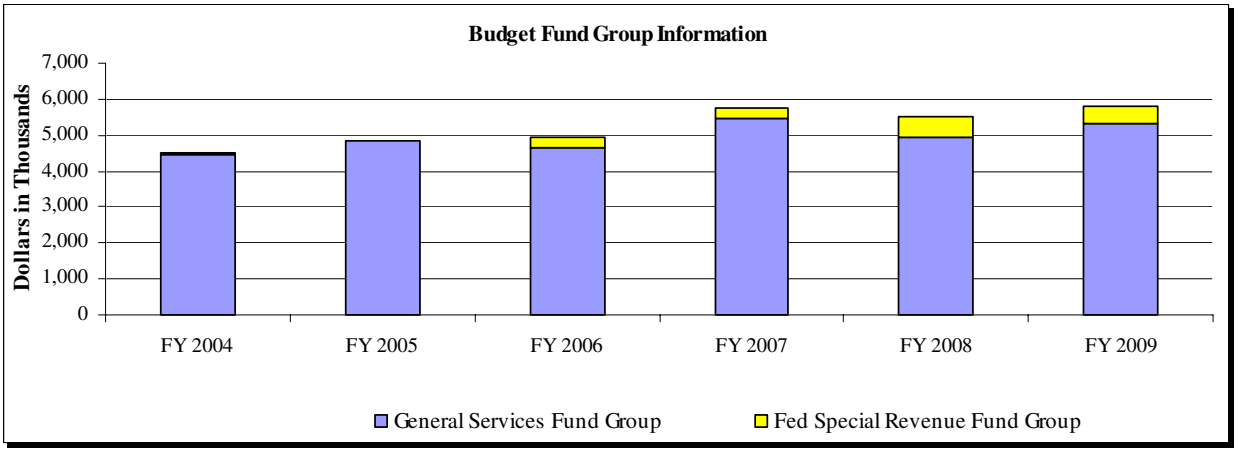
Turnaround Ohio Initiatives

- Continue to include licensees, affected businesses, and other interested parties on the board's rule making committees.
- Continue to process license applications and renewals in a timely and efficient manner.

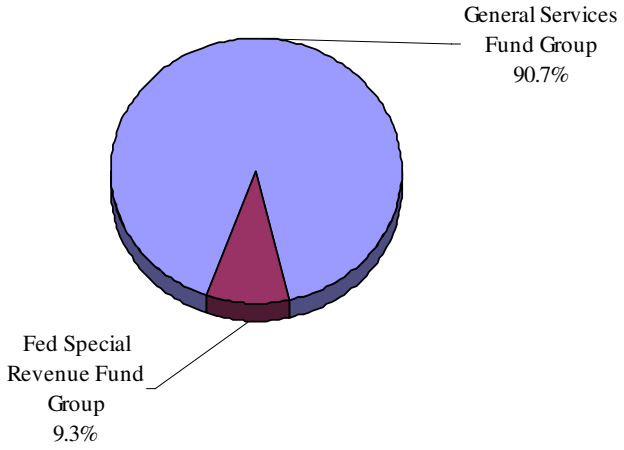
Agency Priorities

- Respond to all complaints relating to medication errors made by pharmacists.
- Provide personal attention to every person who calls the board office.
- Improve and expand on the services offered by the Ohio Automated Prescription Reporting System (OARRS), the board's prescription monitoring program.

Summary of Budget History and Recommendations

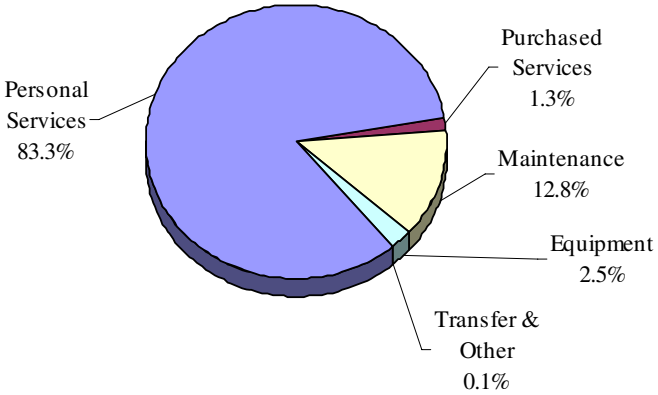


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	4,482	4,820	4,641	5,476	18.0	4,950	(9.6)	5,327	7.6
Fed Special Revenue Fund Group	0	0	319	299	(6.0)	559	86.6	491	(12.0)
TOTAL	**4,482**	**4,820**	**4,959**	**5,775**	**16.5**	**5,509**	**(4.6)**	**5,818**	**5.6**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	3,768	3,868	3,940	4,541	15.3	4,544	.1	4,895	7.7
Purchased Services	2	10	72	126	73.8	133	5.3	16	(87.9)
Maintenance	676	735	688	907	31.8	722	(20.4)	733	1.5
Equipment	34	202	257	199	(22.6)	107	(46.3)	171	59.9
Transfer & Other	2	5	3	3	30.9	4	5.5	4	.0
TOTAL	**4,482**	**4,820**	**4,959**	**5,775**	**16.5**	**5,509**	**(4.6)**	**5,818**	**5.6**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program administers and enforces laws governing the legal distribution of drugs, licensing pharmacists, and pharmacist interns for practice in Ohio. The program also regulates the legal distribution of dangerous drugs in Ohio and ensures the quality of all drugs administered, prescribed, dispensed by prescription, or sold over-the-counter. The board investigates and presents violations of any federal or state drug laws to the appropriate court for prosecution of the offender.

The Executive Recommendation will:

- Permit the board to continue to operate at its current staffing level of 50 FTEs and 9 board members;
- Allow the board to process 3,800 new license applications and 31,000 renewal applications each year; and
- Permit the board to hold meetings for three days each month as currently scheduled.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GSF	4A5	887-605	Drug Law Enforcement	75,550	75,550
GSF	4K9	887-609	Operating Expenses	4,874,572	5,251,032
FED	3BC	887-604	Dangerous Drug Database	558,531	491,405
TOTAL FOR PROGRAM				**5,508,653**	**5,817,987**

LINE ITEM SUMMARY - Pharmacy

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4A5	887-605	Drug Law Enforcement	72,977	272,757	115,727	75,550	75,550	.0	75,550	.0
4K9	887-609	Operating Expenses	4,409,451	4,547,205	4,525,102	5,400,537	4,874,572	(9.7)	5,251,032	7.7
TOTAL General Services Fund Group			**4,482,428**	**4,819,962**	**4,640,829**	**5,476,087**	**4,950,122**	**(9.6)**	**5,326,582**	**7.6**
3BC	887-604	Dangerous Drug Database	0	0	318,577	299,317	558,531	86.6	491,405	(12.0)
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**318,577**	**299,317**	**558,531**	**86.6**	**491,405**	**(12.0)**
TOTAL BOARD OF PHARMACY			**4,482,428**	**4,819,962**	**4,959,406**	**5,775,404**	**5,508,653**	**(4.6)**	**5,817,987**	**5.6**

Role and Overview

The State Board of Psychology (PSY) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice psychology and school psychology in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of slightly more than $586,000 supports a staff of five in addition to the nine board members. PSY has approximately 3,750 licensees. More information about the State Board of Psychology is available at http://www.psychology.ohio.gov/.

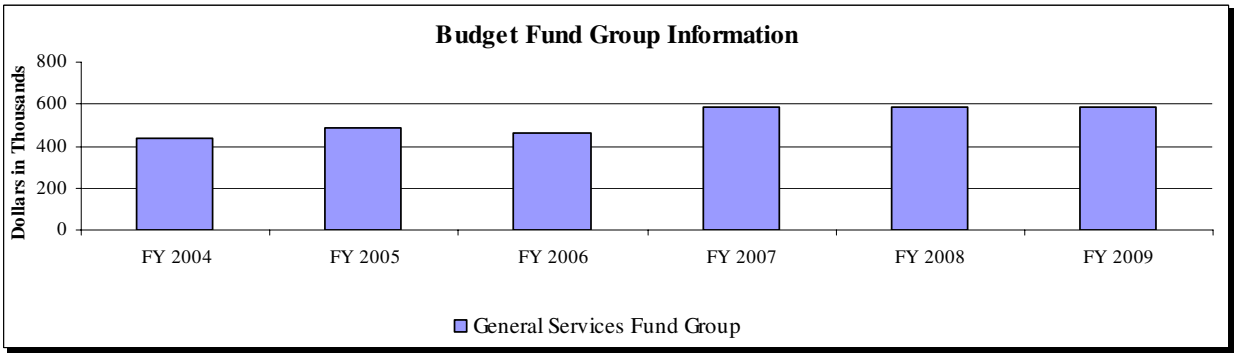
Turnaround Ohio Initiatives

- Continue to strive for transparency and accountability in daily service to Ohioans by providing prompt access to public records to any person upon request.
- Work with OBM and other partners to establish a performance contract during future budget cycles to fully support Turnaround Ohio strategies, as indicated, at the occupational regulation level.

Agency Priorities

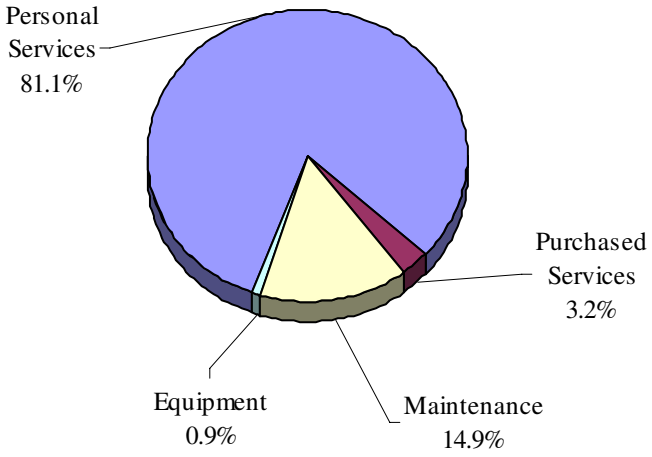
- Provide safeguards to consumers of psychological services who expect and need psychological or school psychological services.
- Stop illegal practice of psychology and school psychology.
- Protect the public by monitoring the actions of psychologists, school psychologists, and persons who are not licensed by this board (nor licensed as any other professional) in delivering services to the public.
- Ensure that appropriately trained professionals are providing psychological or school psychological services.
- Establish rules to guide professionals in their provision of psychological or school psychological services, emphasizing the protection of client welfare.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	435	486	461	587	27.1	587	.0	587	.0
TOTAL	**435**	**486**	**461**	**587**	**27.1**	**587**	**.0**	**587**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	326	334	354	434	22.4	459	5.7	491	7.0
Purchased Services	1	46	23	41	80.7	25	(39.3)	12	(52.0)
Maintenance	86	105	84	109	30.2	93	(14.3)	82	(11.9)
Equipment	23	0	0	2	405.3	9	283.3	1	(89.1)
TOTAL	**435**	**486**	**461**	**587**	**27.1**	**587**	**.0**	**587**	**.0**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the State Board of Psychology.

The Executive Recommendation will:

- Maintain staff payroll for day to day needs in licensing, monitoring of unlicensed supervised practice, and enforcement; and
- Support administrative hearings and reimburse board members for meeting and hearing attendance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4K9	882-609	Operating Expenses	586,565	586,565
TOTAL FOR PROGRAM				**586,565**	**586,565**

LINE ITEM SUMMARY - Psychology

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	882-609	Operating Expenses	435,390	485,687	461,457	586,565	586,565	.0	586,565	.0
TOTAL General Services Fund Group			**435,390**	**485,687**	**461,457**	**586,565**	**586,565**	**.0**	**586,565**	**.0**
TOTAL BOARD OF PSYCHOLOGY			**435,390**	**485,687**	**461,457**	**586,565**	**586,565**	**.0**	**586,565**	**.0**

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 $82 million.

More information regarding the Public Defender Commission is available at http://www.opd.ohio.gov/index.htm.

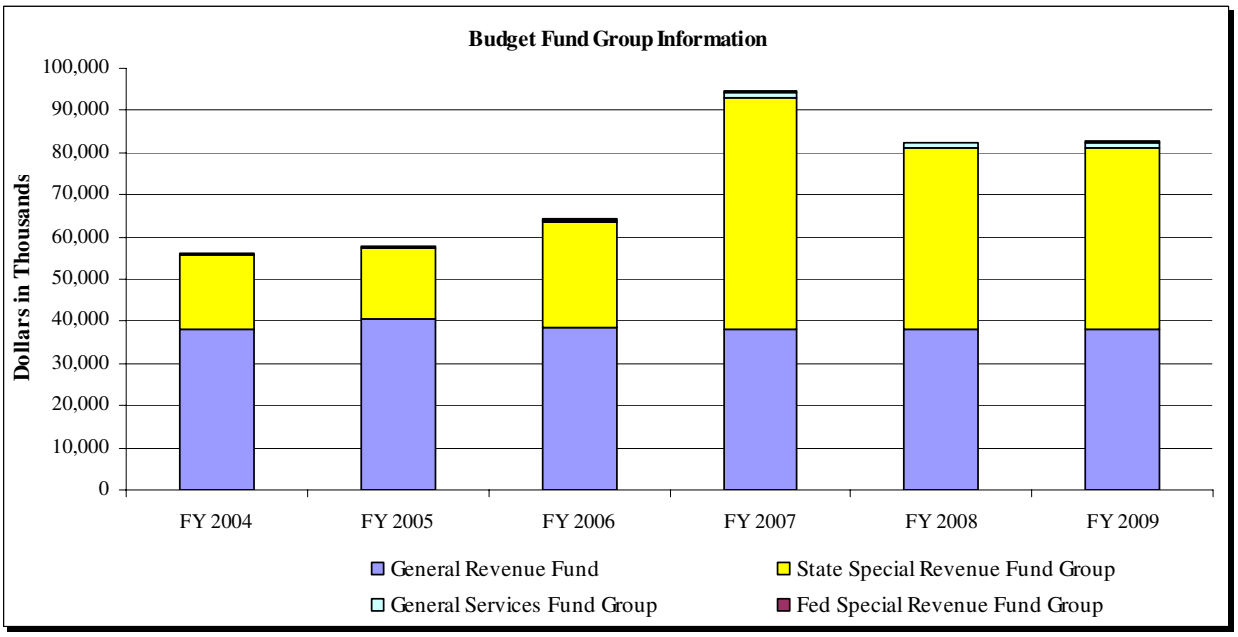
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Operate the Office of the Public Defender with a high level of transparency and accountability to Ohio citizens.

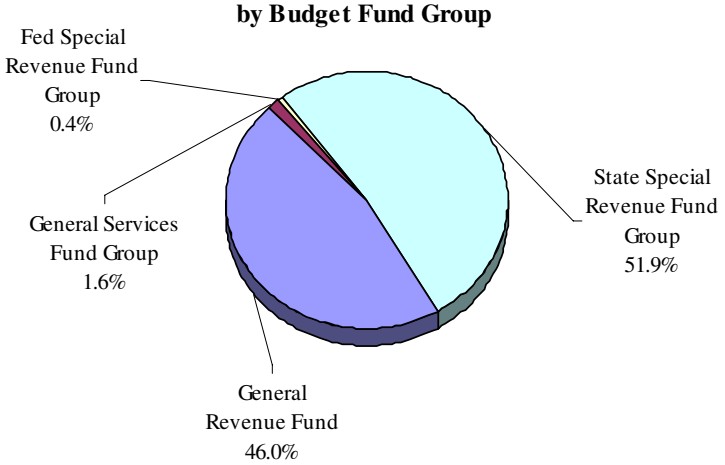
Agency Priorities

- 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

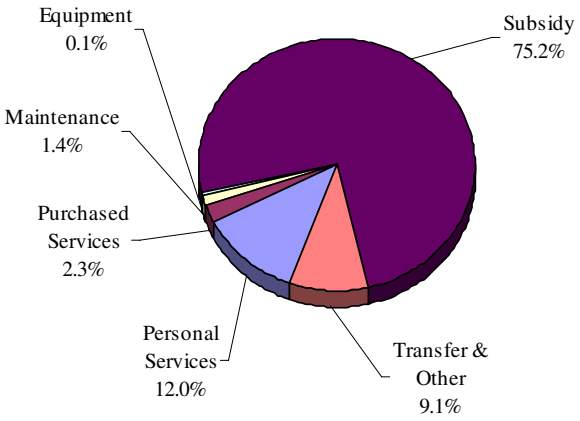


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	38,306	40,485	38,681	38,078	(1.6)	38,078	.0	38,078	.0
General Services Fund Group	420	307	426	1,445	239.4	1,274	(11.8)	1,337	5.0
Fed Special Revenue Fund Group	190	309	306	315	3.1	351	11.3	365	4.0
State Special Revenue Fund Group	17,236	16,762	25,008	54,770	119.0	42,878	(21.7)	43,019	.3
TOTAL	**56,152**	**57,863**	**64,421**	**94,608**	**46.9**	**82,581**	**(12.7)**	**82,800**	**.3**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	8,394	8,340	8,496	9,038	6.4	9,668	7.0	10,102	4.5
Purchased Services	1,616	1,529	1,652	2,307	39.7	1,880	(18.5)	1,921	2.1
Maintenance	1,267	1,053	1,139	1,224	7.4	1,186	(3.1)	1,191	.5
Equipment	118	42	43	57	34.3	44	(23.0)	44	.5
Subsidy	44,100	46,218	49,976	74,764	49.6	62,303	(16.7)	62,041	(.4)
Transfer & Other	657	680	3,116	7,218	131.7	7,500	3.9	7,500	.0
TOTAL	**56,152**	**57,863**	**64,421**	**94,608**	**46.9**	**82,581**	**(12.7)**	**82,800**	**.3**

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

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.

The Executive Recommendation will:

- Fund 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
- Support 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 2008	FY 2009
GRF	GRF	019-401	State Legal Defense Services	1,969,811	2,034,917
GSF	408	019-605	Client Payments	75,677	78,711
TOTAL FOR PROGRAM				**2,045,488**	**2,113,628**

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.

The Executive Recommendation will:

- Provide 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

- Support the Ohio Public Defender's Death Penalty Division, which functions as the resource center for assistance on capital case issues in Ohio.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	019-401	State Legal Defense Services	1,758,986	1,821,490
GSF	5CX	019-617	Civil Case Filing Fee	142,715	148,627
FED	3S8	019-608	Federal Representation	350,948	364,917
TOTAL FOR PROGRAM				**2,252,649**	**2,335,034**

Program 01.03: Intake and Prison 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.

The Executive Recommendation will:

- Provide 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
- Support the Ohio Public Defender's Death Penalty Division, which functions as the resource center for assistance on capital case issues in Ohio.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	019-401	State Legal Defense Services	374,857	387,901
GSF	101	019-602	Inmate Legal Assistance	33,338	34,638
GSF	408	019-605	Client Payments	228,145	71,192
GSF	5CX	019-617	Civil Case Filing Fee	170,490	344,076
TOTAL FOR PROGRAM				**806,830**	**837,807**

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.

The Executive Recommendation will:

- Allow 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	019-401	State Legal Defense Services	452,104	469,051
TOTAL FOR PROGRAM				**452,104**	**469,051**

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.

The Executive Recommendation will:

- Continue to maintain a collection of print and computerized materials to be used by the Columbus office and branch offices; and
- Provide 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	019-321	Public Defender Administration	3,610	3,610
GRF	GRF	019-401	State Legal Defense Services	206,455	212,419
TOTAL FOR PROGRAM				**210,065**	**216,029**

Program 01.06: Trial Services

This program provides direct representation and assistance to local counsel in trial level cases to indigent defendants throughout Ohio. Representation under this program is generally provided when there are no local attorneys qualified to provide representation in the case, no local attorneys are willing to provide representation in the case, or when the local judge requests the office of the Public Defender to provide representation.

The Executive Recommendation will:

- Provide direct representation or assistance in approximately 30 completed trial level cases involving the death penalty, life in prison, or other serious charges when requested by a local court or county public defender; and
- Provide expert assistance to local trial counsel in complex criminal cases when requested by the local court or local counsel.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	019-401	State Legal Defense Services	153,988	159,872
GSF	407	019-604	County Representation	219,800	227,500
TOTAL FOR PROGRAM				**373,788**	**387,372**

Program 01.07: Investigation Services

This program provides both criminal investigation and mitigation investigation services for Ohio Public Defender staff attorneys on trial and appellate level death penalty and non-death penalty cases in both adult and juvenile courts in Ohio. The program also provides criminal and mitigation investigation services for county public defender attorneys and court appointed attorneys on death penalty and non-death penalty cases in the State of Ohio for indigent defendants.

The Executive Recommendation will:

- Provide criminal investigation and mitigation services in approximately 120 cases per fiscal year involving death penalty, life without parole, or other serious charges against the defendant; and
- Provide assistance and support and referral services to local defense counsel in a limited number of cases where the defense requires investigative or mitigation services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	019-401	State Legal Defense Services	802,715	831,611
TOTAL FOR PROGRAM				**802,715**	**831,611**

PROGRAM SERIES 02: County Level Indigent Defense

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 Executive Recommendation will:

- Reimburse counties for approximately 25.3 percent of the cost of providing indigent defense in fiscal year 2008 and 23.8 percent in fiscal year 2009.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	019-501	County Reimbursement	29,834,251	29,572,857
TOTAL FOR PROGRAM				**29,834,251**	**29,572,857**

Program 02.02: Branch Offices

This program provides representation in counties that elect to contract with the State Public Defender for their indigent defense delivery system. This type of delivery system is used in areas where there is a shortage of attorneys and/or the caseloads do not justify the establishment of a public defender office. The Ohio Public Defender acts as a coordinator and clearinghouse in obtaining and placing attorneys in an area where there is a need, thereby achieving the cost efficiencies that derive from a public defender office system. Counties participating in this program pay a share of the cost equivalent to the statewide reimbursement rate.

The Executive Recommendation will:

- Fund local indigent defense programs in ten counties that participate in the Multi-County Office and Trumbull County Office at a level of 25.3 percent in fiscal year 2008 and 23.8 percent in fiscal year 2009.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	019-403	Multi-County: State Share	766,402	762,727
GRF	GRF	019-404	Trumbull County - State Share	244,816	243,650
SSR	4C7	019-601	Multi-County- County Share	2,181,300	2,288,200
SSR	4X7	019-610	Trumbull County - County Share	696,800	731,000
TOTAL FOR PROGRAM				**3,889,318**	**4,025,577**

Program 02.03: Pro-Bono Training

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 to an indigent person in a criminal or juvenile matter.

The Executive Recommendation will:

- Provide free training to approximately 160-170 county public defenders and 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 2008	RECOMMENDED FY 2009
GRF	GRF	019-405	Training Programs	31,324	31,324
TOTAL FOR PROGRAM				**31,324**	**31,324**

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 three dedicated revenue sources: Interest on Lawyers Trust Accounts (IOLTA), Interest on Real Estate Escrow Accounts (IOTA), and civil filing fees. 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 three 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.

The Executive Recommendation will:

- Support the Ohio Legal Assistance Foundation, which provides grants to legal aid societies; and
- Allow the Ohio Public Defender to make required disbursements from the Legal Aid Fund to the Ohio Legal Assistance Foundation and the qualifying local Legal Aid Societies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	574	019-606	Civil Legal Aid	39,993,881	39,993,619
TOTAL FOR PROGRAM				**39,993,881**	**39,993,619**

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.

The Executive Recommendation will:

- Continue 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;
- Support the processing of reimbursement payments to counties and the collection of payment from counties for legal services performed by PUB; and
- Fund educational seminars and conferences and maintain the agency library.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	019-321	Public Defender Administration	1,283,794	1,343,460
GRF	GRF	019-401	State Legal Defense Services	195,107	203,331
GSF	408	019-605	Client Payments	307,715	326,857
GSF	5CX	019-617	Civil Case Filing Fee	96,032	105,697
SSR	574	019-606	Civil Legal Aid	6,119	6,381
TOTAL FOR PROGRAM				**1,888,767**	**1,985,726**

LINE ITEM SUMMARY - Public Defender Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	019-321	Public Defender Administration	1,431,860	1,256,538	1,289,282	1,262,438	1,287,404	2.0	1,347,070	4.6
GRF	019-401	State Legal Defense Services	5,877,539	5,606,798	5,708,060	5,704,117	5,914,023	3.7	6,120,592	3.5
GRF	019-403	Multi-County: State Share	838,490	830,223	733,007	823,621	766,402	(6.9)	762,727	(.5)
GRF	019-404	Trumbull County - State Share	287,224	268,212	240,319	256,380	244,816	(4.5)	243,650	(.5)
GRF	019-405	Training Programs	30,000	31,050	29,745	31,324	31,324	.0	31,324	.0
GRF	019-501	County Reimbursement	29,055,527	30,618,206	30,060,000	30,000,000	29,834,251	(.6)	29,572,857	(.9)
GRF	019-503	Cty Reimbursement - Capital	785,624	726,000	0	0	0	.0	0	.0
GRF	019-504	Reimbursement:Mandate Assistance	0	1,147,719	620,491	0	0	.0	0	.0
TOTAL General Revenue Fund			**38,306,264**	**40,484,746**	**38,680,904**	**38,077,880**	**38,078,220**	**.0**	**38,078,220**	**.0**
101	019-602	Inmate Legal Assistance	22,406	51,154	50,078	32,338	33,338	3.1	34,638	3.9
406	019-603	Training and Publications	0	0	0	16,000	0	(100.0)	0	.0
407	019-604	County Representation	140,415	94,723	167,176	188,810	219,800	16.4	227,500	3.5
408	019-605	Client Payments	257,383	161,096	197,701	650,966	611,537	(6.1)	476,760	(22.0)
5CX	019-617	Civil Case Filing Fee	0	0	10,830	556,800	409,237	(26.5)	598,400	46.2
TOTAL General Services Fund Group			**420,204**	**306,973**	**425,785**	**1,444,914**	**1,273,912**	**(11.8)**	**1,337,298**	**5.0**
3S8	019-608	Federal Representation	189,639	309,259	305,784	315,287	350,948	11.3	364,917	4.0
TOTAL Fed Special Revenue Fund Group			**189,639**	**309,259**	**305,784**	**315,287**	**350,948**	**11.3**	**364,917**	**4.0**
4C7	019-601	Multi-County- County Share	1,719,998	1,762,112	1,962,234	2,104,368	2,181,300	3.7	2,288,200	4.9
4X7	019-610	Trumbull County - County Share	587,041	583,326	624,035	665,860	696,800	4.6	731,000	4.9
574	019-606	Civil Legal Aid	14,928,584	14,417,013	22,421,964	52,000,000	40,000,000	(23.1)	40,000,000	.0
TOTAL State Special Revenue Fund Group			**17,235,623**	**16,762,451**	**25,008,233**	**54,770,228**	**42,878,100**	**(21.7)**	**43,019,200**	**.3**
TOTAL Public Defender Commission			**56,151,730**	**57,863,429**	**64,420,706**	**94,608,309**	**82,581,180**	**(12.7)**	**82,799,635**	**.3**

**** Please see the Appropriation Line Item analysis for further detail.**

Role and Overview

The Ohio Department of Public Safety's (ODPS) role is to save lives, reduce injuries, and economic losses in Ohio, and to regulate driver licensing and vehicle registration.

Public Safety provides services aimed to improve safety. Serious injuries and death are reduced due to training programs and enforcement initiatives. Reducing injuries and automobile accidents and safeguarding the state's infrastructure are ways in which ODPS helps protect Ohio's collective resources. Preventing economic loss to Ohio is a natural byproduct of the department's efforts.

The director, who is appointed by the Governor, oversees an agency of 4,022 full-time employees: 91 in the Administration Division, 882 in the Bureau of Motor Vehicles, 101 in the Emergency Management Agency, 26 in the Emergency Medical Services Division, 24 in Homeland Security, 133 in the Investigative Unit, 25 in the Office of Criminal Justice Services, and 2,740 in the Highway Patrol.

The department's budget is appropriated in two separate budget bills, with all non-general revenue fund appropriations in the transportation budget bill and all general revenue fund (GRF) appropriations in the main operating budget bill. The department's total annual budget is approximately $692.4 million.

Additional information regarding the Department of Public Safety is available at http://ohiopublicsafety.com/.

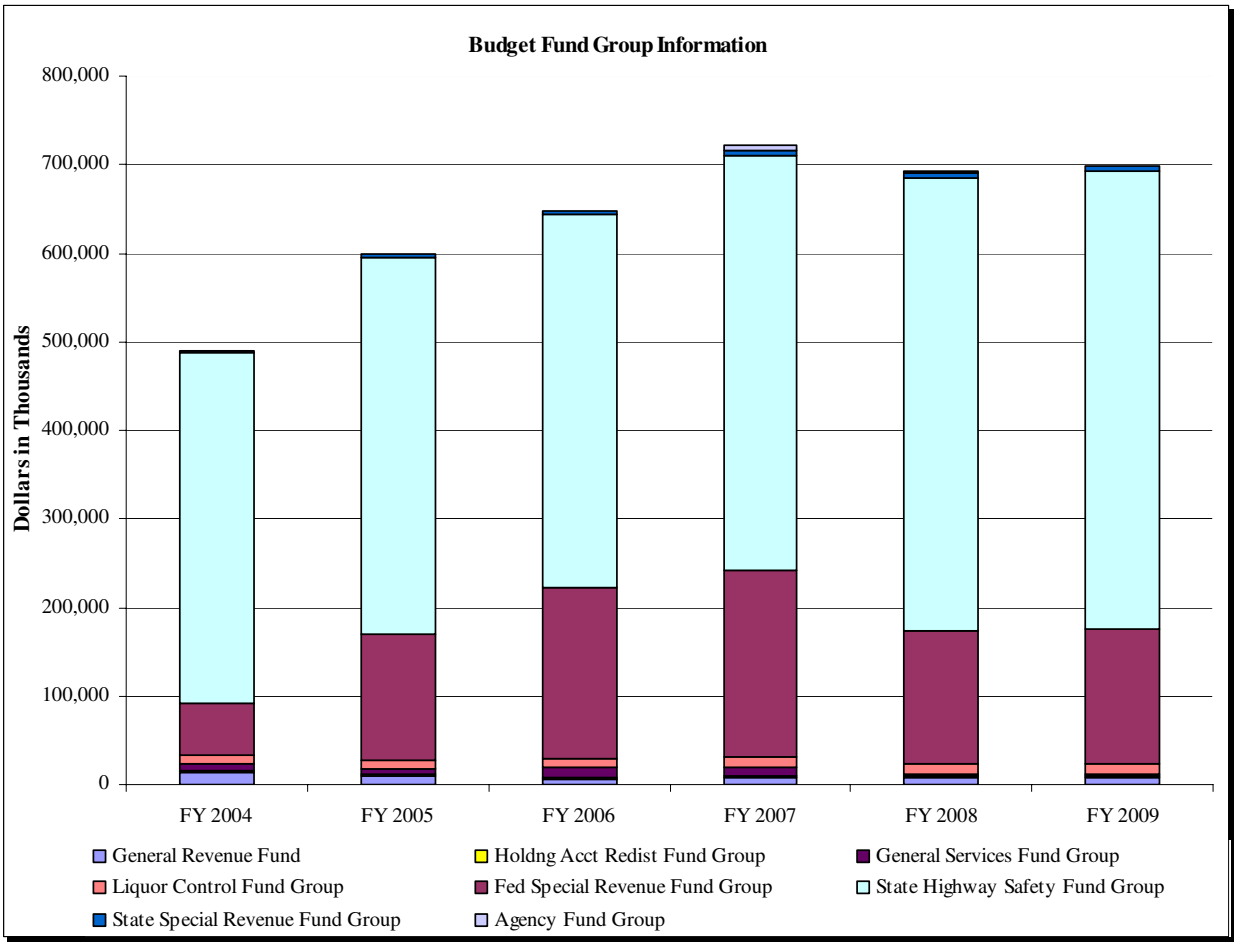
Turnaround Ohio Initiatives

- Partner with state, county, and municipal leaders to ensure Ohio's neighborhoods are as safe and crime free as possible.
- Strive to be efficient and ensure the highest level of transparency and accountability.

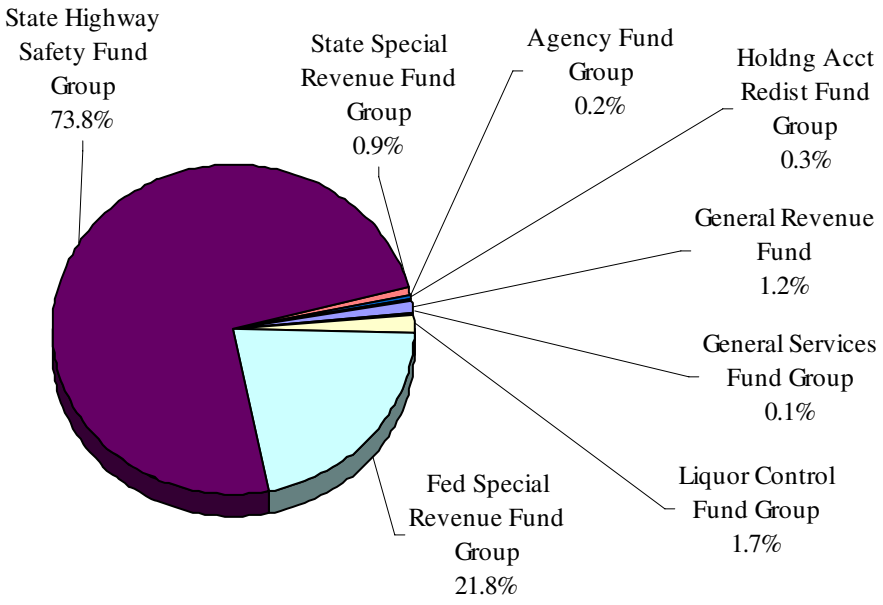
Agency Priorities

- 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.
- Provide rapid disaster response, recovery, and mitigation services to citizens and businesses.
- Promote interoperable communications among Ohio's first responders.
- License motor vehicles and their operators and provide administrative control for the issuance of certificates of title, which demonstrate legal ownership of a motor vehicle.
- Protect the Governor and other dignitaries and state-owned and leased property.
- Provide criminal suspect data to a statewide network of users and identify criminal justice issues and needs.
- Enforce liquor laws and regulations, laws relating to the trafficking of food stamps, and laws restricting the sale of tobacco products to underage individuals; work with local communities and communicate with local governments in the enforcement of liquor laws against problem liquor permit establishments.
- Certify emergency medical technicians and firefighters to assure a quality emergency medical care delivery system.

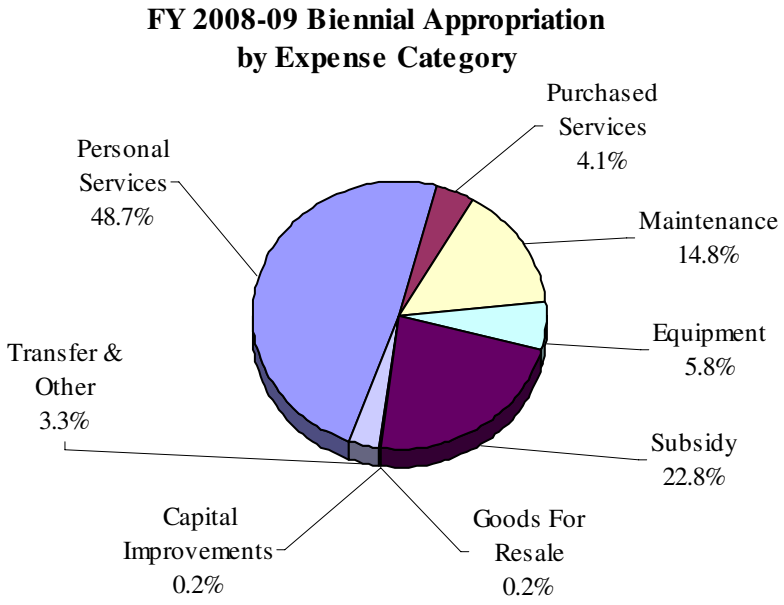
Summary of Budget History and Recommendations



FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	14,423	9,070	6,572	7,888	20.0	8,231	4.4	8,231	.0
General Services Fund Group	7,486	7,369	11,221	9,991	(11.0)	936	(90.6)	989	5.7
Liquor Control Fund Group	9,630	9,334	9,653	10,424	8.0	11,436	9.7	11,546	1.0
Fed Special Revenue Fund Group	58,434	141,939	192,457	210,506	9.4	151,728	(27.9)	152,113	.3
State Highway Safety Fund Group	396,561	425,736	422,408	470,129	11.3	510,392	8.6	516,891	1.3
State Special Revenue Fund Group	1,842	3,486	4,165	5,898	41.6	5,937	.7	5,939	.0
Agency Fund Group	1	0	207	5,731	2,667.5	1,500	(73.8)	1,500	.0
Holdng Acct Redist Fund Group	1,567	1,749	1,772	2,235	26.1	2,235	.0	2,235	.0
TOTAL	**489,944**	**598,683**	**648,456**	**722,802**	**11.5**	**692,395**	**(4.2)**	**699,444**	**1.0**



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	265,009	273,277	283,877	310,485	9.4	329,925	6.3	348,124	5.5
Purchased Services	13,489	16,236	15,361	21,397	39.3	30,467	42.4	27,248	(10.6)
Maintenance	72,069	83,168	85,715	101,796	18.8	102,400	.6	104,177	1.7
Equipment	26,466	40,191	34,204	34,866	1.9	45,443	30.3	35,652	(21.5)
Subsidy	85,387	153,755	188,874	215,052	13.9	158,464	(26.3)	158,596	.1
Goods For Resale	1	0	207	5,731	2,667.5	1,500	(73.8)	1,500	.0
Capital Improvements	1,696	1,877	1,718	1,250	(27.2)	1,250	.0	1,250	.0
Transfer & Other	25,827	30,180	38,498	32,225	(16.3)	22,945	(28.8)	22,897	(.2)
TOTAL	**489,944**	**598,683**	**648,456**	**722,802**	**11.5**	**692,395**	**(4.2)**	**699,444**	**1.0**

PROGRAM SERIES 01: Traffic Safety and Education

This program series funds the Governor's Highway Safety Office for 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: Safety and Education

This program encompasses a variety of safety related responsibilities including: developing safety goals for Ohio that are reported to the National Highway Traffic Safety Administration, improving the quality of instruction at driver training schools, and providing motorcycle safety courses to the public to enhance motorcycle safety.

The Executive Recommendation will:

- Support the issuance of an average of 250 grants annually for behavioral traffic safety initiatives relating to occupant restraint, impaired driving, and bicycle and pedestrian safety. These grants work toward the goal of reducing the number and severity of traffic crashes;
- Fund 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;
- Conduct motorcycle training courses to the public;
- Distribute education materials regarding motorcycle safety issues;
- Fund additional motorcycles, motorcycle instructors, training sites, and mechanical services to meet student demand;
- Provide oversight of driver training courses, which includes processing applications, reviewing training log sheets, issuing certificates, and coordinating investigations of schools and individuals if necessary; and
- Fund field staff that conduct inspections of driver training facilities and observe and assess instructors and training managers.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4S3	766-661	Hilltop Utility Reimbursement	500,000	500,000
HSF	036	761-321	Operating Expense-Info and Educ	3,645,598	3,645,598
HSF	036	761-402	Traffic Safety Match	277,137	277,137
HSF	036	766-321	Operating Expense-Admin	3,568,359	3,532,711
HSF	83N	761-611	Elementary Seat Belt Program	375,000	375,000
HSF	830	761-603	Salvage and Exchange-Admin	20,000	20,000
HSF	831	761-610	Information & Education/Federal	468,982	468,982
HSF	832	761-612	Traffic Safety/Federal	16,577,565	16,577,565
HSF	844	761-613	Seat Belt Education Program	395,700	411,528
HSF	846	761-625	Motorcycle Safety Education	3,698,084	4,010,865
AGY	5J9	761-678	Federal Salvage/GSA	1,500,000	1,500,000
TOTAL FOR PROGRAM				**31,026,425**	**31,319,386**

PROGRAM SERIES 02: Bureau of Motor Vehicles

The Bureau of Motor Vehicles (BMV) is responsible for licensing drivers, registering motor vehicles, and titling. The 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: Licensing and Registration

This program provides a credentialing process for driver licenses or state identification cards including citizenship status, regulates the registration of motor vehicles, ensures the proper collection and distribution of vehicle licensing revenue for 2,300 taxing districts and other governmental entities, and ensures a safe driving environment for the citizens of Ohio.

The Executive Recommendation will:

- Regulate the registration of all motor vehicles;
- Support the issuance of a variety of gratis and special license plates;
- Continue the collection and redistribution of vehicle registration taxes to counties and taxing districts;
- Support the issuance of initial, renewal, and duplicate driver and commercial driver licenses;
- Establish, process, and enforce suspensions of driving privileges for citizens involved with motor vehicle accidents, judgments, financial responsibility non-compliance, and major convictions;
- Maintain 214 Deputy Registrar locations; and
- Maintain central repository driver license/identification card information.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HSF	4W4	762-321	Operating Expenses-BMV	85,748,687	80,660,361
HSF	4W4	762-410	Registrations Supplement	32,480,610	32,480,610
HSF	5V1	762-682	License Plate Contributions	2,100,000	2,100,000
HSF	83R	762-639	Local Immobilization Reimbursement	750,000	750,000
HSF	835	762-616	Financial Responsibility Compliance	5,843,830	6,063,600
SSR	539	762-614	Motor Vehicle Dealers Board	200,000	200,000
090	R24	762-619	Unidentified Motor Vehicle Receipts	1,885,000	1,885,000
090	R52	762-623	Security Deposits	350,000	350,000
TOTAL FOR PROGRAM				**129,358,127**	**124,489,571**

Program 02.02: Titling of Motor Vehicles

This program implements and maintains Ohio's centralized motor vehicle titling system, which is a repository for nearly 95 million motor vehicle and watercraft titles. The Automated Title Processing System, which is used by the Common Pleas Clerks of Courts in 88 counties at 143 locations, processes over six million titles annually, and keeps accounting records for nearly $1.3 billion in sales taxes.

The Executive Recommendation will:

- Implement and administer 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
- Maintain 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 2008	RECOMMENDED FY 2009
HSF	4W4	762-321	Operating Expenses-BMV	4,645,612	4,484,742
HSF	849	762-627	Automated Title Processing Board	23,487,248	19,240,839
TOTAL FOR PROGRAM				**28,132,860**	**23,725,581**

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 the Law Enforcement Automated Data System (LEADS), and maintains MARCS tower sites.

Program 03.01: Highway Enforcement

The goal of this program is to increase highway safety overall. To accomplish this goal, the Highway Patrol enforces traffic laws on Ohio highways, investigates traffic crashes, assists motorists, interdicts impaired drivers, enforces vehicle size and weight restrictions, conducts driver license examinations, and enforces criminal laws.

The Executive Recommendation will:

- Continue program functions to enforce traffic laws on highways, investigate traffic crashes, and conduct driver license examinations; and
- Continue the enforcement activity 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 2008	RECOMMENDED FY 2009
GSF	4S2	764-660	MARCS Maintenance	335,862	389,149
HSF	036	764-033	Minor Capital Projects	1,250,000	1,250,000
HSF	036	764-321	Operating Expense-Hwy Patrol	253,967,276	267,539,597
HSF	036	764-605	Motor Carrier Enforcement Expenses	3,061,817	3,340,468
HSF	83C	764-630	Contraband, Forfeitures, Other	622,894	622,894
HSF	83G	764-633	OMVI Enforcement/Education	650,000	650,000
HSF	83J	764-693	Highway Patrol Justice Contraband	2,100,000	2,100,000
HSF	83T	764-694	Highway Patrol Treasury Contraband	21,000	21,000
HSF	831	764-610	Patrol/Federal	2,455,484	2,455,484
HSF	831	764-659	Transportation Enforcement/Federal	5,665,690	6,132,592
HSF	837	764-602	Turnpike Policing	10,893,146	11,553,959
HSF	838	764-606	Patrol Reimbursement	175,000	175,000
HSF	841	764-603	Salvage and Exchange-Hwy Patrol	1,339,399	1,339,399
TOTAL FOR PROGRAM				**282,537,568**	**297,569,542**

Program 03.02: Non-Highway Enforcement

This program provides a variety of services including: off-highway investigations; security for the Governor, other officials and dignitaries; security for the Capitol Square and other state property; traffic control and security for the Ohio Expositions Commission; non-highway related duties of the State Highway Patrol at the Ohio State Fair; homeland security; Law Enforcement Automated Data System (LEADS); and MARCS tower maintenance.

The Executive Recommendation will:

- Continue to provide off-highway investigations;
- Provide security for elected officials and state property; and
- Maintain the Law Enforcement Automated Data System, a computerized system that provides information to the criminal justice community.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HSF	83F	764-657	Law Enforcement Automated Data Sys	7,945,555	8,275,898
HSF	840	764-607	State Fair Security	1,396,283	1,396,283
HSF	840	764-617	Security and Investigations	6,231,916	6,155,385
HSF	840	764-626	State Fairgrounds Police Force	788,375	788,375
TOTAL FOR PROGRAM				**16,362,129**	**16,615,941**

PROGRAM SERIES 04: Emergency Medical

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: Firefighters and Emergency Medical Technicians

This program is responsible for the certification and training of emergency medical technicians (EMT), firefighters, and fire and emergency services instructors. It also maintains the Emergency Medical Services (EMS) Incident Reporting Database and distributes grant money to locals for EMS training and equipment.

The Executive Recommendation will:

- Support the certification and training of Ohio's first responders, firefighters, EMTs, fire safety inspectors, fire and EMS instructors;
- Provide grants to local EMS agencies to support training, patient care equipment, trauma injury prevention, medical research, and rehabilitation issues;
- Fund EMS for Children, a program designed to improve emergency care for children; and

- Provide oversight to the Regional Physicians Advisory System, a system that serves as medical direction to review the delivery of emergency pre-hospital care.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HSF	83M	765-624	Operating Expenses - Trauma and EMS	2,587,627	2,587,627
HSF	83P	765-637	Trauma and EMS	4,429,290	4,562,912
HSF	831	765-610	EMS/Federal	582,007	582,007
TOTAL FOR PROGRAM				**7,598,924**	**7,732,546**

PROGRAM SERIES 05: Investigative Unit

This program oversees enforcement of laws related to 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

This program enforces Ohio's policies for liquor premises, the illegal sale or trading of food stamps, the sale of tobacco to underage persons on liquor permit premises, and gambling and narcotics trafficking on liquor permit premises.

The Executive Recommendation will:

- Support 133 staff members to maintain enforcement regulations;
- Issue an average of 1,500 citations and 3,500 arrests yearly (actual number varies);
- Provide over 180 presentation of the HELP program; and
- Maintain the Sober Truth Program which over 80,000 students attend annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	769-321	Food Stamp Traf Enforce Operations	752,000	752,000
LCF	043	767-321	Liquor Enforcement-Operations	11,435,527	11,546,052
HSF	831	767-610	Liquor Enforcement/Federal	514,184	514,184
HSF	831	769-610	Food Stamp Enforcement/Federal	1,032,135	1,032,135
SSR	5CM	767-691	Federal Investigative Seizure	642,175	642,175
SSR	622	767-615	Inv. Unit Contraband & Forfeit	375,000	375,000
SSR	850	767-628	Investigative Unit Salvage	100,000	100,000
TOTAL FOR PROGRAM				**14,851,021**	**14,961,546**

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 to Ohio's local county emergency management offices. It is responsible for implementing and monitoring a significant number of grants that provide funding for emergency management related functions including domestic terrorism, disaster planning, education, training and exercise for state and local emergency management personnel, and hazardous materials. The management of the State Emergency Operations Center (EOC) is also supported by this program.

The Executive Recommendation will:

- Fund the certification and training of Ohio's first responders;

- Provide grants to local EMA agencies to support training, planning, exercises and equipment purchases as well as day-to-day emergency operations;
- Provide funding for activation of the Emergency Operations Center during disaster declarations; and
- Provide state-level support to county Emergency Management Agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	763-403	Operating Expenses - EMA	6,353,619	6,353,619
FED	3N5	763-644	US DOE Agreement	175,000	175,000
FED	339	763-647	Emergency Mgmt. Assist. & Training	85,121,692	85,265,885
SSR	4V3	763-662	EMA Service and Reimbursement	650,000	650,000
SSR	657	763-652	Utility Radiological Safety	1,260,000	1,260,000
SSR	681	763-653	SARA Title III HAZMAT Planning	271,510	271,510
TOTAL FOR PROGRAM				**93,831,821**	**93,976,014**

Program 06.02: Mitigation and Recovery

This program is responsible for managing and implementing federal and state individual and public assistance recovery programs and mitigation against future disasters. Pre- and post-disaster activities are focused on the reduction of losses in future disasters. Funding assistance is provided to individuals, state, and local governments to help recover from the devastating impact of a disaster.

The Executive Recommendation will:

- Provide funding for disaster recovery and mitigation projects;
- Provide funding for the State Disaster Relief Program when criteria are not met for a federal declaration; and
- Provide the state match for the federal Individual and Family Grant Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	763-403	Operating Expenses - EMA	311,078	311,078
FED	329	763-645	Individual/Households Grants-Fed	13,831,920	13,848,251
FED	337	763-609	Federal Disaster Relief	27,700,200	27,707,636
TOTAL FOR PROGRAM				**41,843,198**	**41,866,965**

PROGRAM SERIES 07: Homeland Security

Through this program, ODPS coordinates all Homeland Security activities of state agencies, including service 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 plans and coordinates statewide resources in support of public and private entities to prevent terrorism, raise awareness, reduce vulnerabilities, and respond to and recover from terrorist acts.

The Executive Recommendation will:

- Fund the operation of the offices of the director, security and critical infrastructure protection, counter terrorism, and domestic preparedness;
- Support information sharing systems, such as (but not limited to) Contact and Information Management System, Anti-Terrorism Exchange, and Grant Information Sharing System; and
- Maintain 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 2008	RECOMMENDED FY 2009
HSF	831	769-631	Homeland Security - Federal	1,500,000	1,552,500
HSF	840	769-632	Homeland Security Operating	1,913,276	1,989,807
SSR	5B9	766-632	PI & Security Guard Provider	1,288,730	1,289,883
TOTAL FOR PROGRAM				**4,702,006**	**4,832,190**

PROGRAM SERIES 08: Criminal Justice Services

The Office of Criminal Justice Services (OCJS) serves as the lead in criminal justice planning for the state through grants administration, research, evaluation, and programmatic initiatives. OCJS 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 08.01: Criminal Justice Services

This program includes the administration of federal grants to support local efforts to reduce crime and domestic/family violence and increase public safety. The program also provides electronic tools and data bases for law enforcement, including training programs to address issues such as working with Ohio's growing non-English speaking communities and human trafficking.

The Executive Recommendation will:

- Maintain 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;
- Provide research, development, needs assessments, and statistical analysis on emerging trends and updated criminal justice information;
- Provide criminal justice planning, program development, and administration of multiple federal grants for the state;
- Provide direct support to local law enforcement for overtime pay, equipment purchases, and OIBRS software costs;
- Support an information clearinghouse for public/private organizations and individuals throughout Ohio who work to prevent family violence and provide assistance to victims;
- Increase operating grants to Ohio family violence shelters by $100,000 each year of the biennium;
- Provide grants for residential substance abuse treatment services; and
- Provide grant funding to local law enforcement agencies for collaboration programs to prevent gun violence.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	768-424	Operating Expenses-CJS	814,478	814,478
GSF	4P6	768-601	Justice Program Services	100,000	100,000
FED	3AY	768-606	Federal Justice Grants	13,019,284	13,060,000
FED	3L5	768-604	Justice Program	11,880,083	12,056,300
SSR	5BK	768-687	CJS Operating Expenses	400,000	400,000
SSR	5BK	768-689	Family Violence Shelter Programs	750,000	750,000
TOTAL FOR PROGRAM				**26,963,845**	**27,180,778**

PROGRAM SERIES 09: Program Management

This program series represents the Director's Office within the Department of Public Safety and its debt service program.

Program 09.01: Program Management

This program, through the combined efforts of the Director's Office and the eight program series of the department, provides direction and oversight for over 4,150 state employees.

The Executive Recommendation will:

- Support eight full-time employees to provide management for the eight program series of the department; and
- Provide equipment and general office supplies for management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HSF	036	766-321	Operating Expense-Admin	893,477	929,125
TOTAL FOR PROGRAM				**893,477**	**929,125**

Program 09.02: Debt Service

This program represents the payment of bond debt related to various capital projects.

The Executive Recommendation will:

- Provide 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 2008	RECOMMENDED FY 2009
HSF	036	761-401	Lease Rental Payments	14,294,000	14,244,900
TOTAL FOR PROGRAM				**14,294,000**	**14,244,900**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 764-617, Security and Investigations, is split into two line items to separate Homeland Security Operating for improved tracking and reflect more accurate spending for Security and Investigations.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
840	764-617	Security and Investigations	6,231,916	6,231,916	0.0%	6,155,385	-1.2%
840	769-632	Homeland Security Operating	1,913,276	1,913,276	0.0%	1,989,807	4.0%

Line Item Notes

763-601, State Disaster Relief: This line item is appropriated annually by the Controlling Board as disasters occur due to the unpredictability of disasters.

764-688, Traffic Safety Operating: This line item is not appropriated.

768-604, Justice Program: This line item is decreased to more accurately reflect the amount of federal revenues that will be received and spent.

LINE ITEM SUMMARY - Public Safety

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	763-403	Operating Expenses - EMA	3,857,855	3,786,535	4,130,506	4,164,697	6,664,697	60.0	6,664,697	.0
GRF	763-507	Individuals/Households Pgm-State	9,818,238	4,522,086	791,599	1,650,000	0	**	0	.0
GRF	768-424	Operating Expenses-CJS	0	0	868,811	1,276,192	814,478	(36.2)	814,478	.0
GRF	768-502	Mandate Assistance	0	0	5,932	0	0	.0	0	.0
GRF	768-505	SOCF Judicial & Defense Costs	0	0	42,450	44,994	0	(100.0)	0	.0
GRF	769-321	Food Stamp Traf Enforce Operations	746,555	761,140	732,257	752,000	752,000	.0	752,000	.0
TOTAL General Revenue Fund			**14,422,648**	**9,069,761**	**6,571,555**	**7,887,883**	**8,231,175**	**4.4**	**8,231,175**	**.0**
4P6	768-601	Justice Program Services	0	0	16,783	100,000	100,000	.0	100,000	.0
4S2	764-660	MARCS Maintenance	207,426	283,398	522,338	612,186	335,862	(45.1)	389,149	15.9
4S3	766-661	Hilltop Utility Reimbursement	182,191	229,538	253,743	500,000	500,000	.0	500,000	.0
533	763-601	State Disaster Relief	7,096,550	6,856,492	10,428,246	8,779,172	0	**	0	.0
TOTAL General Services Fund Group			**7,486,167**	**7,369,428**	**11,221,110**	**9,991,358**	**935,862**	**(90.6)**	**989,149**	**5.7**
043	767-321	Liquor Enforcement-Operations	9,630,101	9,333,616	9,653,152	10,423,976	11,435,527	9.7	11,546,052	1.0
TOTAL Liquor Control Fund Group			**9,630,101**	**9,333,616**	**9,653,152**	**10,423,976**	**11,435,527**	**9.7**	**11,546,052**	**1.0**
3AY	768-606	Federal Justice Grants	0	0	2,451,774	11,500,000	13,019,284	13.2	13,060,000	.3
3BF	764-692	Federal Contrbnd Forfeiture/Other	0	0	965,027	1,942,040	0	(100.0)	0	.0
3L5	768-604	Justice Program	0	0	26,580,879	25,214,623	11,880,083	**	12,056,300	1.5
3N5	763-644	US DOE Agreement	133,373	68,476	31,764	275,000	175,000	(36.4)	175,000	.0
3V8	768-605	Federal Program Purposes FFY01	0	0	41,034	0	0	.0	0	.0
329	763-645	Individual/Households Grants-Fed	0	0	5,047,416	14,133,540	13,831,920	(2.1)	13,848,251	.1
337	763-609	Federal Disaster Relief	27,205,888	55,418,896	50,626,110	27,819,161	27,700,200	(.4)	27,707,636	.0
339	763-647	Emergency Mgmt. Assist. & Training	31,094,780	86,452,051	106,713,303	129,622,000	85,121,692	(34.3)	85,265,885	.2
TOTAL Fed Special Revenue Fund Group			**58,434,041**	**141,939,423**	**192,457,307**	**210,506,364**	**151,728,179**	**(27.9)**	**152,113,072**	**.3**
036	761-321	Operating Expense-Info and Educ	2,727,669	2,613,594	2,893,069	3,645,599	3,645,598	.0	3,645,598	.0
036	761-401	Lease Rental Payments	11,675,152	11,960,812	13,217,918	14,407,000	14,294,000	(.8)	14,244,900	(.3)
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	1,696,149	1,877,269	1,717,964	1,250,000	1,250,000	.0	1,250,000	.0
036	764-321	Operating Expense-Hwy Patrol	201,412,397	217,213,902	226,956,905	237,364,989	253,967,276	7.0	267,539,597	5.3
036	764-605	Motor Carrier Enforcement Expenses	2,185,029	2,497,343	2,499,007	2,670,912	3,061,817	14.6	3,340,468	9.1
036	766-321	Operating Expense-Admin	3,719,803	4,225,944	4,036,734	4,461,836	4,461,836	.0	4,461,836	.0
4W4	762-321	Operating Expenses-BMV	70,120,400	70,266,269	63,731,548	73,702,629	90,394,299	22.6	85,145,103	(5.8)
4W4	762-410	Registrations Supplement	28,192,332	27,468,521	23,999,342	32,480,610	32,480,610	.0	32,480,610	.0
5AY	764-688	Traffic Safety Operating	0	1,390,707	2,173,181	1,999,437	0	**	0	.0
5V1	762-682	License Plate Contributions	1,306,705	1,321,713	1,573,782	2,388,568	2,100,000	(12.1)	2,100,000	.0
83C	764-630	Contraband, Forfeitures, Other	373,339	1,173,983	1,153,016	622,894	622,894	.0	622,894	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Public Safety

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
83F	764-657	Law Enforcement Automated Data Sys	6,608,647	6,805,163	6,638,777	7,544,260	7,945,555	5.3	8,275,898	4.2
83G	764-633	OMVI Enforcement/Education	512,768	405,703	523,982	820,927	650,000	(20.8)	650,000	.0
83J	764-693	Highway Patrol Justice Contraband	0	0	0	2,113,824	2,100,000	(.7)	2,100,000	.0
83M	765-624	Operating Expenses - Trauma and EMS	1,962,573	2,259,554	2,218,934	2,587,628	2,587,627	.0	2,587,627	.0
83N	761-611	Elementary Seat Belt Program	215,634	196,223	132,616	447,895	375,000	(16.3)	375,000	.0
83P	765-637	Trauma and EMS	8,611,585	6,776,237	3,937,133	5,836,744	4,429,290	(24.1)	4,562,912	3.0
83R	762-639	Local Immobilization Reimbursement	621,905	534,219	558,139	850,000	750,000	(11.8)	750,000	.0
83T	764-694	Highway Patrol Treasury Contraband	0	0	0	21,000	21,000	.0	21,000	.0
830	761-603	Salvage and Exchange-Admin	0	5,400	0	22,070	20,000	(9.4)	20,000	.0
831	761-610	Information & Education/Federal	126,780	119,802	1,313,574	2,971,332	468,982	(84.2)	468,982	.0
831	764-610	Patrol/Federal	2,210,760	7,295,593	2,985,739	2,455,484	2,455,484	.0	2,455,484	.0
831	764-659	Transportation Enforcement/Federal	3,898,118	4,239,787	4,740,025	5,027,091	5,665,690	12.7	6,132,592	8.2
831	765-610	EMS/Federal	381,737	4,545,069	1,898,570	632,007	582,007	(7.9)	582,007	.0
831	767-610	Liquor Enforcement/Federal	329,773	256,737	295,256	514,184	514,184	.0	514,184	.0
831	769-610	Food Stamp Enforcement/Federal	813,577	813,405	943,772	1,032,135	1,032,135	.0	1,032,135	.0
831	769-631	Homeland Security - Federal	0	0	0	0	1,500,000	.0	1,552,500	3.5
832	761-612	Traffic Safety/Federal	11,694,116	12,271,776	11,035,168	16,577,564	16,577,565	.0	16,577,565	.0
835	762-616	Financial Responsibility Compliance	4,692,210	4,372,394	4,159,374	6,551,535	5,843,830	(10.8)	6,063,600	3.8
837	764-602	Turnpike Policing	8,792,191	8,967,514	8,877,843	10,240,900	10,893,146	6.4	11,553,959	6.1
838	764-606	Patrol Reimbursement	89,761	75,785	75,619	222,108	175,000	(21.2)	175,000	.0
840	764-607	State Fair Security	1,269,284	997,318	1,119,952	1,496,283	1,396,283	(6.7)	1,396,283	.0
840	764-617	Security and Investigations	7,968,434	9,040,313	9,902,936	8,145,192	6,231,916	(23.5)	6,155,385	(1.2)
840	764-626	State Fairgrounds Police Force	646,957	647,793	748,635	788,375	788,375	.0	788,375	.0
840	764-667	Security Assessment	7,260	0	0	0	0	.0	0	.0
840	769-632	Homeland Security Operating	0	0	0	0	1,913,276	.0	1,989,807	4.0
841	764-603	Salvage and Exchange-Hwy Patrol	1,899,691	1,396,924	2,773,026	1,339,399	1,339,399	.0	1,339,399	.0
844	761-613	Seat Belt Education Program	303,728	436,592	596,189	482,095	395,700	(17.9)	411,528	4.0
846	761-625	Motorcycle Safety Education	1,601,322	1,860,761	1,975,896	2,991,171	3,698,084	23.6	4,010,865	8.5
847	761-622	Film Production Reimbursement	1,185	808	0	0	0	.0	0	.0
849	762-627	Automated Title Processing Board	7,614,940	9,127,997	10,727,288	13,146,218	23,487,248	78.7	19,240,839	(18.1)
TOTAL State Highway Safety Fund Group			**396,561,048**	**425,736,061**	**422,408,046**	**470,129,032**	**510,392,243**	**8.6**	**516,891,069**	**1.3**
4V3	763-662	EMA Service and Reimbursement	427,681	473,864	473,050	696,446	650,000	(6.7)	650,000	.0
5BK	768-687	CJS Operating Expenses	0	0	0	0	400,000	.0	400,000	.0
5BK	768-689	Family Violence Shelter Programs	0	0	417,910	750,000	750,000	.0	750,000	.0
5B9	766-632	PI & Security Guard Provider	0	1,074,908	960,292	1,188,716	1,288,730	8.4	1,289,883	.1
5CC	768-607	Public Safety Services	0	0	375,000	325,000	0	(100.0)	0	.0
5CM	767-691	Federal Investigative Seizure	0	0	63,380	642,175	642,175	.0	642,175	.0
539	762-614	Motor Vehicle Dealers Board	85,947	128,780	130,823	239,902	200,000	(16.6)	200,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Public Safety

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
622	767-615	Inv. Unit Contraband & Forfeit	239,651	328,006	254,025	404,111	375,000	(7.2)	375,000	.0
657	763-652	Utility Radiological Safety	996,792	1,018,913	1,169,309	1,260,000	1,260,000	.0	1,260,000	.0
681	763-653	SARA Title III HAZMAT Planning	91,453	461,704	255,135	271,510	271,510	.0	271,510	.0
850	767-628	Investigative Unit Salvage	0	0	65,985	120,000	100,000	(16.7)	100,000	.0
TOTAL State Special Revenue Fund Group			**1,841,524**	**3,486,175**	**4,164,909**	**5,897,860**	**5,937,415**	**.7**	**5,938,568**	**.0**
5J9	761-678	Federal Salvage/GSA	1,234	0	207,073	5,730,750	1,500,000	(73.8)	1,500,000	.0
TOTAL Agency Fund Group			**1,234**	**0**	**207,073**	**5,730,750**	**1,500,000**	**(73.8)**	**1,500,000**	**.0**
R24	762-619	Unidentified Motor Vehicle Receipts	1,333,118	1,482,965	1,462,633	1,885,000	1,885,000	.0	1,885,000	.0
R27	764-608	Patrol Fee Refunds	19,580	16,349	0	0	0	.0	0	.0
R52	762-623	Security Deposits	214,511	249,668	309,834	350,000	350,000	.0	350,000	.0
TOTAL Holdng Acct Redist Fund Group			**1,567,209**	**1,748,982**	**1,772,467**	**2,235,000**	**2,235,000**	**.0**	**2,235,000**	**.0**
TOTAL Department of Public Safety			**489,943,972**	**598,683,446**	**648,455,619**	**722,802,223**	**692,395,401**	**(4.2)**	**699,444,085**	**1.0**

**** 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 $78.6 million. Additional information regarding the Public Utilities Commission is available at http://www.puco.ohio.gov.

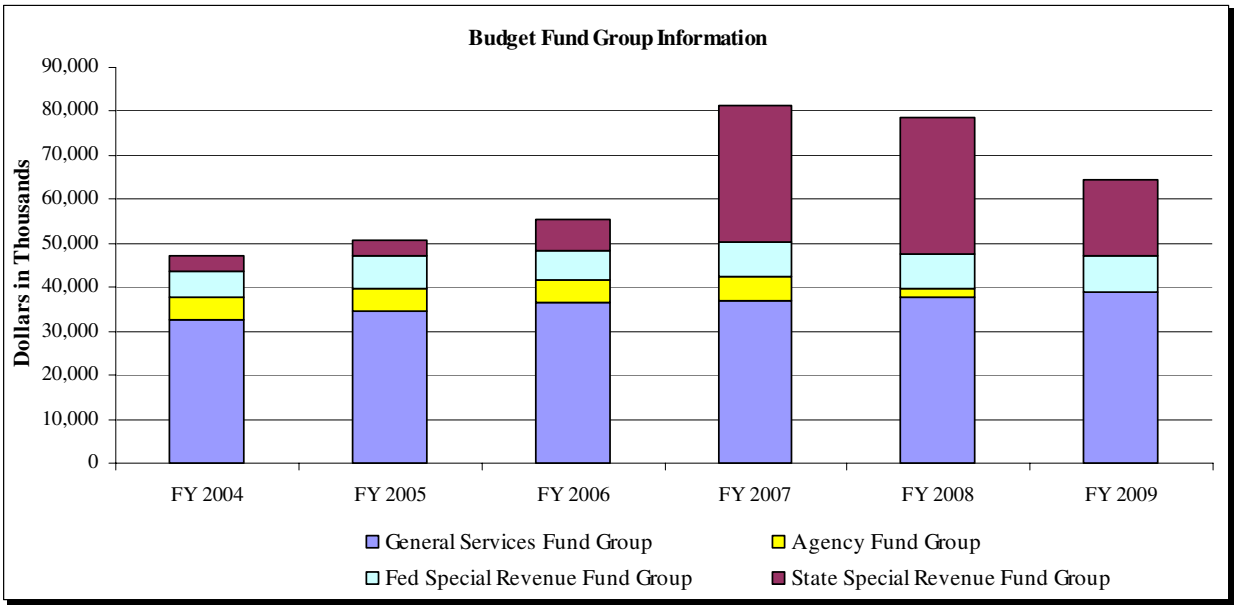
Turnaround Ohio Initiatives

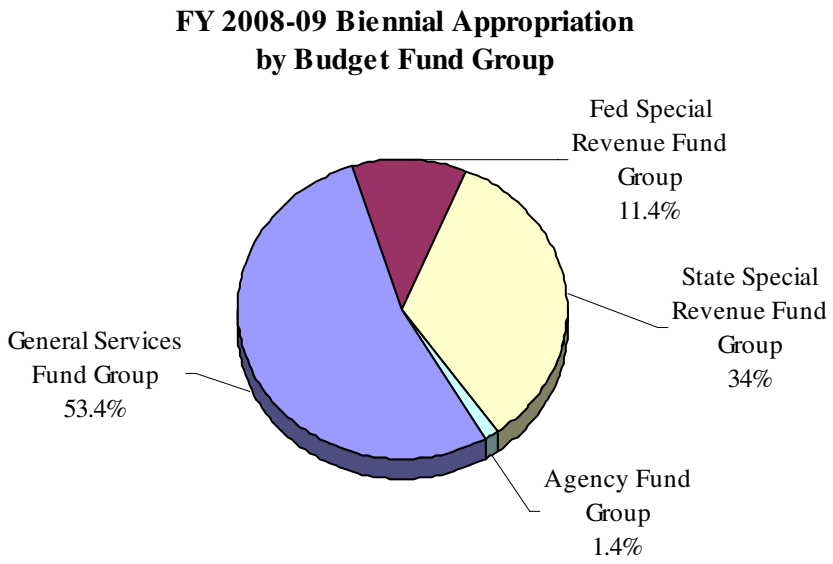
- Promote utility regulatory policies such as industrial incentive rates that encourage investment in Ohio.
- Explore alternative energy resources and the feasibility of creating a more diverse generation portfolio in Ohio.
- Encourage the development of broadband infrastructure through appropriate public policy.

Agency Priorities

- Mandate the availability of adequate, safe, and reliable utility service to all business, industrial, and residential consumers.
- Ensure financial integrity and service reliability in the Ohio utility industry.
- Promote utility infrastructure investment through appropriate regulatory policies and structures.
- Regulate utilities' rates and terms of service for monopoly and non-competitive services.
- Monitor and enforce compliance with rules and statutory protections against deceptive, unfair, unsafe, and anti-competitive utility practices.
- Safeguard the security of Ohio's regulated motor carrier and rail operations, through aggressive inspection, training, monitoring, and education programs.
- Enhance safety at all public highway-railroad grade crossings in Ohio through education and the installation of lights and gates and other safety devices.
- Resolve through mediation, arbitration, and adjudication disputes between utilities and residential, commercial, and industrial customers, as well as between competing utilities.
- Foster competition by establishing and enforcing a fair competitive framework for all utilities.

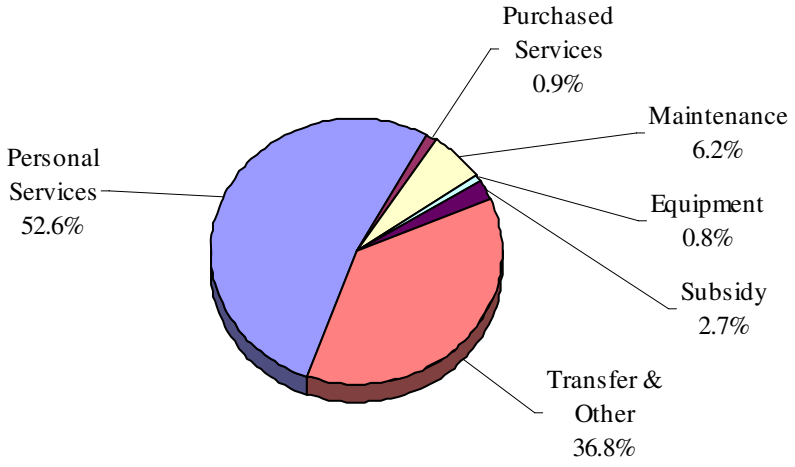
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	32,772	34,619	36,575	36,801	.6	37,613	2.2	38,735	3.0
Fed Special Revenue Fund Group	6,110	7,528	6,713	7,926	18.1	8,035	1.4	8,250	2.7
State Special Revenue Fund Group	3,499	3,610	6,898	30,916	348.2	30,984	.2	17,484	(43.6)
Agency Fund Group	4,769	4,924	5,131	5,600	9.2	2,000	(64.3)	0	(100.0)
TOTAL	**47,150**	**50,680**	**55,317**	**81,243**	**46.9**	**78,633**	**(3.2)**	**64,469**	**(18.0)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	30,685	32,243	33,117	35,472	7.1	36,666	3.4	38,567	5.2
Purchased Services	306	775	557	563	1.1	696	23.5	594	(14.7)
Maintenance	4,413	4,547	5,614	5,268	(6.2)	4,688	(11.0)	4,249	(9.4)
Equipment	722	1,044	1,509	465	(69.2)	563	21.2	539	(4.3)
Subsidy	1,317	1,464	1,319	1,899	44.0	1,932	1.7	1,932	.0
Transfer & Other	9,708	10,608	13,200	37,576	184.7	34,087	(9.3)	18,588	(45.5)
TOTAL	**47,150**	**50,680**	**55,317**	**81,243**	**46.9**	**78,633**	**(3.2)**	**64,469**	**(18.0)**

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.

The Executive Recommendation will:

- Continue 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;
- Provide for the implementation of the Commercial Vehicle Information Systems and Networks (CVISN); and
- Fund the operation of the hazardous materials civil forfeiture program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	5F6	870-622	Utility & Railroad Regulation	14,201,177	14,647,591
GSF	5F6	870-624	NARUC/NRRI Subsidy	68,366	68,366
GSF	5F6	870-625	Motor Transportation Regulation	2,395,097	2,505,497
FED	333	870-601	Gas Pipeline Safety	542,561	542,564
FED	350	870-608	Motor Carrier Safety	7,137,534	7,351,660
SSR	4A3	870-614	Grade Crossng Protectn Device-State	1,349,757	1,349,757
SSR	4L8	870-617	Pipeline Safety-State	168,859	172,877
SSR	4U8	870-620	Civil Forfeitures	284,986	284,986
SSR	5BP	870-623	Wireless 911 Administration	26,875,000	13,375,000
SSR	560	870-607	Public Utilities Investigations	50,000	50,000
SSR	561	870-606	Power Siting Board	185,465	185,466
SSR	661	870-612	Hazardous Materials Transportation	900,000	900,000
TOTAL FOR PROGRAM				**54,158,802**	**41,433,764**

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 protects the public interest and facilitates competitive choices where feasible while also assuring adequate utility infrastructure.

The Executive Recommendation will:

- Support the registration and certification of over 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.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	5F6	870-622	Utility & Railroad Regulation	3,963,430	4,092,597
GSF	5F6	870-624	NARUC/NRRI Subsidy	19,080	19,080
GSF	5F6	870-625	Motor Transportation Regulation	1,981,561	2,007,619
FED	3V3	870-604	Commercial Veh Info Sys/Net Federal	300,000	300,000
FED	333	870-601	Gas Pipeline Safety	55,396	55,395
SSR	4L8	870-617	Pipeline Safety-State	18,762	14,744
SSR	4S6	870-618	Hazardous Material Registration	464,325	464,325
SSR	4S6	870-621	Hazardous Materials Base State Reg	373,346	373,346
SSR	561	870-606	Power Siting Board	185,465	185,466
AGY	4G4	870-616	Base State Registration Program	2,000,000	0
TOTAL FOR PROGRAM				**9,361,365**	**7,512,572**

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.

The Executive Recommendation will:

- Allow PUCO to monitor the implementation of 9-1-1 systems within counties, as well as the wireless 9-1-1 service; and
- Fund investigations and audits conducted through the financial analysis and audits division.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	5F6	870-622	Utility & Railroad Regulation	14,655,420	15,064,439
GSF	5F6	870-624	NARUC/NRRI Subsidy	70,554	70,554
GSF	5F6	870-625	Motor Transportation Regulation	258,755	259,649
SSR	559	870-605	Public Utilities Territorial Admin	4,000	4,000
SSR	560	870-607	Public Utilities Investigations	50,000	50,000
SSR	561	870-606	Power Siting Board	33,721	33,720
SSR	638	870-611	Biomass Energy Program	40,000	40,000
TOTAL FOR PROGRAM				**15,112,450**	**15,522,362**

LINE ITEM SUMMARY - Public Utilities Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5F6	870-622	Utility & Railroad Regulation	28,401,666	29,801,599	31,456,553	31,272,223	32,820,027	4.9	33,804,627	3.0
5F6	870-624	NARUC/NRRI Subsidy	147,165	147,165	147,163	167,233	158,000	(5.5)	158,000	.0
5F6	870-625	Motor Transportation Regulation	4,202,850	4,651,438	4,971,197	5,361,238	4,635,413	(13.5)	4,772,765	3.0
558	870-602	Salvage & Exchange	20,319	18,749	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**32,772,000**	**34,618,951**	**36,574,913**	**36,800,694**	**37,613,440**	**2.2**	**38,735,392**	**3.0**
3V3	870-604	Commercial Veh Info Sys/Net Federal	0	308,609	45,489	300,000	300,000	.0	300,000	.0
333	870-601	Gas Pipeline Safety	488,533	454,858	659,857	597,957	597,957	.0	597,959	.0
350	870-608	Motor Carrier Safety	5,621,777	6,764,837	6,007,990	7,027,712	7,137,534	1.6	7,351,660	3.0
TOTAL Fed Special Revenue Fund Group			**6,110,310**	**7,528,304**	**6,713,336**	**7,925,669**	**8,035,491**	**1.4**	**8,249,619**	**2.7**
4A3	870-614	Grade Crossng Protectn Device-State	887,101	1,222,318	903,948	1,349,757	1,349,757	.0	1,349,757	.0
4L8	870-617	Pipeline Safety-State	178,367	161,388	151,089	187,621	187,621	.0	187,621	.0
4S6	870-618	Hazardous Material Registration	401,973	529,264	518,442	464,325	464,325	.0	464,325	.0
4S6	870-621	Hazardous Materials Base State Reg	255,795	315,615	302,755	373,346	373,346	.0	373,346	.0
4U8	870-620	Civil Forfeitures	297,390	344,144	292,515	284,986	284,986	.0	284,986	.0
5BP	870-623	Wireless 911 Administration	0	0	3,372,650	26,875,000	26,875,000	.0	13,375,000	(50.2)
559	870-605	Public Utilities Territorial Admin	0	0	0	4,000	4,000	.0	4,000	.0
560	870-607	Public Utilities Investigations	0	0	59,467	100,000	100,000	.0	100,000	.0
561	870-606	Power Siting Board	642,571	400,954	396,780	337,210	404,651	20.0	404,652	.0
638	870-611	Biomass Energy Program	30,971	36,925	38,926	40,000	40,000	.0	40,000	.0
661	870-612	Hazardous Materials Transportation	804,909	598,986	861,304	900,000	900,000	.0	900,000	.0
TOTAL State Special Revenue Fund Group			**3,499,077**	**3,609,594**	**6,897,876**	**30,916,245**	**30,983,686**	**.2**	**17,483,687**	**(43.6)**
4G4	870-616	Base State Registration Program	4,768,968	4,923,573	5,130,520	5,600,000	2,000,000	(64.3)	0	(100.0)
TOTAL Agency Fund Group			**4,768,968**	**4,923,573**	**5,130,520**	**5,600,000**	**2,000,000**	**(64.3)**	**0**	**(100.0)**
TOTAL Public Utilities Commission			**47,150,355**	**50,680,422**	**55,316,645**	**81,242,608**	**78,632,617**	**(3.2)**	**64,468,698**	**(18.0)**

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 has a staff of 12 and an annual budget of approximately $261 million. Additional information regarding the Public Works Commission is available at http://www.pwc.state.oh.us/

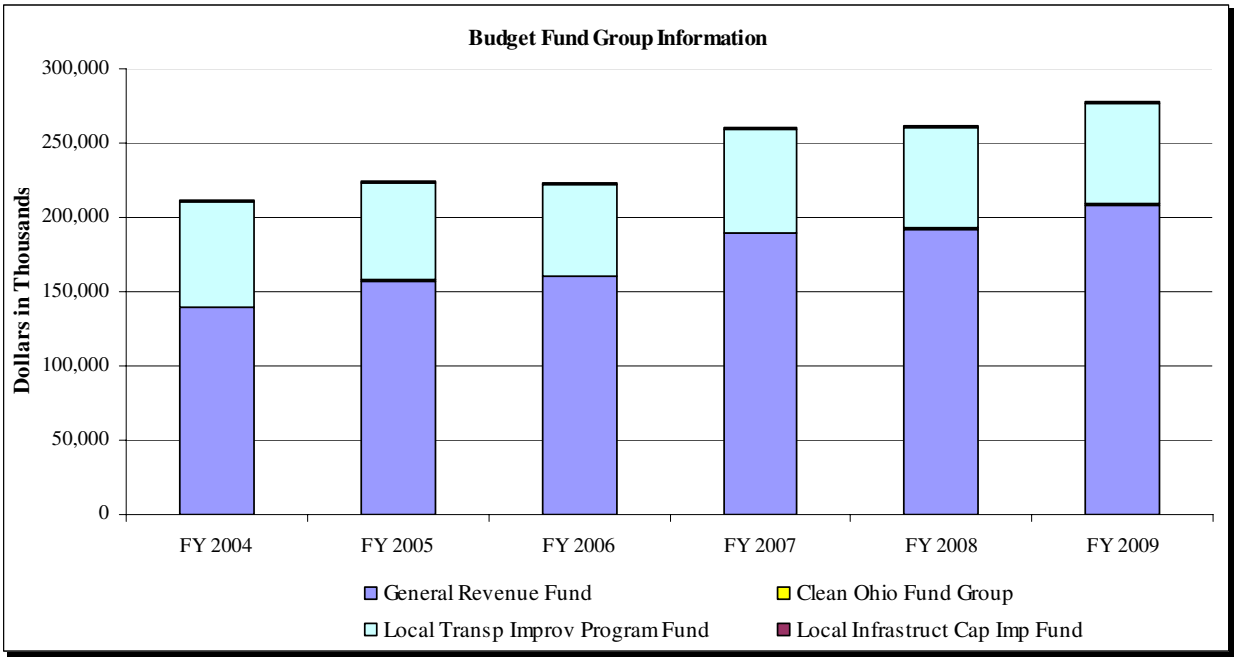
Turnaround Ohio Initiatives

- Operate the Ohio Public Works Commission with a high level of transparency and accountability to Ohio citizens.
- Continue fostering smart growth and making "Fix-It-First" a priority for state investments.
- Support collaboration across government by bringing together all levels of local government during the project selection process.
- Promote regional cooperation and empower local governments to address their most critical infrastructure needs through our state-local partnership.
- Continue to promote reinvestment in Ohio's communities by emphasizing repair and replacement of existing infrastructure versus new and expansion.
- Improve Ohio's infrastructure to create an environment that supports local businesses and industry.
- Continue to reward cities and towns that working together to build strong regional economies through encouraging consolidation of environmental infrastructure.

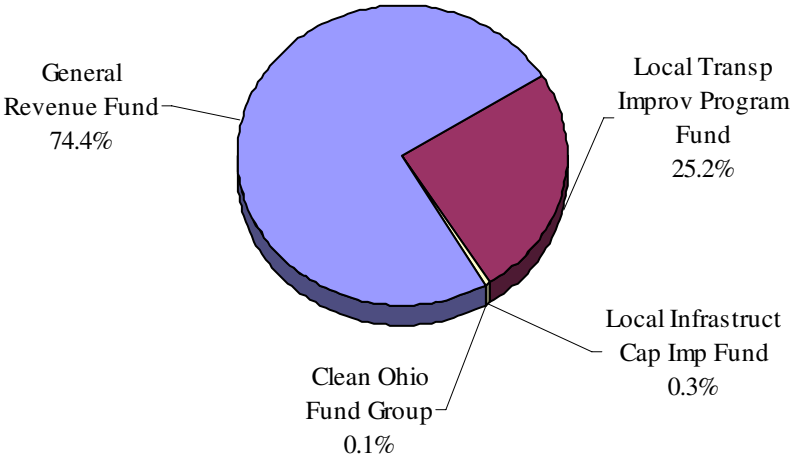
Agency Priorities

- Implement program years 21 and 22 of the State Capital Improvement Program and Local Transportation Improvement Program.
- Provide ongoing technical assistance to district integrating committees and local governments.
- Continue maintenance of the statewide infrastructure needs database.
- Continue implementation and evaluation of the Clean Ohio Conservation Program.

Summary of Budget History and Recommendations

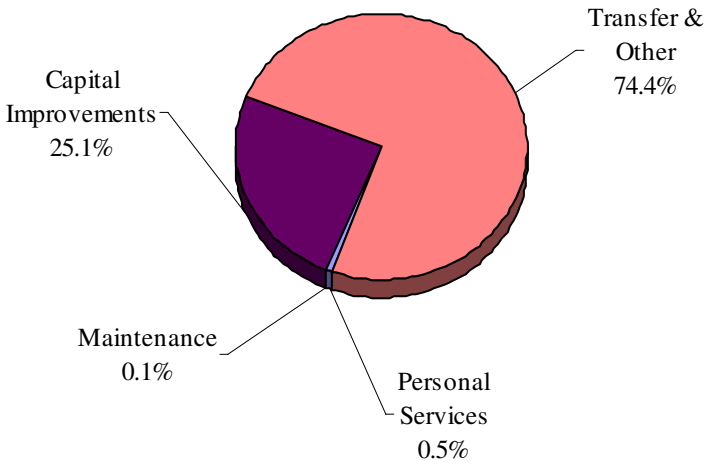


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	138,975	157,424	160,492	189,314	18.0	192,361	1.6	208,476	8.4
Local Transp Improv Program Fund	71,745	65,592	61,412	69,236	12.7	67,792	(2.1)	67,806	.0
Local Infrastruct Cap Imp Fund	773	779	754	1,058	40.3	879	(16.9)	919	4.5
Clean Ohio Fund Group	243	248	234	375	60.7	302	(19.7)	312	3.3
TOTAL	**211,736**	**224,042**	**222,893**	**259,984**	**16.6**	**261,333**	**.5**	**277,512**	**6.2**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	1,123	1,139	1,075	1,505	40.0	1,289	(14.3)	1,354	5.0
Purchased Services	6	5	28	14	(52.2)	31	128.6	19	(37.6)
Maintenance	138	137	119	220	85.3	138	(37.1)	142	2.9
Equipment	1	1	7	53	620.8	13	(74.7)	21	57.1
Capital Improvements	71,493	65,336	61,170	68,878	12.6	67,500	(2.0)	67,500	.0
Transfer & Other	138,975	157,424	160,492	189,314	18.0	192,361	1.6	208,476	8.4
TOTAL	**211,736**	**224,042**	**222,893**	**259,984**	**16.6**	**261,333**	**.5**	**277,512**	**6.2**

PROGRAM SERIES 01: Infrastructure Aid to Local Governments

This program series provides grants and loans to address Ohio's public infrastructure needs.

Program 01.01: State Capital Improvement

This program provides grants and loans to local governments to assist in the financing of local capital improvement needs. The state 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. Each program year, each district is required to allocate a percentage of their budgets in the form of loans. These allocations have resulted in the creation of the State Capital Improvement Revolving Loan Program, a sub component of the State Capital Improvement Program, which provides an additional $20 million per fiscal year in the form of below market rate loans.

The Executive Recommendation will:

- Support the approval of over 600 grants and 120 loans each fiscal year at an average of $250,000 per grant and loan;
- Provide project administration as well as technical assistance to local governments and District Integrating Committees;
- Fund program years 21 and 22; and
- Provide for required payments on bonds issued to support the program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	150-907	St. Capital Improv. G. O. Debt Svc	177,513,600	188,696,300
LIF	038	150-321	SCIP Operating Expenses	879,237	918,912
TOTAL FOR PROGRAM				**178,392,837**	**189,615,212**

Program 01.02: Local Transportation Improvement

This program provides grants to assist in the financing of local public road and bridge improvements. Funding is provided by one penny of the motor fuel tax.

The Executive Recommendation will:

- Support the approval of over 180 grants each fiscal year at an average of $250,000 per grant;
- Provide project administration as well as technical assistance to local governments and District Integrating Committees;
- Fund program years 21 and 22; and
- Continue current service and maintenance levels through the next biennium.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
052	052	150-402	LTIP Operating Expenses	291,537	306,178
052	052	150-701	Local Transportation Improvmnt Prog	67,500,000	67,500,000
TOTAL FOR PROGRAM				**67,791,537**	**67,806,178**

Program 01.03: Clean Ohio Conservation

This program provides funding to 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.

The Executive Recommendation will:

- Provide project administration as well as technical assistance to Natural Resource Assistance Councils;
- Provide for required payments on bonds issued to support environmental conservation projects;
- Fund program years four and five; and
- Continue current service and maintenance levels through the next biennium.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	150-904	Conservation Gen Oblig Debt Serv	14,847,200	19,779,200
CLF	056	150-403	Clean Ohio Operating Expenses	301,537	311,509
TOTAL FOR PROGRAM				**15,148,737**	**20,090,709**

LINE ITEM SUMMARY - Public Works Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	150-904	Conservation Gen Oblig Debt Serv	3,721,066	9,150,021	7,897,420	17,168,800	14,847,200	(13.5)	19,779,200	33.2
GRF	150-907	St. Capital Improv. G. O. Debt Svc	135,253,809	148,273,922	152,595,038	172,145,100	177,513,600	3.1	188,696,300	6.3
TOTAL General Revenue Fund			**138,974,875**	**157,423,943**	**160,492,458**	**189,313,900**	**192,360,800**	**1.6**	**208,475,500**	**8.4**
052	150-402	LTIP Operating Expenses	252,003	255,658	241,839	358,176	291,537	(18.6)	306,178	5.0
052	150-701	Local Transportation Improvmnt Prog	71,492,577	65,336,261	61,170,473	68,877,801	67,500,000	(2.0)	67,500,000	.0
TOTAL Local Transp Improv Program Fund			**71,744,580**	**65,591,919**	**61,412,312**	**69,235,977**	**67,791,537**	**(2.1)**	**67,806,178**	**.0**
038	150-321	SCIP Operating Expenses	773,021	778,892	754,224	1,058,273	879,237	(16.9)	918,912	4.5
TOTAL Local Infrastruct Cap Imp Fund			**773,021**	**778,892**	**754,224**	**1,058,273**	**879,237**	**(16.9)**	**918,912**	**4.5**
056	150-403	Clean Ohio Operating Expenses	243,469	247,572	233,578	375,436	301,537	(19.7)	311,509	3.3
TOTAL Clean Ohio Fund Group			**243,469**	**247,572**	**233,578**	**375,436**	**301,537**	**(19.7)**	**311,509**	**3.3**
TOTAL Public Works Commission			**211,735,945**	**224,042,326**	**222,892,572**	**259,983,586**	**261,333,111**	**.5**	**277,512,099**	**6.2**

Role and Overview

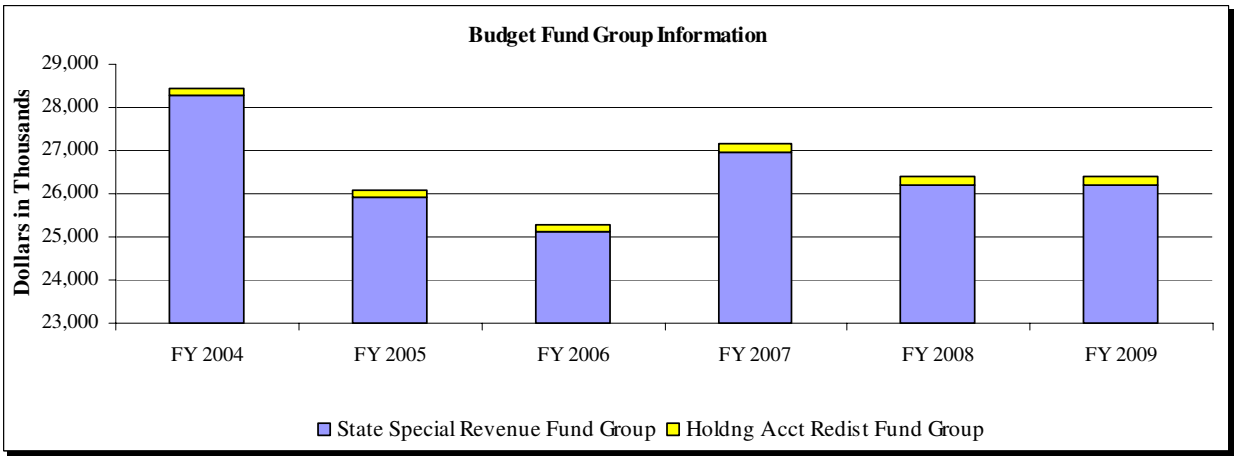
The Ohio State Racing Commission (RAC) regulates and promotes pari-mutuel horse racing in the state. Ideally, the greater the amount of money provided to the winners of a race, the higher the quality of horses and the higher the quality of competition. The commission prescribes the rules, regulations, and conditions under which horse racing with pari-mutuel wagering may be conducted. The commission is responsible for governing Ohio's seven commercial racetracks, one satellite-wagering facility, 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 16 full-time employees and five part-time employees and regularly contracts with 11 other individuals who serve as judges, stewards, and veterinarians. The commission's annual budget is approximately $26 million. Additional information regarding the Ohio State Racing Commission is available at http://racing.ohio.gov.

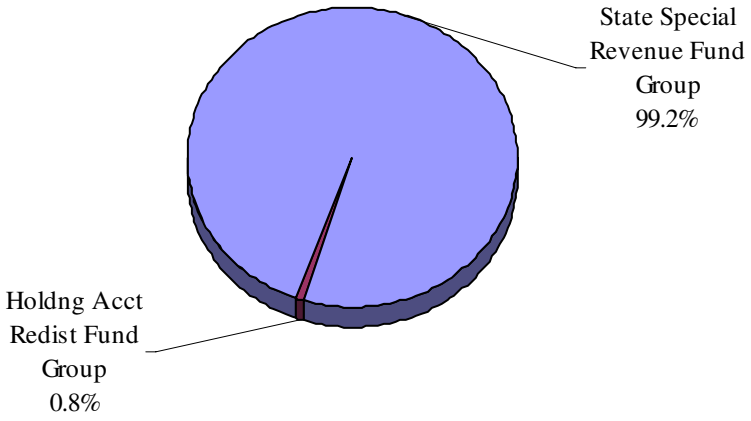
Agency Priorities

- Regulate all pari-mutuel horse racing in Ohio by testing, officiating, and enforcing the 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

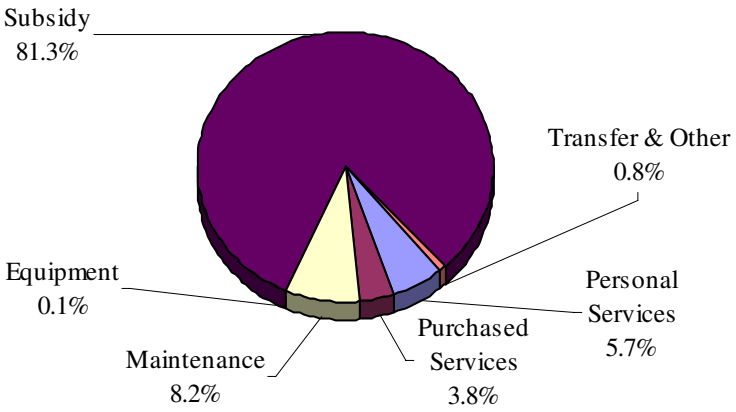


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
State Special Revenue Fund Group	28,290	25,916	25,127	26,944	7.4	26,189	(2.8)	26,189	.0
Holding Acct Redist Fund Group	168	162	164	213	29.9	213	.0	213	.0
TOTAL	**28,458**	**26,078**	**25,291**	**27,157**	**7.4**	**26,402**	**(2.8)**	**26,402**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	1,981	1,833	1,300	1,189	(8.5)	1,498	26.0	1,530	2.1
Purchased Services	2,140	1,924	1,191	977	(18.0)	1,002	2.6	1,002	.0
Maintenance	448	344	1,416	1,789	26.3	2,197	22.8	2,147	.0
Equipment	24	48	31	294	836.3	25	(91.5)	50	100.0
Subsidy	23,696	21,763	21,182	22,686	7.1	21,465	(5.4)	21,458	.0
Transfer & Other	170	166	171	223	30.1	215	(3.6)	215	.0
TOTAL	**28,459**	**26,078**	**25,291**	**27,158**	**7.4**	**26,402**	**(2.8)**	**26,402**	**.0**

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.

The Executive Recommendation will:

- Support five commission members, 19 staff, and contractors who oversee the continued enforcement of horse racing industry rules and regulations at the seven live-racing tracks, one satellite facility, and over 65 county fairs where pari-mutuel wagering takes place;
- Fund race stewards, judges, and veterinarians at over 1,000 annual live race dates; and
- Fund drug testing conducted at the Ohio Department of Agriculture Analytical Toxicology Laboratory.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
SSR	562	875-601	Thoroughbred Race Fund	116,780	120,868
SSR	563	875-602	Standardbred Development Fund	81,065	83,902
SSR	565	875-604	Racing Commission Operating	4,487,599	4,487,599
090	R21	875-605	Bond Reimbursements	212,900	212,900
TOTAL FOR PROGRAM				**4,898,344**	**4,905,269**

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.

The Executive Recommendation will:

- Support three employees who register, inspect, and track over 7,000 horses; and
- Promote Ohio's horse racing industry through increased purse sizes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	5C4	875-607	Simulcast Horse Racing Purse	16,000,000	16,000,000
SSR	562	875-601	Thoroughbred Race Fund	2,983,220	2,979,132
SSR	563	875-602	Standardbred Development Fund	2,518,935	2,516,098
SSR	564	875-603	Quarterhorse Development Fund	1,000	1,000
TOTAL FOR PROGRAM				**21,503,155**	**21,496,230**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

875-604, Racing Commission Operating: The increase in this line item allows for increased drug testing expenditures.

LINE ITEM SUMMARY - Racing Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5C4	875-607	Simulcast Horse Racing Purse	17,737,546	16,569,596	16,139,335	16,563,948	16,000,000	(3.4)	16,000,000	.0
562	875-601	Thoroughbred Race Fund	3,672,045	2,884,194	2,678,733	3,216,622	3,100,000	(3.6)	3,100,000	.0
563	875-602	Standardbred Development Fund	2,538,565	2,539,510	2,585,459	3,161,675	2,600,000	(17.8)	2,600,000	.0
564	875-603	Quarterhorse Development Fund	0	0	2,000	2,000	1,000	(50.0)	1,000	.0
565	875-604	Racing Commission Operating	4,341,561	3,922,590	3,721,951	4,000,000	4,487,599	**	4,487,599	.0
TOTAL State Special Revenue Fund Group			**28,289,717**	**25,915,890**	**25,127,478**	**26,944,245**	**26,188,599**	**(2.8)**	**26,188,599**	**.0**
R21	875-605	Bond Reimbursements	167,600	162,400	164,200	212,900	212,900	.0	212,900	.0
TOTAL Holdng Acct Redist Fund Group			**167,600**	**162,400**	**164,200**	**212,900**	**212,900**	**.0**	**212,900**	**.0**
TOTAL Racing Commission			**28,457,317**	**26,078,290**	**25,291,678**	**27,157,145**	**26,401,499**	**(2.8)**	**26,401,499**	**.0**

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 has eleven members, with nine members appointed by the Governor and two ex-officio legislative members. Gubernatorial appointees 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, one stand-alone medical college, and 15 community colleges and eight technical colleges. The board has 85 full-time employees and two part-time employees, and oversees a total state budget of approximately $2.67 billion, with an annual budget for continuing operations of about $6.0 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.

Additional information regarding the Board of Regents is available at http://regents.ohio.gov/

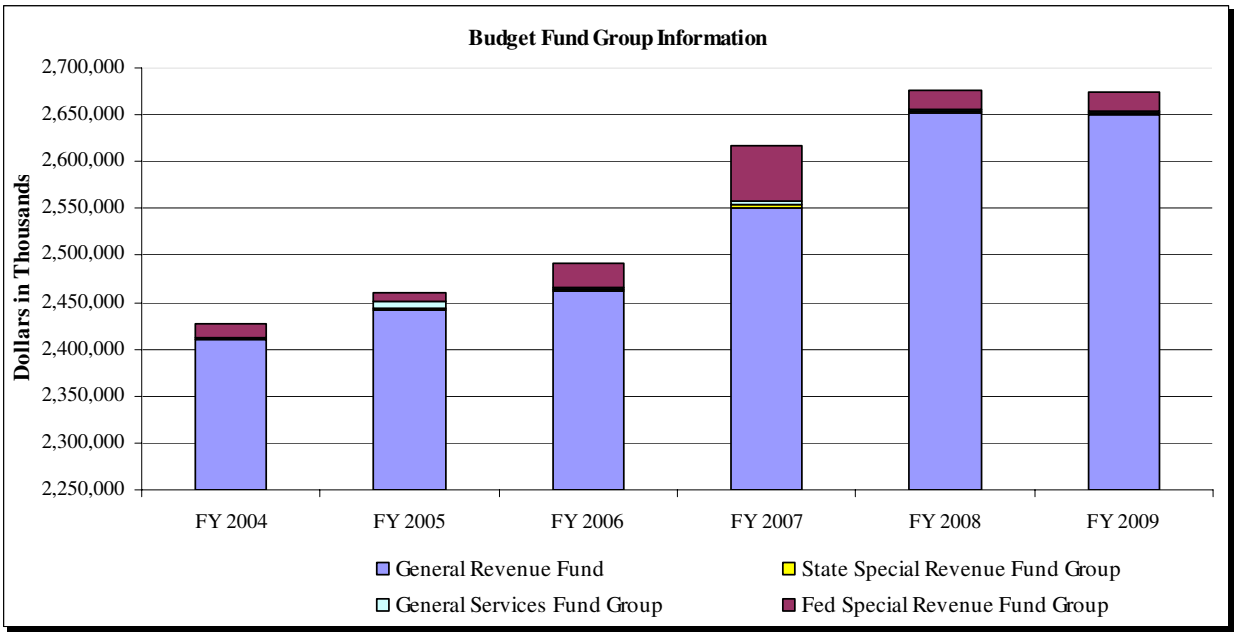
Turnaround Ohio Initiatives

- Create a Higher Education Compact by which the state and the higher education community will restrain tuition, increase efficiency, and adequately fund public colleges and universities.
- Dramatically increase the number of students in Ohio's colleges and universities by broadening access and ensuring that those who attend succeed and graduate with a degree that counts.
- Focus on Ohio's strengths by building on Ohio's regional economies and globally competitive industries, spurring small- and mid-size business growth, supporting emerging entrepreneurs in the urban core, fostering innovation and unleashing the potential of Ohio's great universities, and investing in next generation energy as a job source as well as a resource.
- Provide all Ohioans the opportunities to attain skills for high-quality jobs.
- Establish AccelerateOhio to provide low-cost, flexible entry points to higher education for workers.
- Create "truth in tuition" to enhance transparency in the tuitions and fees in higher education.
- Offer challenge grants to local Ohio College Access Network (OCAN) organizations to help leverage resources, establish new partnerships with education stakeholders ranging from middle school through postsecondary, and build capacity at the local level to facilitate strategic dialogue around what needs to happen in order to help more citizens achieve success.
- Continue support for current, as well as new, Early College High Schools from which students leave with both a high school diploma and either an Associate's degree or two years of college credit toward a Bachelor's degree.
- Produce teacher education graduates (both teachers and principals) who agree to work in "hard-to-staff" schools (i.e., schools with high rates of teacher turnover, high proportions of under-prepared teachers, and low rates of student achievement).

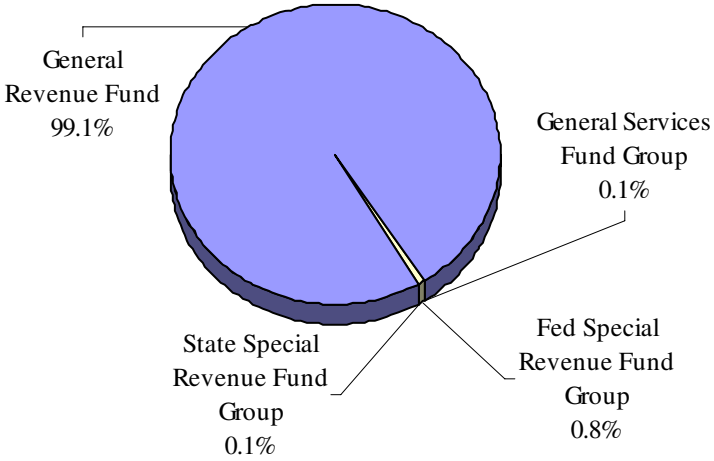
Agency Priorities

- Provide Ohio's colleges and universities with a reliable, adequate, and targeted base of state support to meet growing enrollment; science, technology, engineering, mathematics, and medicine ($STEM^2$); research; and workforce challenges.
- Help improve affordability for Ohio's college students by increasing state need-based aid through the continuous phase-in of the Ohio College Opportunity Grant and other means.
- Implement a breakthrough strategy to move adult Ohioans into higher education and advanced training.
- Maximize the effectiveness and efficiency of state investments through efforts to increase collaboration among campuses and sharing of best practices in academic and administrative operations, with a special emphasis on $STEM^2$ courses and programs.
- Increase investments in directed basic and applied research in areas of current strength that are likely to have short- and medium-term benefits for the Ohio economy as well as attract world-class senior scholars and academically talented graduate and undergraduate $STEM^2$ students.
- Provide support and resources to increase seamless articulation and transfer from high school through college.

Summary of Budget History and Recommendations

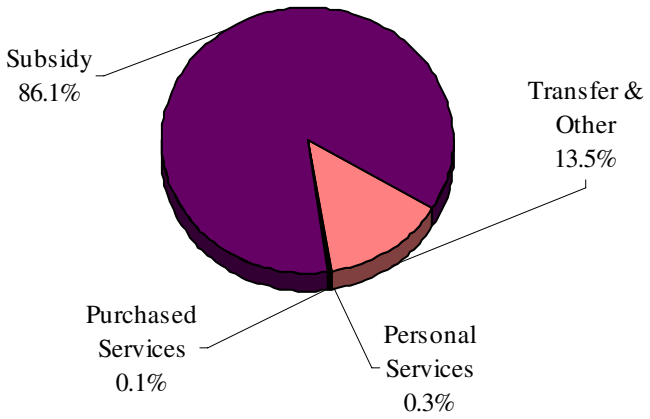


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	2,410,468	2,441,648	2,462,054	2,550,633	3.6	2,651,173	3.9	2,650,528	.0
General Services Fund Group	368	7,929	2,853	4,800	68.3	1,500	(68.8)	1,500	.0
Fed Special Revenue Fund Group	13,823	9,597	25,502	57,885	127.0	20,257	(65.0)	20,267	.0
State Special Revenue Fund Group	1,530	1,598	1,509	2,796	85.2	2,430	(13.1)	2,175	(10.5)
TOTAL	**2,426,190**	**2,460,771**	**2,491,917**	**2,616,114**	**5.0**	**2,675,360**	**2.3**	**2,674,470**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	6,455	6,150	7,036	9,904	40.8	8,281	(16.4)	8,178	(1.2)
Purchased Services	1,042	1,036	1,346	2,188	62.6	1,971	(9.9)	1,941	(1.5)
Maintenance	1,073	957	957	1,635	71.0	1,272	(22.2)	1,252	(1.5)
Equipment	235	376	660	223	(66.2)	267	19.4	265	(.7)
Subsidy	2,091,938	2,128,314	2,159,712	2,249,029	4.1	2,287,517	1.7	2,317,917	1.3
Transfer & Other	325,447	323,939	322,207	353,135	9.6	376,053	6.5	344,917	(8.3)
TOTAL	**2,426,190**	**2,460,771**	**2,491,917**	**2,616,114**	**5.0**	**2,675,360**	**2.3**	**2,674,470**	**.0**

PROGRAM SERIES 01: College and University Instructional Operations

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 is the state's major investment in students of all ages who are trying to improve their lives by obtaining a college degree. The State Share of Instruction (SSI) reduces tuition by offsetting the full cost of instruction for Ohio residents attending a public institution. This appropriation item currently supports more than 350,000 full-time equivalent (FTE) students and over 470,000 headcount enrolled at Ohio's public colleges or universities. SSI funds are distributed to campuses through a formula that is driven primarily by enrollments and average costs per FTE student by level of instruction.

The Higher Education Compact, a new component of the State Share of Instruction Program, is designed as an incentive for institutions of higher education to restrain tuition and increase savings through efficiency. Rather than increasing the State Share of Instruction line item each fiscal year, the increase will go to the Higher Education Compact and be reserved for those institutions that choose to participate. For those institutions participating in the compact, appropriations will be allocated in proportion to the State Share of Instruction allocation.

The Executive Recommendation will:

- Provide unrestricted funding directly to public institutions of higher education to partially support the total cost of instructional expenses for Ohio residents;
- Increase SSI funding by 5 percent in fiscal year 2008 and by 2 percent in fiscal year 2009 for institutions participating in the Higher Education Compact;
- Reduce the full cost of providing a college education to an estimated 351,651 full-time equivalent students in fiscal year 2008 and 353,607 (over 470,000 headcount) in fiscal year 2009;
- Provide for a funding guarantee for all campuses of 100 percent of prior fiscal year funding; and
- Implement the new funding formula.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-501	State Share of Instruction	1589,096,031	1589,096,031
GRF	GRF	235-568	Higher Ed Compact	79,454,801	112,825,818
TOTAL FOR PROGRAM				**1668,550,832**	**1701,921,849**

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 lease 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. Although the last lease rental bond sale for higher education projects was in fiscal year 2000, the state continues to pay down the debt associated with those issuances.

The Executive Recommendation will:

- Provide state funds to support debt service and lease rental payments at the state's 13 four-year universities, 24 regional campuses, one stand-alone medical college, 15 community and eight technical colleges; and
- Provide state funds for bonds sold in support of the Third Frontier Project, and numerous community projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-401	Lease Rental Payments	203,177,900	136,017,500
GRF	GRF	235-909	Higher Edu GO Debt Service	172,722,400	208,747,200
TOTAL FOR PROGRAM				**375,900,300**	**344,764,700**

Program 02.02: Capital Component

This program supports the Board of Regents' capital funding policy, established in 1996, 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's share of available capital appropriations on the basis of the volume of educational activity and the age of campus academic facilities. Institutions may request funding that is either above, at, 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 pay for the overage by a commensurate reduction in their State Share of Instruction allocation.

The Executive Recommendation will:

- Fund incentives for public colleges and universities to make sound choices when making capital-related requests; and
- Support an incentive provided to campuses that make capital requests below their formula-determined allocation. These campuses receive funding in the operating budget that may be used for capital-related purposes.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-552	Capital Component	19,306,442	19,306,442
TOTAL FOR PROGRAM				**19,306,442**	**19,306,442**

Program 02.03: Higher Education Facility Commission Administration

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 and certain hospitals 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.

The Executive Recommendation will:

- Provide funding to defray the costs associated with hosting meetings of the HEFC and provide logistical and operational support; and
- Support one full-time staff person dedicated to HEFC operations in fiscal years 2008 and 2009.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
SSR	4E8	235-602	Higher Ed Facility Comm Admin	50,000	45,000
TOTAL FOR PROGRAM				**50,000**	**45,000**

PROGRAM SERIES 03: Pre-Kindergarten through Sixteen 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 provides funds to expand the early college high school initiative, which will also receive funding through the Ohio Department of Education to encourage continued collaboration.

The Executive Recommendation will:

- Support early assessment testing and promote collaboration between primary/secondary education and higher education;
- Increase funding for the Ohio College Access Network (OCAN) by providing additional state funds for a new Challenge Grant Program;
- Support funding for college readiness efforts in cooperation with institutions of higher education such as the Ohio Appalachian Center for Higher Education (OACHE); and
- Support the expansion of the Early College High School Program with an additional $750,000 per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-434	College Readiness & Access	12,655,425	12,655,425
FED	312	235-609	Tech Prep	183,850	183,850
FED	312	235-611	Gear-Up Grant	3,300,000	3,300,000
SSR	5DT	235-627	American Diploma Project	250,000	0
TOTAL FOR PROGRAM				**16,389,275**	**16,139,275**

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 Ohio Math & Science Coalition and the Resource Center located at The 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.

The Executive Recommendation will:

- Fund programs which provide in-service and pre-service professional development for math and science teachers;
- Provide funding to support the Teacher Quality Partnership Study in conjunction with the Department of Education; and
- Increase funding to implement programs that support the OhioCore, including funding signing bonuses and forgivable loans for teachers in STEM fields that commit to work in "hard to staff" schools for five years.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-435	Teacher Improvement Initiatives	4,697,506	11,197,506
FED	3BG	235-626	Star Schools	2,980,865	2,990,746
FED	312	235-617	Improving Teacher Quality Grnt	3,200,000	3,200,000
FED	312	235-621	Science Education Network	1,686,970	1,686,970
TOTAL FOR PROGRAM				**12,565,341**	**19,075,222**

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. This grant is being phased-out through fiscal year 2010 and replaced by the Ohio College Opportunity Grant (OCOG), which considers family assets, student income, number of family members in college, and age of the parents in determining grant awards. Additionally, the program sets 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 284 percent. Maximum Ohio College Opportunity Grant awards to students attending private schools will be $4992, twice the maximum award for students attending public institutions. The new OCOG program aligns the state measure of need with the federal Pell Grant Program, maximizing tuition buying ability and making it easier for students and families to apply for state aid.

The Executive Recommendation will:

- Continue the third and fourth years of implementation of the Ohio College Opportunity Grant (OCOG);
- Defray college expenses for an estimated 100,000 low-income students;
- Eliminate funding for new students enrolled in for-profit institutions that have not been formally authorized by the Board of Regents; and
- Accelerate the phase out of the Part-Time Student Grant Program by eliminating funding entirely after fiscal year 2007.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-503	Ohio Instructional Grants	42,533,966	18,315,568
GRF	GRF	235-563	Ohio College Opportunity Grant	139,974,954	151,113,781
TOTAL FOR PROGRAM				**182,508,920**	**169,429,349**

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 need-based financial aid and are awarded to the neediest students on the same basis as the Ohio Instructional Grant Program. Funds from this program are transferable to implement the new need-based financial aid program.

The Executive Recommendation will:

- Enable Ohio to take full advantage of this important source of federal funds for low-income students; and
- Provide grants of varying amounts to Ohio's low-income students.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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, Cleveland 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.

The Executive Recommendation will:

- Support access campuses efforts to keep tuition low, making higher education more affordable;
- Provide a 2 percent increase in funding; and
- Restore the Central State University Supplement to the amount prescribed by the Speed to Scale Plan, helping the university reach its goals of increased enrollment and graduation rates.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-418	Access Challenge	78,342,183	78,694,875
GRF	GRF	235-509	Women in Transition	200,000	200,000
TOTAL FOR PROGRAM				**78,542,183**	**78,894,875**

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.

The Executive Recommendation will:

- Provide special funding in recognition of the unique missions of Central State University and Shawnee State University; and
- Provide $8.2 million of investment funding for the Central State Speed to Scale Plan.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-520	Shawnee State Supplement	2,502,323	2,577,393
GRF	GRF	235-567	Central State Speed to Scale	4,400,000	3,800,000
TOTAL FOR PROGRAM				**6,902,323**	**6,377,393**

Program 04.05: War Orphan 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.

The Executive Recommendation will:

- Provide payment of all instructional and general fees for undergraduate study at state-assisted colleges and universities, and
- Support grants for students attending a private institution in Ohio.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-504	War Orphans Scholarships	4,812,321	4,812,321
TOTAL FOR PROGRAM				**4,812,321**	**4,812,321**

Program 04.06: State Grants and 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, Ohio Student Choice Grant, Ohio Academic Scholarship, Ohio War Orphans' Scholarship, the new Ohio College Opportunity Grant, Nurse Education Assistance Loan Program, 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, the Physicians Loan Repayment Program, and the Ohio Dentist Loan Repayment Program.

The Executive Recommendation will:

- Support the management and administration of the state's need-based and merit-based financial aid programs, including certain loan programs supported by the federal government; and
- Support audit of financial aid records and reconciliation and recovery of overpayment of financial aid payments made to eligible institutions of higher education.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-414	State Grnt & Scholarship Admin	1,707,881	1,707,881
TOTAL FOR PROGRAM				**1,707,881**	**1,707,881**

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.

The Executive Recommendation will:

- Offset a portion of the expenses many campuses must make to serve disabled students; and
- Support student services such as tutoring, note-taking, reading, attendant care, direct administration of such programs, and transportation services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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 narrows the tuition gap between the state's public and private nonprofit colleges and universities for lower income students. The grants are provided to all full-time students who qualify for the Ohio College Opportunity Grant and attend a private non-profit, four-year college or university in Ohio. Eligibility for grants is limited to ten semesters, 15 quarters, or the equivalent of five academic years.

The Executive Recommendation will:

- Provide supplemental need-based grants to resident students attending non-profit, private colleges and universities in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-531	Student Choice Grants	17,985,376	17,985,376
TOTAL FOR PROGRAM				**17,985,376**	**17,985,376**

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 must submit plans to the Ohio Board of Regents describing their efforts to serve at-risk students. The campus plans are expected to serve as the basis for the identification of best practices in the areas of timely and successful baccalaureate degree completion for at-risk students.

The Executive Recommendation will:

- Increase funding for this program by 2 percent; and
- Help more undergraduates at Ohio's 13 public university main campuses obtain their degrees in a timely manner, and help more at-risk students achieve their degrees with mentoring, tutoring, academic advising, and financial aid advising services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-420	Success Challenge	53,653,973	53,653,973
TOTAL FOR PROGRAM				**53,653,973**	**53,653,973**

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.

The Executive Recommendation will:

- Fund merit-based scholarships to at least one student from each participating high school in the state that applies; and
- Provide incentives for Ohio's top graduating high school seniors to pursue higher education in the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-518	Capitol Scholarship Program	125,000	125,000
GRF	GRF	235-530	State Academic Scholarships	7,800,000	7,800,000
TOTAL FOR PROGRAM				**7,925,000**	**7,925,000**

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

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 The 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.

The Executive Recommendation will:

- Increase funding for the program by 2 percent;
- Assist the Center with its hundreds of agricultural research projects; and
- Provide technology and scientific infrastructure to attract the nation's top researchers and help leverage external research funding.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-535	Ohio Research & Dev Ctr	36,674,292	36,674,292
TOTAL FOR PROGRAM				**36,674,292**	**36,674,292**

Program 06.02: Economic Growth Challenge

The Economic Growth Challenge is intended to 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. Funds are allocated to the eligible 13 state-assisted universities, one stand-alone medical school, and two independent universities. The program has three components: Research Incentive, Innovation Incentive, and Technology Commercialization Incentive. Research Incentive allocations are based on each institution's share of qualifying non-state-funded research. Those institutions with larger shares of external funding from federal agencies and industrial sponsors receive larger shares of Research Incentive funding. Innovation Incentive funding is 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 goal of the program is to transfer 15 percent of the doctoral set-aside to support this program in the future. Technology Commercialization Incentive makes competitive grant awards to reward colleges and universities for successful technology transfer that results in commercialization of new products, job creation, and company expansion in Ohio.

The Executive Recommendation will:

- Increase total funding for the Research Incentive from $18 million in fiscal year 2007 to $30 million in fiscal year 2008 through the addition of Third Frontier Bond proceeds;
- Support the Research Incentive for Ohio's research universities to undertake ambitious and promising research endeavors;
- Provide funding through Research Incentive, formerly called Research Challenge, to leverage an estimated $600 million in research and development investments over the biennium from external sources;

- Fund and induce public colleges and universities to enhance doctoral programs identified as economic priorities of the state;
- Support 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
- Provide funding to support staff at the Board of Regents to administer and manage the program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-433	Economic Growth Challenge	17,186,194	17,186,194
TOTAL FOR PROGRAM				**17,186,194**	**17,186,194**

Program 06.03: Ohio Supercomputer Center

This program supports the operations of the Ohio Supercomputer Center (OSC), one of the nation's leading supercomputer centers, located at The Ohio State University. The center is a statewide high-performance 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.

The Executive Recommendation will:

- Support the OSC initiatives that provide critically-needed advanced supercomputing services to business, industry, government, and academia;
- Support the Ralph Regula School for Computation; and
- Begin the early phases of the Blue Collar Computing initiative, high performance computing (HPC) for industries that do not currently have the time, money or expertise to invest in HPC resources.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-510	Ohio Supercomputer Center	4,271,195	4,271,195
TOTAL FOR PROGRAM				**4,271,195**	**4,271,195**

Program 06.04: Eminent Scholars

This program supports an investment in educational resources that addresses 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 Executive Recommendation will:

- Provide support for up to two Eminent Scholars in fiscal year 2009.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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

This program supports scholarships and fellowships for graduate-level engineering students at five Ohio institutions: the University of Dayton, Wright State University, the Air Force Institute of Technology, The 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.

The Executive Recommendation will:

- Provide for continuation of the scholarship and fellowship programs in engineering and logistics at the participating universities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-553	Dayton Area Grad Studies Inst.	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 doctoral-level computer science programs 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, the support of academically talented doctoral students, and the acquisition of specialized computational equipment.

The Executive Recommendation will:

- Support the recruitment of new faculty and graduate students, and the improvement of equipment, in selected computer-science programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-554	Priorities in Colla Grad Education	2,355,548	2,355,548
TOTAL FOR PROGRAM				**2,355,548**	**2,355,548**

Program 06.07: Air Force Institute of Technology

This program, located at Wright State University, provides graduate-level education in logistics and engineering, as well as support for research efforts, for U.S. Air Force personnel assigned to the Wright-Patterson Air Force base. 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.

The Executive Recommendation will:

- Continue to support research conducted by participating public and private research universities in conjunction with the Air Force Institute of Technology.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-508	Air Force Institute of Tech	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 Glenn 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 training in the engineering disciplines related to aeronautical and space studies and the commercialization of related technologies.

The Executive Recommendation will:

- Support a portion of the Institute's operational expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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: OSU Highway Transportation Research

This program is a collaborative effort between the Honda Corporation and The 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.

The Executive Recommendation will:

- Support program operations with revenues from the endowment fund.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	649	235-607	OSU Highwy/Trnsportation Rsrch	760,000	760,000
TOTAL FOR PROGRAM				**760,000**	**760,000**

PROGRAM SERIES 07: Workforce and 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

This program is operated by The 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.

The Executive Recommendation will:

- Continue to support the Extension's services throughout the state's 88 counties.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 public two-year community and technical colleges and university branch campus of the EnterpriseOhio Network. The program improves 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.

The Executive Recommendation will:

- Provide affordable employer access to non-credit training to improve the competitiveness of Ohio's companies;
- Provide training to an estimated 125,000 – 150,000 employees; and
- Support economic development goals through employee training, employer partnership, and engagement with participating institutions of higher education.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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

This program supports Ohio's public two-year community and technical colleges and university branch campuses working together as the EnterpriseOhio Network to more effectively and efficiently deliver assessment and training services to Ohio employers and their workers. This is accomplished when the Network campuses exchange best operational practices, share trainers and training resources, use the Network buying power to purchase high demand training materials, access operational technical assistance, and participate in the training available to keep the skills of their trainers up to date.

The Executive Recommendation will:

- Support multi-campus collaboration in direct support of Workforce Training; and
- Support staff at the Board of Regents to manage and administer the programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-436	Accelerate Ohio	2,500,000	5,000,000
GRF	GRF	235-455	EnterpriseOhio Network	1,373,941	1,373,941
TOTAL FOR PROGRAM				**3,873,941**	**6,373,941**

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.

The Executive Recommendation will:

- Fund the Partnership's consultation services offered to businesses and other organizations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-428	Appalachian New Econ Partner	1,176,068	1,176,068
TOTAL FOR PROGRAM				**1,176,068**	**1,176,068**

Program 07.05: Sea Grants

This program is located at The 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, educational, and economic issues such as erosion and fishing in the Great Lakes.

The Executive Recommendation will:

- Provide a direct subsidy to The Ohio State University to support research efforts on Lake Erie.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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.

The Executive Recommendation will:

- Assist the BGSU program's work in student education, business engagement, and research.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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.

The Executive Recommendation will:

- Support the administration of the program, including technical assistance, program monitoring, data collection and reporting, and campus grant funding calculations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	312	235-612	Carl D. Perkins Grnt/Plan Adm	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

OhioLINK is a nationally recognized program 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 low-cost and easy 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.

The Executive Recommendation will:

- Provide funding to support instruction and research by students and faculty in private and public institutions of higher education throughout the state through access to high-quality, low-cost, electronic library materials;
- Support access to more than 100 research databases, thousands of scholarly journals and educational videos, and tens of thousands of E-books for students, professors, researchers, and administrators throughout the state; and
- Leverage 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 2008	RECOMMENDED FY 2009
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.

The Executive Recommendation will:

- Provide access to low-cost, online tutoring services, hundreds of degrees, and thousands of courses to Ohioans through distance education; and
- Help coordinate statewide purchases of tutoring software and course management software at significant savings to the state and institutions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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, The 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.

The Executive Recommendation will:

- Fund high-density storage and distribution of rarely used library materials at the state's five regional depositories to campuses throughout the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-555	Library Depositories Operation	1,696,458	1,696,458
TOTAL FOR PROGRAM				**1,696,458**	**1,696,458**

Program 08.04: Ohio Academic Resources Network

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, and facilitate collaborative research.

The Executive Recommendation will:

- Provide access to the Third Frontier Network to participating colleges and universities statewide; and
- Support the operation of the one of the nation's most comprehensive fiber-optic networks.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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 and 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.

The Executive Recommendation will:

- Fund the continuing development of a statewide system that will enable more Ohioans to transfer coursework credit effortlessly among Ohio's state-assisted institutions of higher education in order to achieve their academic goals at the lowest possible cost; and
- Support staff 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 2008	RECOMMENDED FY 2009
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.

The Executive Recommendation will:

- Provide for Ohio's annual membership dues in the Compact for the next two fiscal years.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-408	Midwest Higher Ed Compact	95,000	95,000
TOTAL FOR PROGRAM				**95,000**	**95,000**

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.

The Executive Recommendation will:

- Fund public service and research programs which assist urban areas in strengthening their management, administration, and economic base.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-547	School of Internat'l Business	450,000	450,000
GRF	GRF	235-583	Urban Universities Prgm	5,550,937	5,550,937
TOTAL FOR PROGRAM				**6,000,937**	**6,000,937**

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.

The Executive Recommendation will:

- Fund public service and research programs which assist rural areas in strengthening their management, administration, and economic bases.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-587	Rural Universities Project	1,147,889	1,147,889
TOTAL FOR PROGRAM				**1,147,889**	**1,147,889**

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.

The Executive Recommendation will:

- Increase state support to functions of the Center as they relate to regional policy issues and course development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-513	Ohio Univ Voinovich Ctr	669,082	669,082
TOTAL FOR PROGRAM				**669,082**	**669,082**

Program 09.04: The 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 The 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.

The Executive Recommendation will:

- Increase state support to functions of the Institute as they relate to policy research, course development, and public service.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-521	Ohio St Univ Glenn Institute	619,082	619,082
TOTAL FOR PROGRAM				**619,082**	**619,082**

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.

The Executive Recommendation will:

- Provide supplemental health and safety funding to municipalities that are heavily impacted by the influx of college students at nearby state colleges and universities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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

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.

The Executive Recommendation will:

- Support specialized training costs incurred to ensure that first-responders are prepared for emergencies involving hazardous materials.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-596	Hazardous Materials Program	360,435	360,435
TOTAL FOR PROGRAM				**360,435**	**360,435**

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.

The Executive Recommendation will:

- Support the state's obligation to provide scholarship support to members of the Ohio National Guard.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-599	Ntl Guard Scholarship Program	16,611,063	16,611,063
TOTAL FOR PROGRAM				**16,611,063**	**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.

The Executive Recommendation will:

- Support basic and applied research at the Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-558	Long-Term Care Research	211,047	211,047
TOTAL FOR PROGRAM				**211,047**	**211,047**

Program 11.02: Physician Loan Repayment

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.

The Executive Recommendation will:

- Support the repayment of student loans made to 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 2008	RECOMMENDED FY 2009
SSR	4P4	235-604	Physician Loan Repayment Prgm	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.

The Executive Recommendation will:

- Support participating students in their efforts to complete nursing education; and
- Support the administration of the program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	682	235-606	Nursing Loan Program	893,000	893,000
TOTAL FOR PROGRAM				**893,000**	**893,000**

Program 11.04: National Health Service Corp 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.

The Executive Recommendation will:

- Support the Loan Repayment Program and encourage health professionals to provide critical services in underserved geographical areas of the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3T0	235-610	NHSC Ohio Loan Repayment	250,000	250,000
TOTAL FOR PROGRAM				**250,000**	**250,000**

Program 11.05: Medicaid Technical and 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.

The Executive Recommendation will:

- Support campus research efforts to help improve the state's Medicaid program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3H2	235-608	Applied Health Svc Research	3,000,000	3,000,000
TOTAL FOR PROGRAM				**3,000,000**	**3,000,000**

Program 11.06: Family Practice and 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.

The Executive Recommendation will:

- Support family practice residencies and instructional costs at public and private medical colleges throughout the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	235-519	Family Practice	4,548,470	4,548,470
GRF	GRF	235-526	Primary Care Residencies	2,245,688	2,245,688
TOTAL FOR PROGRAM				**6,794,158**	**6,794,158**

Program 11.07: The Ohio State University Clinic Support

This program supports the clinical portions of the colleges of dentistry and veterinary medicine at The Ohio State University. The clinics provide practical education to dentistry and veterinary medicine students, as well as to dental hygiene students.

The Executive Recommendation will:

- Support 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 2008	RECOMMENDED FY 2009
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. In return the Case medical school has implemented a clinical teaching outreach program to better serve Cuyahoga County residents and improve the clinical experience of medical students.

The Executive Recommendation will:

- Support the special state supplement to the medical school in return for the development and implementation of the clinic outreach program in Cuyahoga County.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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 is comprised of the six individual appropriation lines 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, The Ohio State University, the University of Toledo, 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 respective clinical teaching support line items will earmark amounts to each of the six eligible medical colleges at levels equal to their proportionate share of the fiscal year 2007 appropriation. If funds for the clinical teaching program exceed fiscal year 2007 levels, each medical school will receive base support equal to their fiscal year 2007 appropriation with additional funding distributed based on their respective share of the state's total medical student FTEs.

The Executive Recommendation will:

- Support the cost of providing valuable clinical teaching and related learning experiences to students of Ohio's state-assisted colleges of medicine.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-536	OSU Clinical Teaching	13,565,885	13,565,885
GRF	GRF	235-537	UCN Clinical Teaching	11,157,756	11,157,756
GRF	GRF	235-538	MCO Clinical Teaching	8,696,866	8,696,866
GRF	GRF	235-539	WSU Clinical Teaching	4,225,107	4,225,107
GRF	GRF	235-540	OHU Clinical Teaching	4,084,540	4,084,540
GRF	GRF	235-541	NEO Clinical Teaching	4,200,945	4,200,945
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.

The Executive Recommendation will:

- Fund health care services in healthcare professional shortage areas of the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-474	AHEC 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 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.

The Executive Recommendation will:

- Support geriatric medicine programs at Ohio's medical schools.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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.

The Executive Recommendation will:

- Provide 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 2008	RECOMMENDED FY 2009
FED	3H2	235-622	Medical Collaboration Network	3,346,144	3,346,144
TOTAL FOR PROGRAM				**3,346,144**	**3,346,144**

PROGRAM SERIES 12: Planning and 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.

The Executive Recommendation will:

- Support the Board of Regents staff, who are responsible for providing policy and budgetary advice and guidance to Ohio's state-assisted colleges and universities, the General Assembly, and the Governor.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-321	Operating Expenses	3,141,351	3,141,351
GSF	456	235-603	Service & Publication Fees	700,000	700,000
TOTAL FOR PROGRAM				**3,841,351**	**3,841,351**

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.

The Executive Recommendation will:

- Support the Regents staff who are responsible to administer and improve the Higher Education Information system, and
- Fund the purchase of needed equipment and supplies used to maintain the system and services provided.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	235-409	Information System	1,175,172	1,175,172
TOTAL FOR PROGRAM				**1,175,172**	**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. Funds to operate this program come exclusively from fees campuses pay for the services of the consultants.

The Executive Recommendation will:

- Cover the costs associated with program approval and authorization, a responsibility of the Board of Regents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	220	235-614	Academic Pgm Approv & Reauthor	800,000	800,000
TOTAL FOR PROGRAM				**800,000**	**800,000**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line 235-503, Ohio Instructional Grants, is phased-out through fiscal year 2010 and replaced by 235-563, Ohio College Opportunity Grant, to increase grant eligibility and maximum awards.

To illustrate changes in funding levels due to this restructuring, estimated spending in the following table is converted from the current, split line-item structure to the fully merged line item structure effective in fiscal year 2010.

			Estimated	Recommended			
Fund	ALI	ALI Title	FY 2007	FY 2008	% Change	FY 2009	% Change
GRF	235-503	Ohio Instructional Grant	-	-	-	-	-
GRF	235-563	Ohio College Opportunity Grant	150,641,108	182,508,920	21.2%	169,429,349	-7.2%

Line Item Notes

235-401, Lease Rental Payments: This line item is reduced by $67 million from fiscal year 2008 to fiscal year 2009 because the state no longer issues this type of debt and a large portion will be retired prior to fiscal year 2009. Rather than issuing lease rental debt, the state now issues higher education general obligation debt. As a result, while lease rental payments are declining, line item 235-909, Higher Education General Obligation Debt Service, is increasing. When the two line items are combined, there remains a reduction in total debt service because of the timing of refunding issues.

235-433, Economic Growth Challenge: Additional funding for the Research Incentive earmark within the Economic Growth Challenge will come from the Department of Development.

235-435, Teacher Improvement Initiatives: Funding for this line item is increased $6.5 million for fiscal year 2009 to begin the STEM teacher loan forgiveness and STEM teacher signing bonus initiatives.

235-436, AccelerateOhio: This new line item has been created to provide low-cost, flexible points of entry to higher education for workers.

235-531, Student Choice Grants: Funding is reduced for this line item because the grants, previously available to all Ohio resident students attending private, non-profit colleges and universities, are being limited to those students demonstrating financial need.

235-534, Student Workforce Development Grants: This program funding students attending private, for-profit, career schools not authorized by the Board of Regents is eliminated.

235-543, Ohio College of Podiatric Medicine Subsidy: This line item, a subsidy to a private college of podiatric medicine, has been eliminated.

235-549, Part-time Student Instructional Grants: The phase-out of this line item, originally scheduled through 2010, has been accelerated. The line item is discontinued, and new students will be eligible for the Ohio College Opportunity Grant (235-563).

235-567, Central State Speed to Scale: This new line item has been created as an investment to help Central State University increase its enrollment and improve graduation and retention rates.

235-568, Higher Ed Compact: This new line item is part of a compact between the state and institutions of higher education. The compact will require institutions to restrain tuition and realize efficiency savings in order to access the appropriations in this line item. For those campuses that participate, the allocation of appropriations will follow the proportions of the State Share of Instruction (235-501).

LINE ITEM SUMMARY - Board of Regents

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	235-321	Operating Expenses	3,320,303	2,700,210	2,843,500	3,141,351	3,141,351	.0	3,141,351	.0
GRF	235-401	Lease Rental Payments	246,044,911	215,895,522	200,013,593	200,795,300	203,177,900	1.2	136,017,500	(33.1)
GRF	235-402	Sea Grants	263,899	257,694	231,925	231,925	231,925	.0	231,925	.0
GRF	235-403	Math/Science Teaching Improvements	1,680,454	1,608,161	36,390	0	0	.0	0	.0
GRF	235-404	College Readiness Initiatives	2,963,237	2,733,884	456,327	0	0	.0	0	.0
GRF	235-406	Articulation & Transfer	640,122	751,134	1,740,536	2,900,000	2,900,000	.0	2,900,000	.0
GRF	235-408	Midwest Higher Ed Compact	82,500	82,500	90,000	90,000	95,000	5.6	95,000	.0
GRF	235-409	Information System	1,028,634	1,221,315	1,111,302	1,175,172	1,175,172	.0	1,175,172	.0
GRF	235-414	State Grnt & Scholarship Admin	1,129,867	1,171,761	1,794,576	1,707,881	1,707,881	.0	1,707,881	.0
GRF	235-415	Jobs Challenge	9,348,300	9,296,021	9,400,579	9,348,300	9,348,300	.0	9,348,300	.0
GRF	235-417	Ohio Learning Network	3,276,524	3,119,496	3,119,496	3,119,496	3,119,496	.0	3,119,496	.0
GRF	235-418	Access Challenge	64,726,452	63,336,674	73,496,070	74,754,671	78,342,183	4.8	78,694,875	.5
GRF	235-420	Success Challenge	48,977,515	52,598,671	52,558,447	52,601,934	53,653,973	2.0	53,653,973	.0
GRF	235-428	Appalachian New Econ Partner	1,132,697	1,076,068	1,176,068	1,176,068	1,176,068	.0	1,176,068	.0
GRF	235-433	Economic Growth Challenge	0	0	20,332,567	23,186,194	17,186,194	(25.9)	17,186,194	.0
GRF	235-434	College Readiness & Access	0	0	5,966,723	7,655,425	12,655,425	65.3	12,655,425	.0
GRF	235-435	Teacher Improvement Initiatives	0	0	2,233,093	2,697,506	4,697,506	74.1	11,197,506	138.4
GRF	235-436	Accelerate Ohio	0	0	0	0	2,500,000	.0	5,000,000	100.0
GRF	235-451	Eminent Scholars	0	1,462,500	0	1,370,988	0	(100.0)	1,370,988	.0
GRF	235-454	Research Challenge	17,540,564	16,992,798	95,512	0	0	.0	0	.0
GRF	235-455	EnterpriseOhio Network	1,445,052	1,367,876	1,373,321	1,373,941	1,373,941	.0	1,373,941	.0
GRF	235-474	AHEC Program Support	1,653,337	1,571,756	1,571,756	1,571,756	1,571,756	.0	1,571,756	.0
GRF	235-477	Access Improvement Projects	1,021,923	1,011,495	1,044	0	0	.0	0	.0
GRF	235-501	State Share of Instruction	1533,822,863	1558,729,618	1558,846,889	1589,096,031	1589,096,031	.0	1589,096,031	.0
GRF	235-502	Student Support Services	0	1,631,638	795,790	795,790	795,790	.0	795,790	.0
GRF	235-503	Ohio Instructional Grants	111,966,303	114,861,803	138,030,470	92,496,969	42,533,966	**	18,315,568	(56.9)
GRF	235-504	War Orphans Scholarships	3,832,679	4,159,256	4,282,366	4,672,321	4,812,321	3.0	4,812,321	.0
GRF	235-507	OhioLINK	6,887,824	6,887,824	6,887,824	6,887,824	6,887,824	.0	6,887,824	.0
GRF	235-508	Air Force Institute of Tech	2,012,662	1,925,345	1,925,345	1,925,345	1,925,345	.0	1,925,345	.0
GRF	235-509	Displaced Homemakers	196,670	187,245	0	0	200,000	.0	200,000	.0
GRF	235-510	Ohio Supercomputer Center	4,124,303	4,021,195	4,271,195	4,271,195	4,271,195	.0	4,271,195	.0
GRF	235-511	Cooperative Extension Service	24,619,068	25,644,863	25,644,863	25,644,863	25,644,863	.0	25,644,863	.0
GRF	235-513	Ohio Univ Voinovich Ctr	299,498	286,082	336,082	336,082	669,082	99.1	669,082	.0
GRF	235-514	Central State Supplement	11,039,203	10,708,027	0	0	0	.0	0	.0
GRF	235-515	CWRU School of Medicine	3,171,468	3,011,271	3,011,271	3,011,271	3,011,271	.0	3,011,271	.0
GRF	235-518	Capitol Scholarship Program	103,600	268,600	122,400	125,000	125,000	.0	125,000	.0
GRF	235-519	Family Practice	5,308,255	5,053,855	4,548,470	4,548,470	4,548,470	.0	4,548,470	.0
GRF	235-520	Shawnee State Supplement	2,082,289	2,019,820	1,918,830	2,056,986	2,502,323	21.7	2,577,393	3.0
GRF	235-521	Ohio St Univ Glenn Institute	299,498	286,082	286,082	286,082	619,082	116.4	619,082	.0
GRF	235-524	Police and Fire Protection	200,684	191,066	171,959	171,959	171,959	.0	171,959	.0
GRF	235-525	Geriatric Medicine	787,868	750,110	750,110	750,110	750,110	.0	750,110	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Board of Regents

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	235-526	Primary Care Residencies	2,620,812	2,495,209	2,245,688	2,245,688	2,245,688	.0	2,245,688	.0
GRF	235-527	Ohio Aerospace Institute	1,856,263	1,764,957	1,764,957	1,764,957	1,764,957	.0	1,764,957	.0
GRF	235-530	State Academic Scholarships	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	.0	7,800,000	.0
GRF	235-531	Student Choice Grants	51,180,029	52,310,740	47,606,916	52,985,376	17,985,376	(66.1)	17,985,376	.0
GRF	235-534	Student Workforce Dev Grnts	1,751,652	1,333,657	3,041,352	2,137,500	0	(100.0)	0	.0
GRF	235-535	Ohio Research & Dev Ctr	34,396,980	35,830,188	35,955,188	35,955,188	36,674,292	2.0	36,674,292	.0
GRF	235-536	OSU Clinical Teaching	13,565,885	13,565,885	13,565,885	13,565,885	13,565,885	.0	13,565,885	.0
GRF	235-537	UCN Clinical Teaching	11,157,756	11,157,756	11,157,756	11,157,756	11,157,756	.0	11,157,756	.0
GRF	235-538	MCO Clinical Teaching	8,696,866	8,696,866	8,696,866	8,696,866	8,696,866	.0	8,696,866	.0
GRF	235-539	WSU Clinical Teaching	4,225,107	4,225,107	4,225,107	4,225,107	4,225,107	.0	4,225,107	.0
GRF	235-540	OHU Clinical Teaching	4,084,540	4,084,540	4,084,540	4,084,540	4,084,540	.0	4,084,540	.0
GRF	235-541	NEO Clinical Teaching	4,200,945	4,200,945	4,200,945	4,200,945	4,200,945	.0	4,200,945	.0
GRF	235-543	OCPM Clinical Subsidy	407,072	397,500	250,000	250,000	0	(100.0)	0	.0
GRF	235-547	School of Internat'l Business	1,214,027	1,155,844	450,000	450,000	450,000	.0	450,000	.0
GRF	235-549	Pt Students Instructl Grnts	13,957,773	13,857,852	12,730,872	10,534,617	0	(100.0)	0	.0
GRF	235-552	Capital Component	19,078,350	19,078,349	19,309,008	19,059,866	19,306,442	1.3	19,306,442	.0
GRF	235-553	Dayton Area Grad Studies Inst.	2,951,568	2,806,598	2,806,599	2,806,599	2,806,599	.0	2,806,599	.0
GRF	235-554	Priorities in Colla Grad Education	2,474,121	2,355,548	2,355,548	2,355,548	2,355,548	.0	2,355,548	.0
GRF	235-555	Library Depositories Operation	1,739,958	1,696,458	1,696,458	1,696,458	1,696,458	.0	1,696,458	.0
GRF	235-556	Ohio Academic Resource Network	3,583,869	3,727,223	3,727,223	3,727,223	3,727,223	.0	3,727,223	.0
GRF	235-558	Long-Term Care Research	221,670	211,047	211,047	211,047	211,047	.0	211,047	.0
GRF	235-561	BGSU Canadian Studies Center	116,723	111,128	100,015	100,015	100,015	.0	100,015	.0
GRF	235-563	Ohio College Opportunity Grant	0	0	0	58,144,139	139,974,954	**	151,113,781	8.0
GRF	235-567	Central State Speed to Scale	0	0	0	0	4,400,000	.0	3,800,000	(13.6)
GRF	235-568	Higher Ed Compact	0	0	0	0	79,454,801	.0	112,825,818	42.0
GRF	235-572	OSU Clinic Support	1,344,378	1,277,019	1,277,019	1,277,019	1,277,019	.0	1,277,019	.0
GRF	235-583	Urban Universities Prgm	5,464,547	5,206,009	4,992,937	4,992,937	5,550,937	11.2	5,550,937	.0
GRF	235-585	Ohio University Innovation Ctr	39,932	38,018	0	0	0	.0	0	.0
GRF	235-587	Rural Universities Project	1,175,530	1,147,889	1,147,889	1,147,889	1,147,889	.0	1,147,889	.0
GRF	235-588	Resource Ctr - Math/Science/Reading	853,262	399,935	399,936	0	0	.0	0	.0
GRF	235-595	Internat'l Ctr Water Resources	131,858	125,538	0	0	0	.0	0	.0
GRF	235-596	Hazardous Materials Program	326,061	310,435	360,435	360,435	360,435	.0	360,435	.0
GRF	235-599	Ntl Guard Scholarship Program	13,516,935	13,497,128	16,351,109	16,611,063	16,611,063	.0	16,611,063	.0
GRF	235-909	Higher Edu GO Debt Service	79,302,978	107,903,507	118,069,455	152,114,100	172,722,400	13.5	208,747,200	20.9
TOTAL General Revenue Fund			**2410,468,473**	**2441,648,111**	**2462,053,521**	**2550,632,969**	**2651,172,945**	**3.9**	**2650,527,541**	**.0**
220	235-614	Academic Pgm Approv & Reauthor	120,744	246,166	261,007	400,000	800,000	100.0	800,000	.0
456	235-603	Service & Publication Fees	247,467	227,576	143,058	900,000	700,000	(22.2)	700,000	.0
5X2	235-632	STEM and Foreign Language Academies	0	0	0	3,500,000	0	(100.0)	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Board of Regents

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5Y5	235-618	State Grnt Reconciliation Act	0	7,454,951	2,448,669	0	0	.0	0	.0
TOTAL General Services Fund Group			**368,211**	**7,928,693**	**2,852,734**	**4,800,000**	**1,500,000**	**(68.8)**	**1,500,000**	**.0**
3BG	235-626	Star Schools	0	0	1,215,703	2,778,620	2,980,865	7.3	2,990,746	.3
3BW	235-630	Indirect Cost Recovery-Fed	0	0	0	600,000	0	(100.0)	0	.0
3H2	235-608	Applied Health Svc Research	358,700	280,568	1,139,038	1,500,000	3,000,000	100.0	3,000,000	.0
3H2	235-622	Medical Collaboration Network	0	169,425	2,023,859	3,346,143	3,346,144	.0	3,346,144	.0
3N6	235-605	State Student Incentive Grants	3,112,253	3,096,158	3,197,971	2,196,680	2,196,680	.0	2,196,680	.0
3T0	235-610	NHSC Ohio Loan Repayment	232,398	245,147	297,131	546,001	250,000	(54.2)	250,000	.0
312	235-609	Tech Prep	245,163	167,177	184,872	183,850	183,850	.0	183,850	.0
312	235-611	Gear-Up Grant	1,072,848	2,446,004	3,332,989	4,670,691	3,300,000	(29.3)	3,300,000	.0
312	235-612	Carl D. Perkins Grnt/Plan Adm	109,970	85,491	101,819	112,960	112,960	.0	112,960	.0
312	235-615	Teacher Professional Dev Grnt	269,535	190,796	411,803	523,129	0	(100.0)	0	.0
312	235-616	Workforce Investment Act Admin	19,515	2,200	0	0	0	.0	0	.0
312	235-617	Improving Teacher Quality Grnt	188,463	806,101	2,153,451	2,900,000	3,200,000	10.3	3,200,000	.0
312	235-619	Ohio Supercomputer Center	6,000,000	0	10,000,000	6,000,000	0	(100.0)	0	.0
312	235-621	Science Education Network	0	93,070	673,939	1,686,970	1,686,970	.0	1,686,970	.0
312	235-628	TANF	0	0	0	30,000,000	0	(100.0)	0	.0
312	235-629	High Growth Grant	0	0	0	589,212	0	(100.0)	0	.0
312	235-631	Teacher Quality Enhancement	2,214,181	2,014,585	769,284	250,590	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**13,823,026**	**9,596,722**	**25,501,859**	**57,884,846**	**20,257,469**	**(65.0)**	**20,267,350**	**.0**
4E8	235-602	Higher Ed Facility Comm Admin	3,707	4,245	15,431	55,000	50,000	(9.1)	45,000	(10.0)
4P4	235-604	Physician Loan Repayment Prgm	242,098	289,074	540,176	636,870	476,870	(25.1)	476,870	.0
5DT	235-627	American Diploma Project	0	0	369	250,000	250,000	.0	0	(100.0)
5Z7	235-624	Ohio Dentist Loan Repay Prgm	0	37,604	36,000	201,121	0	(100.0)	0	.0
649	235-607	OSU Highwy/Trnsportation Rsrch	613,891	561,161	508,775	760,000	760,000	.0	760,000	.0
682	235-606	Nursing Loan Program	670,269	705,883	408,613	893,000	893,000	.0	893,000	.0
TOTAL State Special Revenue Fund Group			**1,529,965**	**1,597,967**	**1,509,364**	**2,795,991**	**2,429,870**	**(13.1)**	**2,174,870**	**(10.5)**
TOTAL Board of Regents			**2426,189,675**	**2460,771,493**	**2491,917,478**	**2616,113,806**	**2675,360,284**	**2.3**	**2674,469,761**	**.0**

**** Please see the Appropriation Line Item analysis for further detail.**

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 over 14,000 employees with an annual operating budget of $1.76 billion. More information regarding the Department of Rehabilitation and Correction is available at www.drc.state.oh.us.

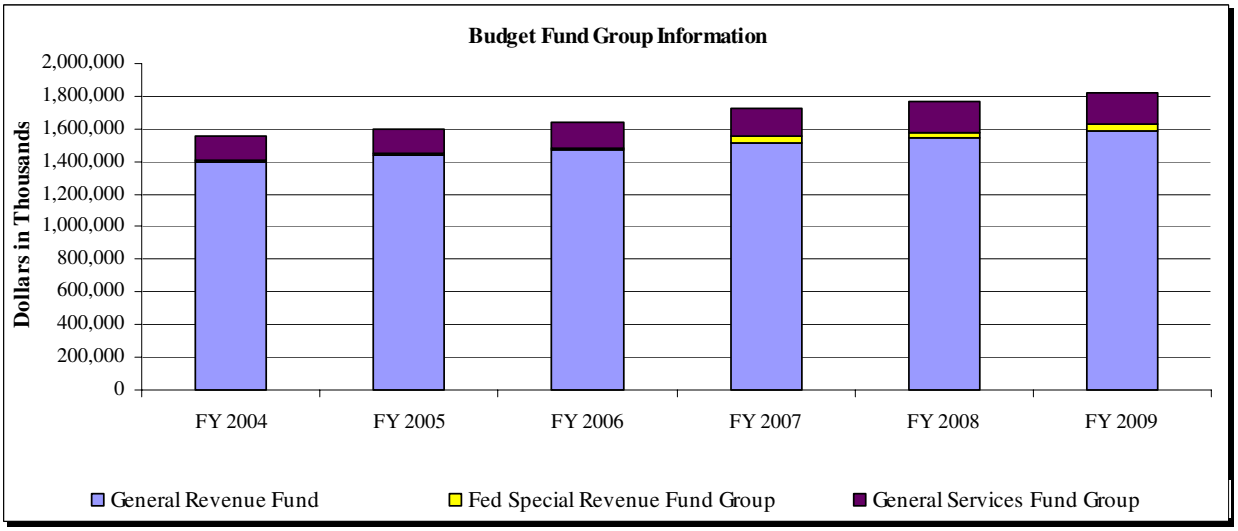
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Operate the Ohio Department of Rehabilitation and Correction with a high level of transparency and accountability to Ohio citizens.
- Develop a plan for the expansion of technology that will improve the efficiency of operations and the quality of communication within the department.
- Implement the comprehensive plan targeting employment strategies for ex-offenders.
- Expand energy conservation and performance contracts.

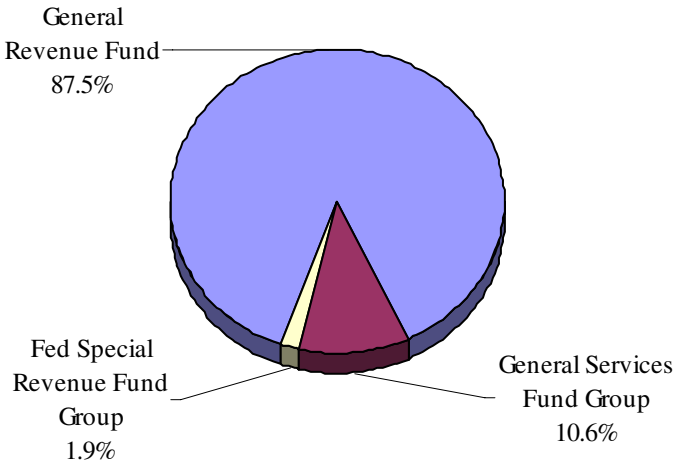
Agency Priorities

- Develop and implement strategies and practices designed to ensure the security and environmental safety of staff, offenders, and the community.
- Address the trends, issues, and needs associated with the reduction, retention, reallocation, and changing composition of the workforce, engage in succession planning and adopt strategies and practices that are responsive to these changes.
- The department's commitment to reentry will be broadened and enhanced by establishing new and assessing existing strategies, policies, programs, and practices that are supportive of effective offender reintegration and community collaboration.
- Cost savings and efficiency initiatives will be pursued and implemented, where feasible, throughout the department.

Summary of Budget History and Recommendations

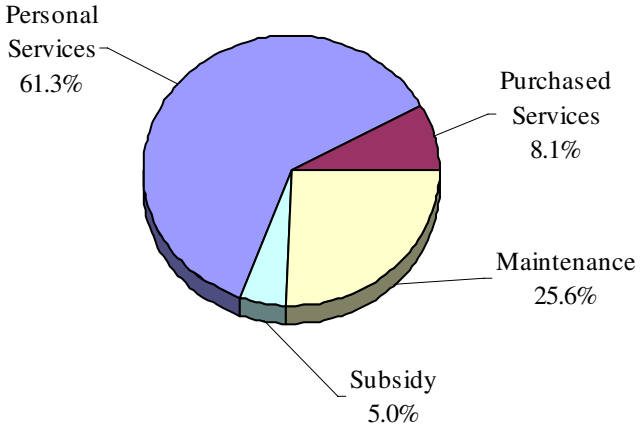


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,393,659	1,435,916	1,469,784	1,514,281	3.0	1,544,701	2.0	1,591,681	3.0
General Services Fund Group	145,543	145,388	161,918	175,323	8.3	186,569	6.4	191,899	2.9
Fed Special Revenue Fund Group	12,888	13,367	11,425	38,326	235.5	32,507	(15.2)	36,407	12.0
TOTAL	**1,552,091**	**1,594,671**	**1,643,127**	**1,727,930**	**5.2**	**1,763,777**	**2.1**	**1,819,988**	**3.2**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	883,043	883,156	902,869	936,203	3.7	1,011,464	8.0	1,041,705	3.0
Purchased Services	118,751	129,859	138,294	141,889	2.6	135,974	(4.2)	135,967	.0
Maintenance	298,081	321,195	358,282	383,554	7.1	416,698	8.6	441,063	5.8
Equipment	14,438	13,724	13,796	6,841	(50.4)	0	(100.0)	0	.0
Subsidy	79,388	84,220	83,297	86,444	3.8	83,435	(3.5)	83,428	.0
Goods For Resale	12,917	9,862	13,835	17,915	29.5	0	(100.0)	0	.0
Capital Improvements	4,857	3,509	3,063	27,110	785.0	0	(100.0)	0	.0
Transfer & Other	140,616	149,146	129,690	127,974	(1.3)	116,206	(9.2)	117,824	1.4
TOTAL	**1,552,091**	**1,594,671**	**1,643,127**	**1,727,930**	**5.2**	**1,763,777**	**2.1**	**1,819,988**	**3.2**

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 sentenced to its custody.

Program 01.01: Institutional Operations

This program provides for the upkeep of buildings and contents, support services, and secure supervision for all 48,000 offenders. The facilities are held in compliance with all standards and requirements of federal, state, and local statutes and ordinances. Institution improvements, including renovation and construction projects, maintain efficient and operable conditions to ensure the safety and security of all inmates and staff. Institutional operations include the legal and ethical responsibilities of providing adequate food, clothing, work therapy, and spiritual support to the inmates. The Ohio Penal Industries provide job opportunities, work experience and training for inmates along with offering inmate programming, including self-help, stress management, enhancement of life skills, parenting, communication, anger control, moral reasoning, pre-parole planning, and relationship building.

The Executive Recommendation will:

- Provide for physical plant operations including heating, ventilation, plumbing, and electrical service to buildings that house over 48,700 inmates and provide workspace for prison staff;
- Fund preventative maintenance at all 30 of the state operated institutions including painting, roofing, asbestos management, and management of on-site contractors for capital improvement and other maintenance and renovation projects, with occasional maintenance also performed at the two privately operated institutions;
- Provide work experience and training in shops located in a majority of state correctional institutions for inmates through the Ohio Penal Industries;
- Provide meals to all inmates, prepared according to state sanitary requirements and fulfilling federal dietary requirements;
- Maintain 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;

- Provide the funding to house an intensive prison program for inmates committed for certain driving under the influence (DUI) offenses; and
- Continue 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	501-321	Institutional Operations	892,162,864	928,980,197
GRF	GRF	501-403	Prisoner Compensation	8,599,255	8,599,255
GSF	148	501-602	Services and Agriculture	104,485,807	108,290,058
GSF	200	501-607	Ohio Penal Industries	39,395,391	40,845,414
GSF	4B0	501-601	Sewer Treatment Services	2,331,003	2,407,018
GSF	483	501-605	Property Receipts	393,491	393,491
GSF	5L6	501-611	Information Technology Services	3,741,980	3,741,980
FED	3S1	501-615	Truth-in-Sentencing Grants	8,709,142	8,709,142
FED	323	501-619	Federal Programs	9,780,639	9,780,639
TOTAL FOR PROGRAM				**1069,599,572**	**1111,747,194**

Program 01.02: Medical Services

This program offers comprehensive healthcare 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 health awareness education.

The Executive Recommendation will:

- Provide on-site screenings, basic health services, and care for inmates' serious health needs as required by the U.S. Constitution;
- Fund consultations, treatments, and minor surgical procedures at the Corrections Medical Center in a secure clinic area;
- Continue to fund the contract with The Ohio State University Medical Center providing emergent, inpatient, and outpatient diagnostic and surgical procedures;
- Provide 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 members;
- Fund 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;
- Fund one of the largest dialysis units in the state, within the Pickaway Correctional Institution, providing services for approximately 65 patients; and
- Provide 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	505-321	Institution Medical Services	199,073,620	198,337,805
GSF	5H8	501-617	Offender Financial Respond	500,000	500,000
GSF	593	501-618	Laboratory Services	5,799,999	5,799,999
FED	3CJ	501-621	Medicaid Inpatient Services	11,600,000	15,500,000
TOTAL FOR PROGRAM				**216,973,619**	**220,137,804**

Program 01.03: 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.

The Executive Recommendation will:

- Fund drug testing at all institutions to identify prisoners with alcohol and other drug (AOD) problems for treatment referral;
- Fund four therapeutic communities within state institutions that provide long-term AOD treatment to approximately 1,200 inmates per year;
- Provide five residential programs, which include one AOD literacy unit, that serve approximately 570 inmates per year with separate housing while they receive substance abuse treatment; and
- Provide Alcoholics Anonymous, Narcotics Anonymous, and substance abuse education at all institutions.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	507-321	Institution Recovery Services	7,319,028	7,664,520
GSF	4D4	501-603	Prisoner Programs	7,202,406	7,141,600
GSF	5AF	501-609	State and Non-Federal Programs	15,001	15,001
FED	323	501-619	Federal Programs	236,648	236,648
TOTAL FOR PROGRAM				**14,773,083**	**15,057,769**

Program 01.04: 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.

The Executive Recommendation will:

- Fund adult basic education, high school equivalency diplomas, and adult high school opportunities at all 30 state run institutions, to serve approximately 15,000 inmates annually who lack a high school education;
- Provide vocational education programs at 29 institutions to serve over 3,500 inmates per year who lack job skills;
- Fund apprenticeship programs in over 47 trades;
- Maintain special education programs at all institutions that serve inmates with learning disabilities;
- Provide each inmate with four weeks of release preparation 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
- Provide Community Justice ABLE Centers in five urban areas of Ohio to assist inmates in their transition to the community.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	506-321	Institution Education Services	23,784,868	24,847,502
GSF	4D4	501-603	Prisoner Programs	13,765,297	13,826,103
GSF	4S5	501-608	Education Services	4,564,072	4,564,072
FED	323	501-619	Federal Programs	2,166,428	2,166,428
TOTAL FOR PROGRAM				**44,280,665**	**45,404,105**

Program 01.05: Mental Health Services

The Mental Health Services Program provides care for inmates with various mental health needs which 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.

The Executive Recommendation will:

- Provide psychiatric, psychological, psychiatric nursing, social work, sex-offender, mental retardation, and residential and acute hospitalization services to all inmates at all institutions;
- Fund Oakwood Correctional Facility, an acute inpatient facility providing services to approximately 250 male and female inmates per year;
- Provide a specialized 50 bed residential program, accommodation of general population programs, and coordination with County Boards of Mental Retardation/Developmental Disabilities; and
- Provide the Parole Board with clinical risk assessments to assist in identifying high-risk offenders.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	502-321	Mental Health Services	75,112,063	78,405,363
TOTAL FOR PROGRAM				**75,112,063**	**78,405,363**

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 Service 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.

The Executive Recommendation will:

- Provide 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;
- Fund 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; and
- Provide direction and oversight to the community corrections programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	503-321	Parole and Community Operations	79,296,672	82,739,767
GSF	4L4	501-604	Transitional Control	2,051,451	2,051,451
GSF	5H8	501-617	Offender Financial Respond	2,000,000	2,000,000
FED	323	501-619	Federal Programs	14,638	14,638
TOTAL FOR PROGRAM				**83,362,761**	**86,805,856**

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. Over 7,600 offenders are served annually in Halfway Houses. This program also provides mental health, day reporting, electronic monitoring, and other services for offenders released from Ohio prisons.

The Executive Recommendation will:

- Provide residential programming and housing for offenders, including specialized services for sex offenders, offenders with mental illness, and those with substance abuse problems;
- Provide transition from prison and community reentry services;
- Fund 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;
- Provide electronic monitoring as a step-down from prison or as a sanction option for offenders violating conditions of supervision;
- Fund independent housing beds for those offenders that would otherwise be homeless; and
- Provide 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 2008	RECOMMENDED FY 2009
GRF	GRF	501-405	Halfway House	41,214,205	41,214,205
TOTAL FOR PROGRAM				**41,214,205**	**41,214,205**

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. Over 5,300 offenders are served annually in CBCFs. This program provides 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.

The Executive Recommendation will:

- Fund grants that operate 18 community-based correctional facilities in Ohio which house up to 200 felony offenders; and
- Provide programming addressing offender needs such as chemical dependency, education, employment, and family relationships.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	501-501	Community Residential Programs-CBCF	57,104,132	57,104,132
TOTAL FOR PROGRAM				**57,104,132**	**57,104,132**

Program 02.04: Community Sanctions: Non-Residential Felony

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 49 programs in 44 counties serving over 9,500 offenders annually. 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.

The Executive Recommendation will:

- Fund grants to counties to operate intensive supervision and other community sanctions programs for felony offenders in lieu of prison or jail commitments.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	501-407	Comm. Nonresidential Programs	16,514,626	16,547,367
TOTAL FOR PROGRAM				**16,514,626**	**16,547,367**

Program 02.05: Community Sanctions: Non-Residential Misdemeanor

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 109 programs in 78 counties serving over 19,400 offenders annually. Non-residential misdemeanor programs provide sentencing options for municipal and county courts for the purpose of diverting offenders from local jails.

The Executive Recommendation will:

- Fund grants to counties and cities to operate pre-trial release, probation, or other local programs for misdemeanor offenders in lieu of confinement in jail.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	501-408	Comm. Misdemeanor Programs	9,313,076	9,313,076
TOTAL FOR PROGRAM				**9,313,076**	**9,313,076**

PROGRAM SERIES 03: Program Management

Program Management consists of central office operations and other administrative services.

Program 03.01: Program Management

The department's administrative operations encompass a significant portion of central service operations. This includes the Director's Office, Human Resources Department, Office of Administration, Division of Legal Services, Chief Inspector's Office, Bureau of Pubic 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 Technology Services, Contract Services, Budgeting, Fiscal Operations, Grants, and the Ohio Prison Industries.

The Executive Recommendation will:

- Fund administrative operations that oversee all agency functions; and
- Provide leadership and direction to a correctional system with over 14,000 employees, and housing an inmate population of approximately 48,700 convicted felons.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	504-321	Administrative Operations	27,599,198	28,703,273
GSF	5AF	501-609	State and Non-Federal Programs	247,717	247,717
GSF	571	501-606	Training Academy Receipts	75,190	75,190
TOTAL FOR PROGRAM				**27,922,105**	**29,026,180**

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.

The Executive Recommendation will:

- Fund all debt obligations for capital expenditures for the biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	501-406	Lease Rental Payments	107,607,100	109,224,900
TOTAL FOR PROGRAM				**107,607,100**	**109,224,900**

LINE ITEM SUMMARY - Rehabilitation and Correction

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	501-321	Institutional Operations	829,412,812	832,814,128	853,758,145	879,084,276	892,162,864	1.5	928,980,197	4.1
GRF	501-403	Prisoner Compensation	8,455,052	8,599,255	8,599,255	8,599,255	8,599,255	.0	8,599,255	.0
GRF	501-405	Halfway House	35,693,925	39,063,681	38,083,909	40,605,128	41,214,205	1.5	41,214,205	.0
GRF	501-406	Lease Rental Payments	131,568,393	139,758,583	119,406,396	119,320,761	107,607,100	(9.8)	109,224,900	1.5
GRF	501-407	Comm. Nonresidential Programs	15,057,503	15,436,108	15,244,830	16,270,567	16,514,626	1.5	16,547,367	.2
GRF	501-408	Comm. Misdemeanor Programs	7,783,560	8,194,289	8,163,754	9,175,444	9,313,076	1.5	9,313,076	.0
GRF	501-501	Community Residential Programs-CBCF	52,630,878	56,380,070	55,063,445	56,054,445	57,104,132	1.9	57,104,132	.0
GRF	502-321	Mental Health Services	60,744,992	63,950,084	68,468,764	66,506,224	75,112,063	12.9	78,405,363	4.4
GRF	503-321	Parole and Community Operations	74,745,181	74,576,042	77,922,060	80,608,911	79,296,672	(1.6)	82,739,767	4.3
GRF	504-321	Administrative Operations	25,901,342	25,708,423	27,336,070	28,147,730	27,599,198	(1.9)	28,703,273	4.0
GRF	505-321	Institution Medical Services	125,904,178	142,230,079	167,127,240	179,703,683	199,073,620	10.8	198,337,805	(.4)
GRF	506-321	Institution Education Services	19,925,036	22,562,497	23,638,010	23,114,615	23,784,868	2.9	24,847,502	4.5
GRF	507-321	Institution Recovery Services	5,836,466	6,643,140	6,971,801	7,090,212	7,319,028	3.2	7,664,520	4.7
TOTAL General Revenue Fund			**1393,659,318**	**1435,916,379**	**1469,783,679**	**1514,281,251**	**1544,700,707**	**2.0**	**1591,681,362**	**3.0**
148	501-602	Services and Agriculture	89,166,338	91,249,706	99,182,884	95,207,827	104,485,807	9.7	108,290,058	3.6
200	501-607	Ohio Penal Industries	29,477,916	26,840,764	33,499,257	38,000,000	39,395,391	3.7	40,845,414	3.7
4B0	501-601	Sewer Treatment Services	1,395,817	1,805,460	1,549,476	1,758,177	2,331,003	32.6	2,407,018	3.3
4D4	501-603	Prisoner Programs	16,504,230	14,553,032	15,689,670	20,967,703	20,967,703	.0	20,967,703	.0
4L4	501-604	Transitional Control	1,033,168	1,516,782	1,717,194	2,051,452	2,051,451	.0	2,051,451	.0
4S5	501-608	Education Services	2,275,176	3,444,254	2,935,031	4,564,072	4,564,072	.0	4,564,072	.0
483	501-605	Property Receipts	306,304	225,544	229,938	393,491	393,491	.0	393,491	.0
5AF	501-609	State and Non-Federal Programs	0	60,482	120,057	262,718	262,718	.0	262,718	.0
5H8	501-617	Offender Financial Respond	769,865	1,211,194	1,434,560	2,500,000	2,500,000	.0	2,500,000	.0
5L6	501-611	Information Technology Services	0	0	212,551	3,741,980	3,741,980	.0	3,741,980	.0
571	501-606	Training Academy Receipts	30,350	37,227	41,906	75,190	75,190	.0	75,190	.0
593	501-618	Laboratory Services	4,583,809	4,443,116	5,305,860	5,799,999	5,799,999	.0	5,799,999	.0
TOTAL General Services Fund Group			**145,542,973**	**145,387,561**	**161,918,384**	**175,322,609**	**186,568,805**	**6.4**	**191,899,094**	**2.9**
3CJ	501-621	Medicaid Inpatient Services	0	0	0	0	11,600,000	.0	15,500,000	33.6
3S1	501-615	Truth-in-Sentencing Grants	5,854,169	4,264,509	2,066,224	26,127,427	8,709,142	(66.7)	8,709,142	.0
323	501-619	Federal Programs	7,034,174	9,102,317	9,358,587	12,198,353	12,198,353	.0	12,198,353	.0
TOTAL Fed Special Revenue Fund Group			**12,888,343**	**13,366,826**	**11,424,811**	**38,325,780**	**32,507,495**	**(15.2)**	**36,407,495**	**12.0**
TOTAL Dept of Rehab. and Correction			**1552,090,634**	**1594,670,766**	**1643,126,874**	**1727,929,640**	**1763,777,007**	**2.1**	**1819,987,951**	**3.2**

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 $263 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.

More information about the Ohio Rehabilitation Services Commission is available at http://rsc.ohio.gov/.

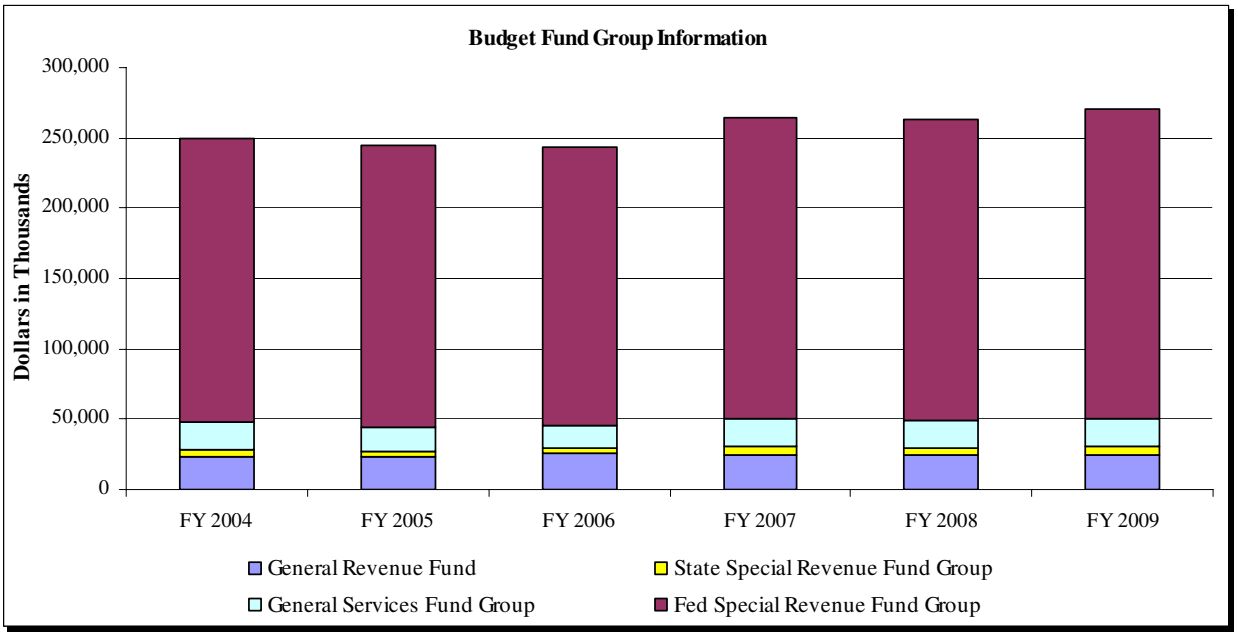
Turnaround Ohio Initiatives

- Partner with Ohioans with severe disabilities to achieve competitive employment.
- Provide skilled workers to businesses and on-the-job training to employees with disabilities.
- Partner with businesses to retain valued employees, minimize turnover, and encourage employees with disabilities to return to work.
- Partner with businesses to create telecommuting opportunities for workers with severe disabilities who cannot work in traditional office settings to increase worker productivity and reduce employee absenteeism.

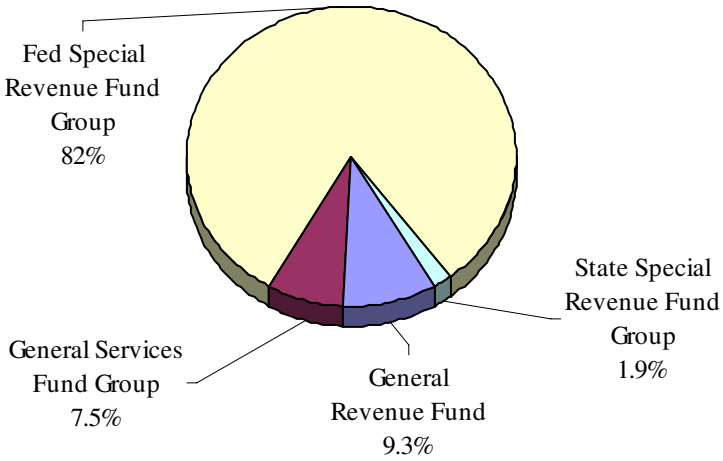
Agency Priorities

- Assist businesses in hiring job-ready workers and retaining employee with disabilities
- Provide customer service training to business to serve customers with disabilities and assist with accessibility compliance.
- Provide transition to work programs for youth with disabilities.
- Support entrepreneurship opportunities to persons with severe disabilities through the Business Enterprise and Enterprise Works programs.
- Provide timely adjudication of Social Security disability claims while thwarting fraudulent claims.

Summary of Budget History and Recommendations

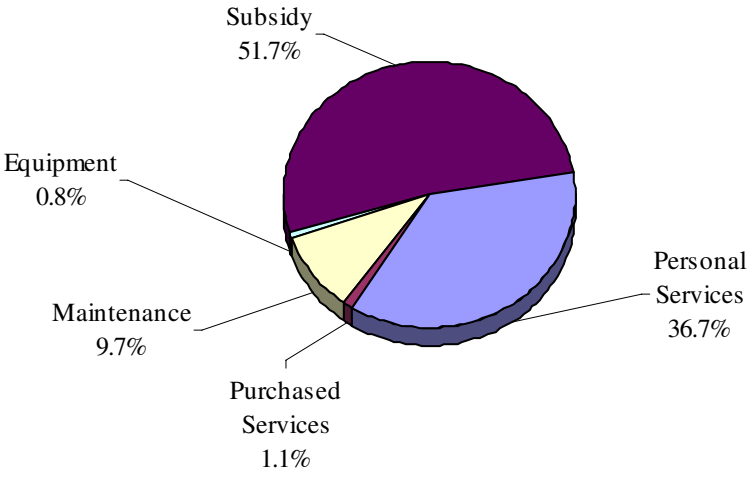


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
General Revenue Fund	23,623	23,310	25,307	24,685	(2.5)	24,685	.0	24,915	.9
General Services Fund Group	18,965	18,010	16,966	20,189	19.0	19,755	(2.1)	20,189	2.2
Fed Special Revenue Fund Group	202,224	200,692	196,953	214,121	8.7	214,317	.1	220,121	2.7
State Special Revenue Fund Group	5,011	3,266	3,787	5,605	48.0	4,672	(16.6)	5,407	15.7
TOTAL	**249,823**	**245,278**	**243,013**	**264,600**	**8.9**	**263,429**	**(.4)**	**270,631**	**2.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Personal Services	83,478	85,473	86,708	101,267	16.8	96,850	(4.4)	99,010	2.2
Purchased Services	2,579	3,001	3,028	2,381	(21.4)	2,991	25.6	2,992	.0
Maintenance	30,167	30,569	30,234	32,308	6.9	25,519	(21.0)	26,384	3.4
Equipment	2,907	2,587	3,103	3,973	28.0	2,086	(47.5)	2,018	(3.3)
Subsidy	130,646	123,552	119,661	124,377	3.9	135,742	9.1	139,988	3.1
Goods For Resale	47	13	1	6	650.0	15	150.0	15	.0
Transfer & Other	0	82	278	290	4.3	225	(22.4)	225	.0
TOTAL	**249,823**	**245,278**	**243,013**	**264,600**	**8.9**	**263,429**	**(.4)**	**270,631**	**2.7**

PROGRAM SERIES 01: Vocational Rehabilitation

The primary goal of this program series is to help people with severe disabilities obtain and main competitive employment.

Program 01.01: Vocational Rehabilitation

This program is a multi-service program designed for people with disabilities who have barriers to becoming employed. Vocational rehabilitation services assist people in obtaining and maintaining employment. RSC is the 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 federal fiscal year 2006, RSC helped 54,423 people with severe disabilities move toward their employment goals and prepare for jobs in their communities. A total of 8,320 Ohioans obtained or retained a job and generated $32 million in taxes. Their wages (averaging $20,496 per year) as a result of vocational rehabilitation add more than $158 million to Ohio payrolls annually.

The Executive Recommendation will:

- Support rehabilitation services to over 54,000 people;
- Fund services to aid over 16,000 people over the biennium to become competitively employed at an average annual income of $21,000;
- Provide $230,000 in fiscal year 2009 to be used to address system reform initiatives identified in an approved department plan following a performance review by the Office of Budget and Management; and
- Maintain 45 offices throughout the state to provide direct services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	415-100	Personal Services	8,851,468	8,851,468
GRF	GRF	415-406	Assistive Technology	47,531	47,531
GRF	GRF	415-502	System Reform	0	230,000
GRF	GRF	415-506	Services for People w/Disabilities	15,059,541	15,059,541
FED	3L1	415-608	Social Security Vocational Rehab	2,256,260	2,256,260
FED	3L4	415-615	Federal-Supported Employment	884,451	796,006
FED	3L4	415-617	Independent Living/Voc Rehab Programs	141,098	141,098
FED	379	415-616	Federal-Vocational Rehabilitation	118,874,667	119,991,746
SSR	4L1	415-619	Services for Rehabilitation	3,765,337	4,500,000
SSR	468	415-618	Voc Rehab Match-Third Party Funding	644,704	644,704
TOTAL FOR PROGRAM				**150,525,057**	**152,518,354**

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 121 blind licensees of the program manage 119 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 2006 the program realized over $20 million in gross sales (not including Ohio Lottery ticket sales of $2 million) and employed more than 375 Ohioans and contribute an estimated annual $520,000 in state sales tax through the sale of taxable items.

The Executive Recommendation will:

- Fund assistance to 120 blind licensees managing 127 facilities, and

- Maintain jobs for 400 Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	467	415-609	Business Enterprise Operating Expenses	1,632,082	1,632,082
FED	379	415-616	Federal-Vocational Rehabilitation	3,285,200	3,322,154
TOTAL FOR PROGRAM				**4,917,282**	**4,954,236**

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. Program funds support four multi-county Community Support Network (CSN) offices 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 4,000 callers annually. The association offers education, training, and advocacy through its Helpline, Community Support Network, support groups, and collaborative ventures with other service providers.

The Executive Recommendation will:

- Maintain six Community Support Networks: and
- Maintain 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 2008	RECOMMENDED FY 2009
GRF	GRF	415-431	Office for People w/Head Injury	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 financial resources to consumers so that they may work or participate in activities leading to employment. 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, recordkeeping, house cleaning, and laundry.

The Executive Recommendation will:

- Allow 270 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;
- Provide financial resources for consumers with severe disabilities to hire and supervise the personal care attendants of their choice;
- Enable consumers who are employed to gradually progress toward assuming more of the costs of attendant care, based on a sliding scale, as their income grows;

- Provide a resource for consumers who are ready for employment but need attendant care in order to accept a job offer; and
- Enable approximately 35 consumers who have no other resources for attendant care to live independently in the community.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3L1	415-601	Social Security Personal Care Assistance	3,743,740	3,743,740
TOTAL FOR PROGRAM				**3,743,740**	**3,743,740**

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.

The Executive Recommendation will:

- Fund ten Community Centers for the Deaf and eight satellite offices, and
- Provide assistance to persons who are deaf or hard of hearing so they can access programs such as legal protection, health care, telecommunications, public transportation, government services, and other public and social services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	415-508	Services for the Deaf	50,000	50,000
TOTAL FOR PROGRAM				**50,000**	**50,000**

Program 01.06: Independent Living/Older Blind

This program provides services to older individuals with vision loss to help them remain independence. People served are generally over the age of 70 and want to continue working, volunteering, or maintaining their own homes. Eye diseases such as macular degeneration, diabetic retinopathy, cataracts and glaucoma are a looming health care issue for the state as its population ages.

The Executive Recommendation will:

- Provide services to older individuals with vision loss to help them remain independence.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3L4	415-617	Independent Living/Voc Rehab Programs	1,249,846	1,249,846
SSR	468	415-618	Voc Rehab Match-Third Party Funding	262,206	262,206
TOTAL FOR PROGRAM				**1,512,052**	**1,512,052**

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). Under this federal program financial assistance is provided 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.

Program 02.01: Disability Determination

This program 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).

The Executive Recommendation will:

- Fund staff to determine eligibility for over 539,000 Ohioans who receive monthly disability benefits totaling over $356 million per year; and
- Process over 165,000 claims per year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	317	415-620	Disability Determination	82,808,006	87,546,215
TOTAL FOR PROGRAM				**82,808,006**	**87,546,215**

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.

The Executive Recommendation will:

- Fund support 12 Centers for Independent Living and two branch offices; and
- Fund support the Independent Living Council efforts to coordinate and increase the impact of independent living services throughout the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	415-402	Independent Living Council	450,000	450,000
FED	3L4	415-612	Fed-Independent Living Centers	648,908	648,908
TOTAL FOR PROGRAM				**1,098,908**	**1,098,908**

PROGRAM SERIES 04: Program Management

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

This program provides 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, consumer and legislative affairs team, and public affairs unit.

The Executive Recommendation will:

- Fund personnel needed to support the commission's activities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4W5	415-606	Administrative Expenses	18,123,188	18,557,040
TOTAL FOR PROGRAM				**18,123,188**	**18,557,040**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line items 415-403, Mental Health Services, 415-404, MR/DD Services, 415-405, Human Services, and 415-509, Services for the Elderly, are merged into 415-506, Services for People with Disabilities. This change combines all vocational rehabilitation services into a single line item.

Line item 415-520, Independent Living Services, is merged into 415-402, Independent Living Council.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
GRF	415-402	Independent Living Council	450,000	450,000	0.0%	450,000	0.0%
GRF	415-403	Mental Health Services	-	-	-	-	-
GRF	415-404	MR/DD Services	-	-	-	-	-
GRF	415-405	Vocational Rehabilitation/Human Services	-	-	-	-	-
GRF	415-506	Services for People with Disabilities	15,059,541	15,059,541	0.0%	15,059,541	0.0%
GRF	415-509	Services for the Elderly		-	-	-	-
GRF	415-520	Independent Living Services	-	-	-	-	-

Line Item Notes

415-608, Social Security Vocational Rehabilitation: Revenue in Fund 3L1 is derived from the Social Security Administration as reimbursement for providing vocational rehabilitation services that help people become employed and no longer dependent on Social Security. This line is increased to reinvest in the vocational rehabilitation program.

LINE ITEM SUMMARY - Rehabilitation Services Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	415-100	Personal Services	8,677,911	8,851,468	8,851,468	8,851,468	8,851,468	.0	8,851,468	.0
GRF	415-402	Independent Living Council	12,040	12,280	12,280	400,000	450,000	**	450,000	.0
GRF	415-403	Mental Health Services	702,976	731,465	666,791	717,221	0	**	0	.0
GRF	415-404	MR/DD Services	1,247,949	1,272,299	1,231,520	1,260,816	0	**	0	.0
GRF	415-405	Vocational Rehab/Human Services	530,219	539,367	509,706	536,912	0	**	0	.0
GRF	415-406	Assistive Technology	47,531	47,531	47,531	47,531	47,531	.0	47,531	.0
GRF	415-431	Off for People w/Head Injury	144,057	261,115	277,619	226,012	226,012	.0	226,012	.0
GRF	415-502	System Reform	0	0	0	0	0	.0	230,000	.0
GRF	415-506	Svcs for People w/Disabilities	11,820,139	11,115,692	13,272,331	12,185,215	15,059,541	**	15,059,541	.0
GRF	415-508	Services for the Deaf	49,997	50,000	50,003	50,000	50,000	.0	50,000	.0
GRF	415-509	Services for the Elderly	340,358	378,390	346,067	359,377	0	**	0	.0
GRF	415-520	Independent Living Services	50,000	50,000	41,942	50,000	0	**	0	.0
TOTAL General Revenue Fund			**23,623,177**	**23,309,607**	**25,307,258**	**24,684,552**	**24,684,552**	**.0**	**24,914,552**	**.9**
4W5	415-606	Administrative Expenses	17,606,320	16,735,546	15,656,737	18,557,040	18,123,188	(2.3)	18,557,040	2.4
467	415-609	Business Enterprise Operating Exp.	1,358,694	1,274,497	1,308,888	1,632,082	1,632,082	.0	1,632,082	.0
TOTAL General Services Fund Group			**18,965,014**	**18,010,043**	**16,965,625**	**20,189,122**	**19,755,270**	**(2.1)**	**20,189,122**	**2.2**
3L1	415-601	Soc Sec Personal Care Assistance	3,670,757	3,721,231	3,630,769	3,743,740	3,743,740	.0	3,743,740	.0
3L1	415-605	Soc Sec Centers for the Deaf	1,144,552	1,058,658	1,060,879	1,100,488	0	(100.0)	0	.0
3L1	415-607	Social Security Admin Cost	163,101	167,318	0	175,860	0	(100.0)	0	.0
3L1	415-608	Soc Sec Vocational Rehab	5,733,920	6,779,062	837,285	131,716	2,256,260	**	2,256,260	.0
3L1	415-610	Soc Sec Older Blind	1,461,445	1,150,301	1,241,298	1,338,324	0	(100.0)	0	.0
3L1	415-614	Social Sec. Independent Living	385,917	0	392,228	0	0	.0	0	.0
3L4	415-612	Fed-Indep Living Centers or Svc	670,954	663,687	566,541	686,520	648,908	(5.5)	648,908	.0
3L4	415-615	Federal-Supported Employment	1,300,219	1,299,571	993,618	1,338,191	884,451	(33.9)	796,006	(10.0)
3L4	415-617	Independent Living/Voc Rehab Progms	1,744,940	1,779,589	1,666,550	1,608,885	1,490,944	(7.3)	1,490,944	.0
317	415-620	Disability Determination	69,545,086	73,287,974	74,197,094	83,999,093	82,808,006	(1.4)	87,546,215	5.7
379	415-616	Federal-Vocational Rehabilitation	116,403,016	110,784,676	112,366,617	119,998,538	122,484,545	2.1	123,638,578	.9
TOTAL Fed Special Revenue Fund Group			**202,223,907**	**200,692,067**	**196,952,879**	**214,121,355**	**214,316,854**	**.1**	**220,120,651**	**2.7**
4L1	415-619	Services for Rehabilitation	3,397,806	1,801,837	2,903,325	4,500,000	3,765,337	(16.3)	4,500,000	19.5
468	415-618	VR Match-Third Party Funding	1,613,580	1,464,466	883,452	1,105,407	906,910	(18.0)	906,910	.0
TOTAL State Special Revenue Fund Group			**5,011,386**	**3,266,303**	**3,786,777**	**5,605,407**	**4,672,247**	**(16.6)**	**5,406,910**	**15.7**
TOTAL Rehabilitation Services Comm			**249,823,484**	**245,278,020**	**243,012,539**	**264,600,436**	**263,428,923**	**(.4)**	**270,631,235**	**2.7**

Ohio Respiratory Care Board

Role and Overview

The Ohio Respiratory Care Board (RCB) was established in 1989 to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice respiratory care (RC) in Ohio. The board monitors those licensees to ensure compliance with the laws in the Ohio Revised Code, which governs the profession. The board also regulates the licensing/registration of qualifying home medical equipment (HME) facilities as required under the Ohio Revised Code. The board's annual budget of slightly more than $492,000 supports a staff of five in addition to the nine board members. RCB licenses nearly 7,000 RC licensees, approximately 170 HME licensees, and 310 HME certifications to companies selling home medical equipment. Additional information regarding the Respiratory Care Board is available at: http://respiratorycare.ohio.gov/.

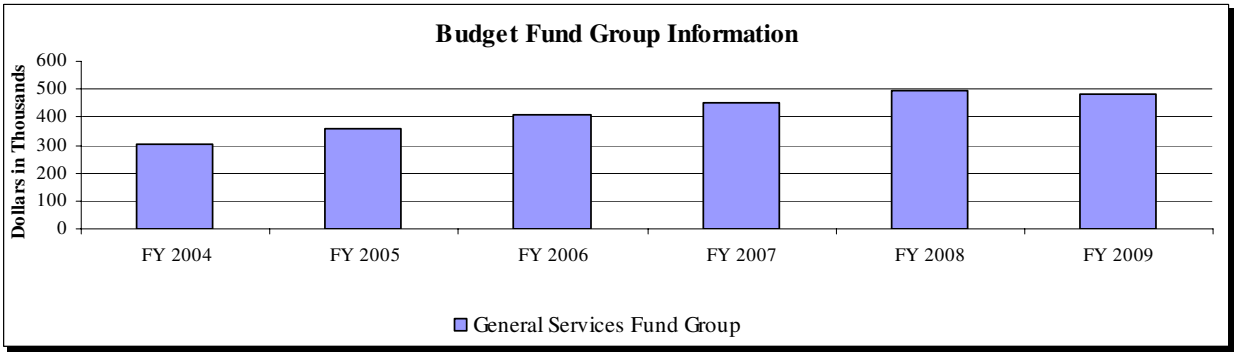
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Ease the burden of regulations that prohibit and constrain development in Ohio through "Advantage Ohio."
- Operate the Ohio Respiratory Care Board with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

- Meet all mission critical goals: license application review and expedient issuance, expedient and efficient license renewal, investigating complaints and adjudicating violations, monitoring continuing education attainment, and perform required inspections on time.
- Maintain accurate and up-to-date information on the licensing requirements for respiratory therapists and home medical equipment facility licensure.
- Create opportunities to improve licensing efficiency: increase usage of electronic renewal of licenses to 50% of renew eligible licenses by 2008.
- Enhance licensing efficiency for home medical equipment facilities: create a strategic plan to reduce unnecessary requirements, eliminate unneeded paperwork, streamline licensing processes, and identify future board initiatives to improve the regulation of home medical equipment services.
- Post meeting notices, agendas, and meeting minutes on the board's website.
- Establish annual management goals and regularly review achievement of these objectives.
- Work with other state agencies to identify opportunities to improve patient care delivered by respiratory care therapists and home medical equipment facilities.

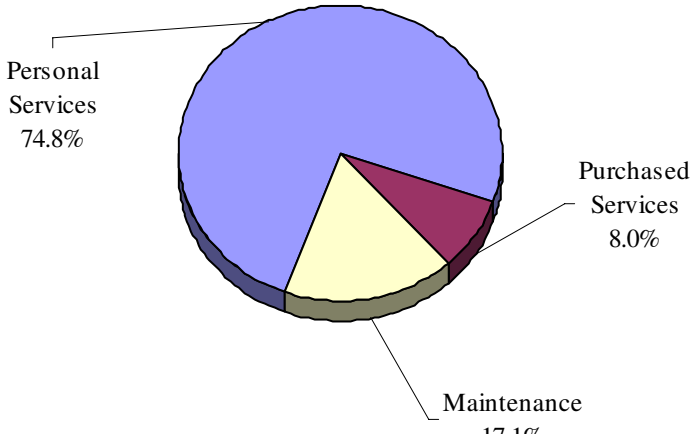
Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	CHANGE	FY 2009	CHANGE

General Services Fund Group	304	356	410	451	9.9	492	9.1	482	(2.0)
TOTAL	**304**	**356**	**410**	**451**	**9.9**	**492**	**9.1**	**482**	**(2.0)**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	232	255	303	331	9.2	354	6.9	375	5.9
Purchased Services	1	10	2	49	3,110.2	51	3.8	27	(46.3)
Maintenance	67	77	103	60	(41.1)	87	44.4	80	(8.3)
Equipment	4	14	3	0	(100.0)	0	.0	0	.0
Transfer & Other	0	0	1	11	2,007.0	0	(100.0)	0	.0
TOTAL	**304**	**356**	**410**	**451**	**9.9**	**492**	**9.1**	**482**	**(2.0)**

PROGRAM SERIES 01: Regulation

This program series ensures the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes the regulation and licensure activities of the respiratory care profession including issuance and renewal of licenses and permits, monitoring of continuing education requirements, and investigation of complaints filed with the Board.

The Executive Recommendation will:

- Support licensing and renewal of approximately 6,500 respiratory care professionals and 394 limited permit holders;
- Support investigation of complaints received and enforcement of Board adjudication orders;
- Support the monitoring of continuing education compliance of the licensees; and
- Allow the board to develop web-based application processes for all license types.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4K9	872-609	Operating Expenses	345,476	352,935
TOTAL FOR PROGRAM				**345,476**	**352,935**

Program 01.02: Home Medical Equipment Regulation

This program includes the regulation and licensure activities of the home medical equipment (HME) companies in Ohio including the issuance and renewal of licenses and registration, monitoring of continuing education requirements, investigation of complaints, and inspection of HME facilities.

The Executive Recommendation will:

- Support the issuance and renewal of over 217 HME licenses and over 350 HME Certificates of Registration to companies selling, renting, or maintaining home medical equipment to Ohio citizens;
- Complete the inspection of approximately 80 licensed home medical equipment facilities out of the 217 total licensed facilities;
- Support investigation and enforcement activities pertaining to HME facilities;
- Allow strategic planning to increase licensing efficiency for home medical equipment facilities; and
- Allow the board to develop web-based application processes for all license types

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4K9	872-609	Operating Expenses	146,152	128,833
TOTAL FOR PROGRAM				**146,152**	**128,833**

LINE ITEM SUMMARY - Respiratory Care Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	872-609	Operating Expenses	304,435	356,106	409,938	450,520	491,628	9.1	481,768	(2.0)
TOTAL General Services Fund Group			**304,435**	**356,106**	**409,938**	**450,520**	**491,628**	**9.1**	**481,768**	**(2.0)**
TOTAL RESPIRATORY CARE BOARD			**304,435**	**356,106**	**409,938**	**450,520**	**491,628**	**9.1**	**481,768**	**(2.0)**

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 March 2007, 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, for tax year 2007 there were 164 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 and Reform of the Local Government Funds

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 historic examples of these funds. These three funds have distributed 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.

The Local Government Fund (Fund 069) took form when the state sales tax was established in 1935. Under current 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 fiscal years 2002-2007, the monthly contribution to each of the three local government funds identified above 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 end the freeze on the distributions of these funds beginning in January 2008 and to replace the current statutory allocations with a new allocation based on a percentage of total General Revenue Fund (GRF) tax revenues. Under this proposal, Fund 064 and Fund 069 are replaced with a single Local Communities Fund (Fund 091) which receives 3.65 percent of total GRF tax revenues. The allocation method of the Local Communities Fund will ensure that, barring a decline in underlying tax revenue performance, no local government receives less than it did under the freeze and that any growth above the freeze levels will be distributed on a per capita basis. In addition to combining the two local government funds, Fund 065 is to be renamed the Local Libraries Fund and beginning in January 2008, will receive 2.20 percent of total GRF tax revenues. The only change in the allocation method is that the current guaranteed share will be replaced by calendar year 2007 funding levels. The projected distributions to these funds after these adjustments are made are presented in the following Item Summary table.

The Local Government Property Tax Replacement Fund (fund 054) was created by Amended Substitute Senate Bill 3 of the 123rd General Assembly. The fund receives 11.6 percent of the Kilowatt Hour Tax and 31.3 percent of the Natural Gas Consumption Tax. The moneys are distributed by the Department of Taxation to local authorities to compensate for their revenue losses due to reduced tax assessment rates for gas and electric utility properties. The Local Government Tangible Personal Property Tax Replacement Fund (fund 081) was created per Amended Substitute House Bill 66 of the 126th General Assembly. In fiscal years 2008-2009, this fund will receive 30 percent of the Commercial Activity Tax. The moneys are then distributed to local governments to compensate for their tax revenue losses due to the phase-out of the tangible personal property tax. After such distributions are made, the director of the Office of Budget and Management is authorized to transfer the balance of this fund to the General Revenue Fund in the end of the fiscal year.

Funds 051, 060, and 068 distribute moneys every month 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.

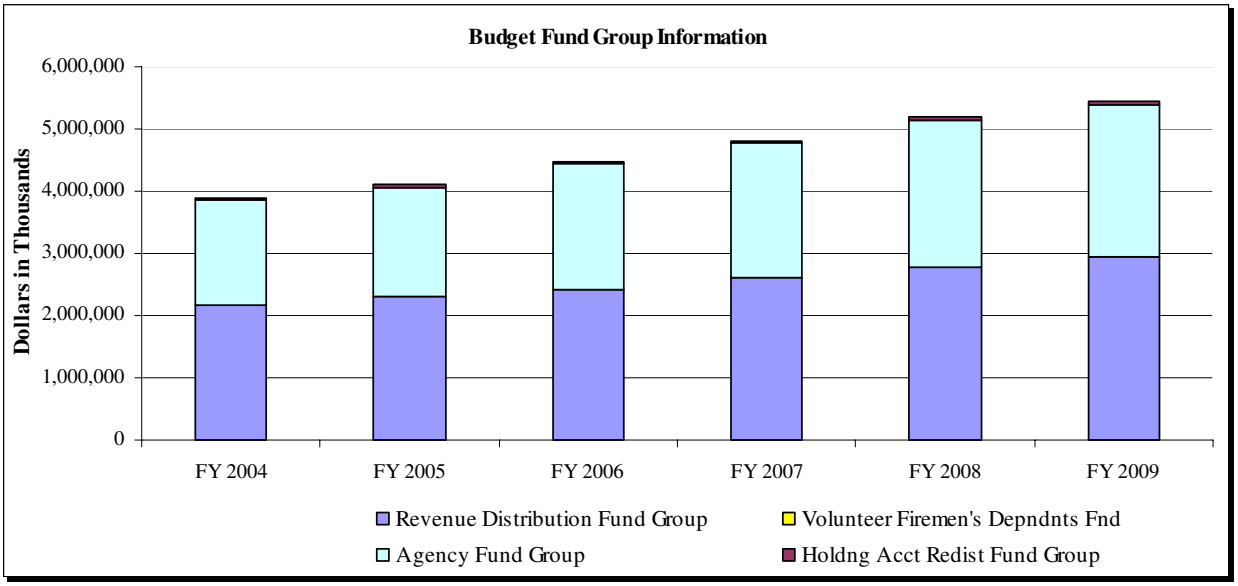
Volunteer Firemen's Dependents Fund

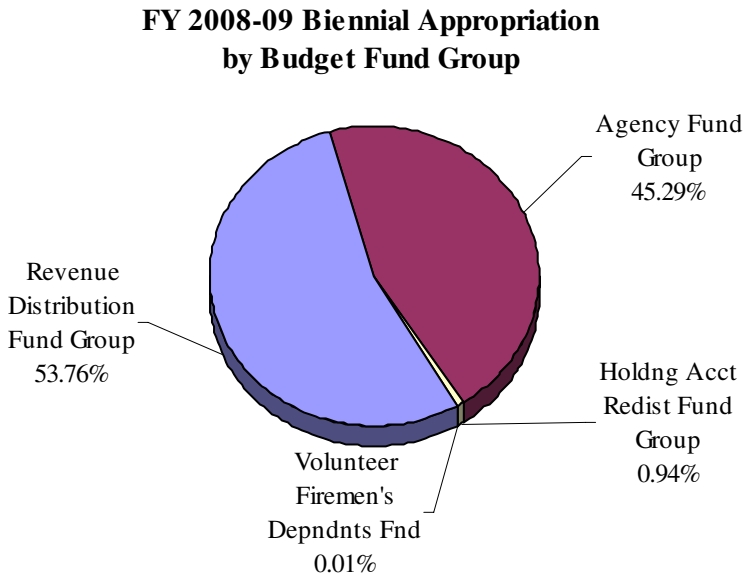
The fund collects premiums from each political subdivision or fire district that maintains a volunteer fire department. The revenues are used to pay benefits to disabled firefighters, the firefighter's surviving spouse, and dependent children.

Executive Priorities for the Revenue Distribution Funds

- Provide a dependable source of support for local governments and libraries by committing a set percentage of all tax revenues deposited into the General Revenue Fund.
- Collect and distribute moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states.

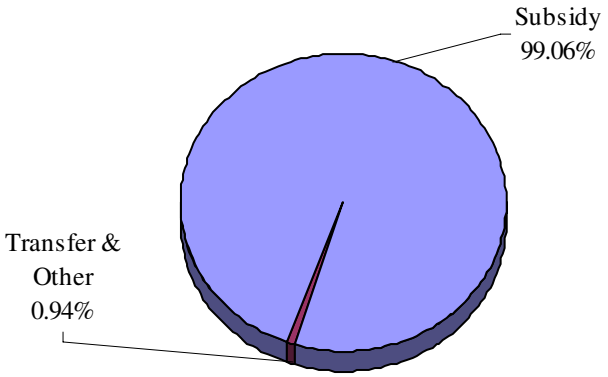
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Revenue Distribution Fund Group	2,173,830	2,296,299	2,414,440	2,611,706	8.2	2,773,775	6.2	2,937,377	5.9
Agency Fund Group	1,690,697	1,771,043	2,022,316	2,152,804	6.5	2,357,712	9.5	2,453,100	4.0
Holdng Acct Redist Fund Group	35,965	39,082	44,953	50,000	11.2	50,000	.0	50,000	.0
Volunteer Firemen's Depndnts Fnd	266	267	256	280	9.4	300	7.1	300	.0
TOTAL	**3,900,757**	**4,106,692**	**4,481,965**	**4,814,790**	**7.4**	**5,181,787**	**7.6**	**5,440,777**	**5.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Maintenance	0	0	161	0	(100.0)	0	.0	0	.0
Subsidy	2,129,360	2,259,733	2,352,430	2,397,520	1.9	5,131,787	114.0	5,390,777	5.0
Transfer & Other	1,771,397	1,846,959	2,129,374	2,417,270	13.5	50,000	(97.9)	50,000	.0
TOTAL	**3,900,757**	**4,106,692**	**4,481,965**	**4,814,790**	**7.4**	**5,181,787**	**7.6**	**5,440,777**	**5.0**

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.

The Executive Recommendation will:

- Allow for the distribution of various taxes, fees, and other revenue sources to the appropriate local entities, state funds, or other states, as appropriate; and
- Establish a new and stable funding source for local governments and libraries by removing the freeze in place since fiscal year 2002 and providing a broader resource base. The Local Government Fund and Local Government Revenue Assistance Fund will be replaced by the Local Communities Fund supported by 3.65 percent of total General Revenue Fund taxes. The Library and Local Government Support Fund will be replaced by the Local Libraries Fund supported by 2.20 percent of total GRF tax revenues.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
RDF	049	038-900	Indig Drivers Alcohol Treatmnt	1,797,000	1,832,000
RDF	050	762-900	Intl Registration Plan Distrbn	54,475,631	55,565,143
RDF	051	762-901	Auto Registration Distribution	500,000,000	539,000,000
RDF	054	110-954	Lcl Govt Prop Tax Replace- Utility	93,250,000	95,125,000
RDF	060	110-960	Gasoline Excise Tax Fund	375,000,000	375,000,000
RDF	064	110-964	Local Govt Revenue Assistance	42,400,000	0
RDF	065	110-965	Library/Local Govt Support Fd	207,200,000	0
RDF	066	800-900	Undivided Liquor Permits	13,500,000	13,500,000
RDF	068	110-968	State/Local Govt Hwy Distrbn	240,250,000	242,500,000
RDF	069	110-969	Local Government Fund	298,700,000	0
RDF	081	110-981	Lcl Govt Property Tax Rplcmt-Bus	262,500,000	366,800,000
RDF	082	110-982	Horse Racing Tax	125,000	130,000
RDF	083	700-900	Ohio Fairs Fund	2,277,000	2,325,000
RDF	091	110-991	Local Communities	430,600,000	782,800,000
RDF	092	110-992	Local Libraries	251,700,000	462,800,000
AGY	062	110-962	Resort Area Excise Tax	1,000,000	1,000,000
AGY	063	110-963	Permissive Tax Distribution	1778,662,000	1849,000,000
AGY	067	110-967	School District Income Tax	325,000,000	350,000,000
AGY	4P8	001-698	Cash Management Improvt Fund	3,050,000	3,100,000
AGY	608	001-699	Investment Earnings	250,000,000	250,000,000
090	R45	110-617	International Fuel Tax Distrbn	50,000,000	50,000,000
085	085	800-900	Vol Firefighters Depend Fund	300,000	300,000
TOTAL FOR PROGRAM				**5181,786,631**	**5440,777,143**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 110-991, Local Communities, will replace 110-964, Local Government Revenue Assistance, and 110-969, Local Government Fund, midway through fiscal year 2008 and for all of fiscal year 2009. Line item 110-965, Libraries/Local Government Support, is replaced midyear in fiscal year 2008 by 110-992, Local Libraries. The midyear changes occur due to calendar-year timing of Local Government Funds Distribution.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
64	110-964	Local Gov't Revenue Assistance	-	-	-	-	-
65	110-965	Libraries/Local Gov't Support	-	-	-	-	-
69	110-969	Local Government Fund	-	-	-	-	-
91	110-991	Local Communities	756,743,028	756,300,000	-0.1%	767,800,000	1.5%
92	110-992	Local Libraries	458,510,155	458,700,000	0.0%	462,800,000	0.9%

In addition, due to the conversion to the Ohio Administrative Knowledge System (OAKS), each line item must have a unique number. In the past, line item 110-900 was used for many different funds. In fiscal year 2007, distinct line item numbers were introduced. In the Line Item Summary document, all funds that use line item 110-900 to show historical spending appear without a line item title.

To separately illustrate line item changes due to this OAKS-driven restructuring, please refer to the table below.

			Estimated	Recommended			
Fund	ALI	ALI Title	FY 2007	FY 2008	% Change	FY 2009	% Change
054	110-900	Local Gov't Tax Replacement Util.	-	-	-	-	-
054	110-954	Local Gov't Tax Replacement Util.	90,000,000	93,250,000	3.6%	95,125,000	2.0%
060	110-900	Gasoline License Tax	-	-	-	-	-
060	110-960	Gasoline Excise Tax Fund	349,000,000	375,000,000	7.4%	375,000,000	0.0%
062	110-900	Resort Area Excise Tax	-	-	-	-	-
062	110-962	Resort Area Excise Tax	1,075,000	1,000,000	-7.0%	1,000,000	0.0%
063	110-900	Permissive Tax Distribution	-	-	-	-	-
063	110-963	Permissive Tax Distribution	1,706,969,960	1,778,662,000	4.2%	1,849,000,000	4.0%
064	110-900	Local Gov't Revenue Assistance	-	-	-	-	-
064	110-964	Local Gov't Revenue Assistance	94,605,130	42,400,000	-55.2%	-	-100.0%
065	110-900	Library/Local Government Support	-	-	-	-	-
065	110-965	Library/Local Government Support	458,510,155	207,200,000	-54.8%	-	-100.0%
067	110-900	School District Income Tax	-	-	-	-	-
067	110-967	School District Income Tax	254,000,000	325,000,000	28.0%	350,000,000	7.7%
068	110-900	State/Local Government Highway	-	-	-	-	-
068	110-968	State/Local Gov't Hwy Distribution			2.0%		0.9%

			235,542,000	240,250,000		242,500,000	
069	110-900	Local Government	-	-	-	-	-
069	110-969	Local Government Funds	677,137,989	298,700,000	-55.9%	-	-100.0%
081	110-900	Local Gov't Prop. Tax Replacement	-	-	-	-	-
081	110-981	Local Gov't Prop. Tax Replacement	158,166,000	262,500,000	66.0%	366,800,000	39.7%
082	110-900	Horse Racing Tax	-	-	-	-	-
082	110-982	Horse Racing Tax	130,000	125,000	-3.8%	130,000	4.0%

LINE ITEM SUMMARY - Revenue Distribution Funds

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
049	038-900	Indig Drivers Alcohol Treatmnt	1,898,355	1,544,545	1,545,064	1,865,000	1,797,000	(3.6)	1,832,000	1.9
050	762-900	Intl Registration Plan Distrbn	43,208,147	35,470,341	41,471,701	55,000,000	54,475,631	(1.0)	55,565,143	2.0
051	762-901	Auto Registration Distribution	452,733,963	441,631,205	475,303,468	475,000,000	500,000,000	5.3	539,000,000	7.8
054	110-900		90,646,413	90,679,570	90,540,118	0	0	.0	0	.0
054	110-954	Lcl Govt Prop Tax Replace- Utility	0	0	0	90,000,000	93,250,000	3.6	95,125,000	2.0
060	110-900		185,043,902	265,387,036	335,331,862	0	0	.0	0	.0
060	110-960	Gasoline Excise Tax Fund	0	0	0	349,000,000	375,000,000	7.5	375,000,000	.0
064	110-900		90,947,173	94,597,556	94,597,555	0	0	.0	0	.0
064	110-964	Local Govt Revenue Assistance	0	0	0	94,605,130	42,400,000	(55.2)	0	(100.0)
065	110-900		422,002,689	457,970,324	457,970,324	0	0	.0	0	.0
065	110-965	Library/Local Govt Support Fd	0	0	0	458,510,155	207,200,000	(54.8)	0	(100.0)
066	800-900	Undivided Liquor Permits	13,245,143	13,883,112	13,801,947	14,300,000	13,500,000	(5.6)	13,500,000	.0
068	110-900		224,294,155	218,762,760	205,759,257	0	0	.0	0	.0
068	110-968	State/Local Govt Hwy Distrbn	0	0	0	235,542,000	240,250,000	2.0	242,500,000	.9
069	110-900		647,287,600	674,010,507	676,312,187	0	0	.0	0	.0
069	110-969	Local Government Fund	0	0	0	677,137,989	298,700,000	(55.9)	0	(100.0)
081	110-900		0	0	19,623,652	0	0	.0	0	.0
081	110-981	1CL GOVT PROPERTY TAX REPLCMT-BUS	0	0	0	158,166,000	262,500,000	66.0	366,800,000	39.7
082	110-900		125,017	128,403	114,143	0	0	.0	0	.0
082	110-982	Horse Racing Tax	0	0	0	130,000	125,000	(3.8)	130,000	4.0
083	700-900	Ohio Fairs Fund	2,397,223	2,234,115	2,068,917	2,450,000	2,277,000	(7.1)	2,325,000	2.1
091	110-991	LOCAL COMMUNITIES	0	0	0	0	430,600,000	.0	782,800,000	81.8
092	110-992	LOCAL LIBRARIES	0	0	0	0	251,700,000	.0	462,800,000	83.9
TOTAL Revenue Distribution Fund Group			**2173,829,780**	**2296,299,474**	**2414,440,195**	**2611,706,274**	**2773,774,631**	**6.2**	**2937,377,143**	**5.9**
062	110-900		643,192	729,905	633,948	0	0	.0	0	.0
062	110-962	Resort Area Excise Tax	0	0	0	1,075,000	1,000,000	(7.0)	1,000,000	.0
063	110-900		1473,079,420	1495,845,328	1588,009,559	0	0	.0	0	.0
063	110-963	Permissive Tax Distribution	0	0	0	1706,969,960	1778,662,000	4.2	1849,000,000	4.0
067	110-900		147,671,566	170,329,420	202,416,785	0	0	.0	0	.0
067	110-967	School District Income Tax	0	0	0	254,000,000	325,000,000	28.0	350,000,000	7.7
4P8	001-698	Cash Management Improvt Fund	680,706	488,874	1,139,069	3,000,000	3,050,000	1.7	3,100,000	1.6
608	001-699	Investment Earnings	68,622,253	103,649,876	230,116,915	187,759,237	250,000,000	33.1	250,000,000	.0
TOTAL Agency Fund Group			**1690,697,137**	**1771,043,403**	**2022,316,276**	**2152,804,197**	**2357,712,000**	**9.5**	**2453,100,000**	**4.0**
R45	110-617	International Fuel Tax Distrbn	35,964,512	39,082,263	44,952,537	50,000,000	50,000,000	.0	50,000,000	.0

LINE ITEM SUMMARY - Revenue Distribution Funds

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
TOTAL Holdng Acct Redist Fund Group			**35,964,512**	**39,082,263**	**44,952,537**	**50,000,000**	**50,000,000**	**.0**	**50,000,000**	**.0**
085	800-900	Vol Firefighters Depend Fund	265,975	267,075	256,050	280,000	300,000	7.1	300,000	.0
TOTAL Volunteer Firemen's Depndnts Fnd			**265,975**	**267,075**	**256,050**	**280,000**	**300,000**	**7.1**	**300,000**	**.0**
TOTAL Revenue Distribution Funds			**3900,757,404**	**4106,692,215**	**4481,965,058**	**4814,790,471**	**5181,786,631**	**7.6**	**5440,777,143**	**5.0**

State Board of Sanitarian Registration

Role and Overview

The Ohio State Board of Sanitarian Registration (SAN) was established in 1977 to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely protect public health in Ohio. The board then monitors those licensees to ensure compliance with the laws in the Ohio Revised Code. The board's annual budget of slightly more than $138,500 supports one full-time staff member and one part-time staff member in addition to seven board members. The board licenses approximately 1,300 registered sanitarians, 230 sanitarians-in-training, and 100 approved training agencies. Additional information regarding the Board of Sanitarian Registration is available at: http://sanitarian.ohio.gov/.

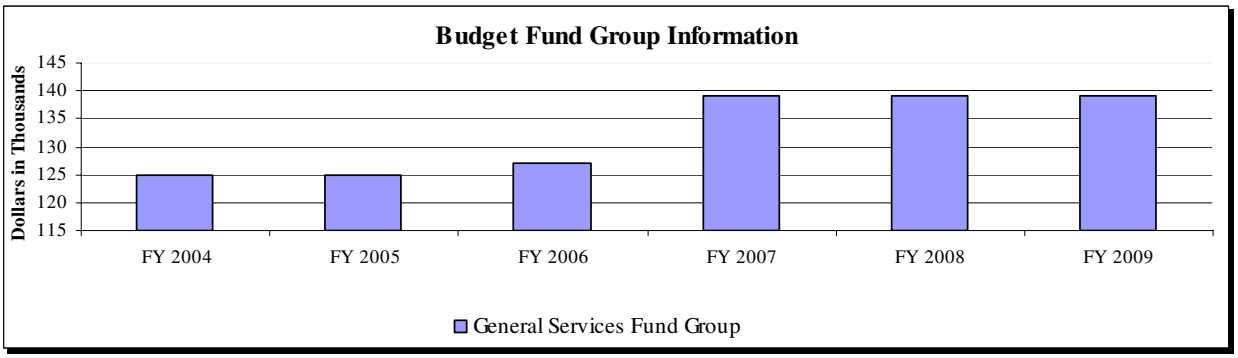
Turnaround Ohio Initiatives

- Utilize the existing technology available to all boards and commissions to ensure more individuals are able to readily apply for registration as a sanitarian and enter the workforce to contribute to Ohio's economy.

Agency Priorities

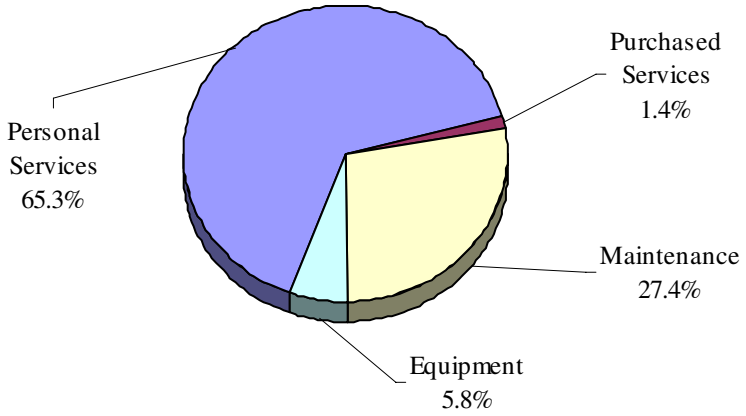
- Ensure the safe and educated practice of environmental health for the consumers of environmental health services.
- Monitor and regulate the training agencies approved by the board to ensure they are providing quality continuing education programs.
- Increase the public and registrants' awareness of the ability to use on-line technology to allow for increased and more effective communication with the board.
- Collaborate with other state agencies, boards, and commissions on common problems regarding the regulation of the practice of environmental health.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	125	125	127	139	8.8	139	.0	139	.0
TOTAL	**125**	**125**	**127**	**139**	**8.8**	**139**	**.0**	**139**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	91	93	95	102	7.5	88	(13.6)	93	5.0
Purchased Services	1	0	1	1	42.7	2	50.0	2	.0
Maintenance	32	32	30	35	17.4	40	14.4	36	(10.9)
Equipment	1	0	1	0	(100.0)	8	.0	8	.0
TOTAL	**125**	**125**	**127**	**139**	**8.8**	**139**	**.0**	**139**	**.0**

PROGRAM SERIES 01: Regulation

This program series ensures the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Sanitarian Registration including examination administration, monitoring of continuing education requirements, and investigation of complaints filed with the board.

The Executive Recommendation will:

- Support the operation of the Sanitarian Registration Board;
- Allow the Sanitarian Registration Board to begin the development and implementation of online renewal, acceptance of credit card payments, and online applications for registration; and
- Regulate and renew approximately 1,500 registrants and 150 training agencies during the biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GSF	4K9	893-609	Operating Expenses	138,551	138,551
TOTAL FOR PROGRAM				**138,551**	**138,551**

LINE ITEM SUMMARY - Sanitarian Registration

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	893-609	Operating Expenses	124,728	125,216	127,367	138,551	138,551	.0	138,551	.0
TOTAL General Services Fund Group			**124,728**	**125,216**	**127,367**	**138,551**	**138,551**	**.0**	**138,551**	**.0**
TOTAL BOARD OF SANITARIAN REGSTRTN			**124,728**	**125,216**	**127,367**	**138,551**	**138,551**	**.0**	**138,551**	**.0**

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 $7.7 million. Appropriations for school building construction are typically provided through the state capital bill and tobacco bill.

Through six main programs, OSFC currently manages over $8.7 billion in planning, design, and construction for over 649 school facilities. Through December 2006, the OSFC has opened 469 new or completely renovated buildings and has completed 112 district-wide fixes.

Additional information regarding the Ohio School Facilities Commission is available at http://osfc.ohio.gov.

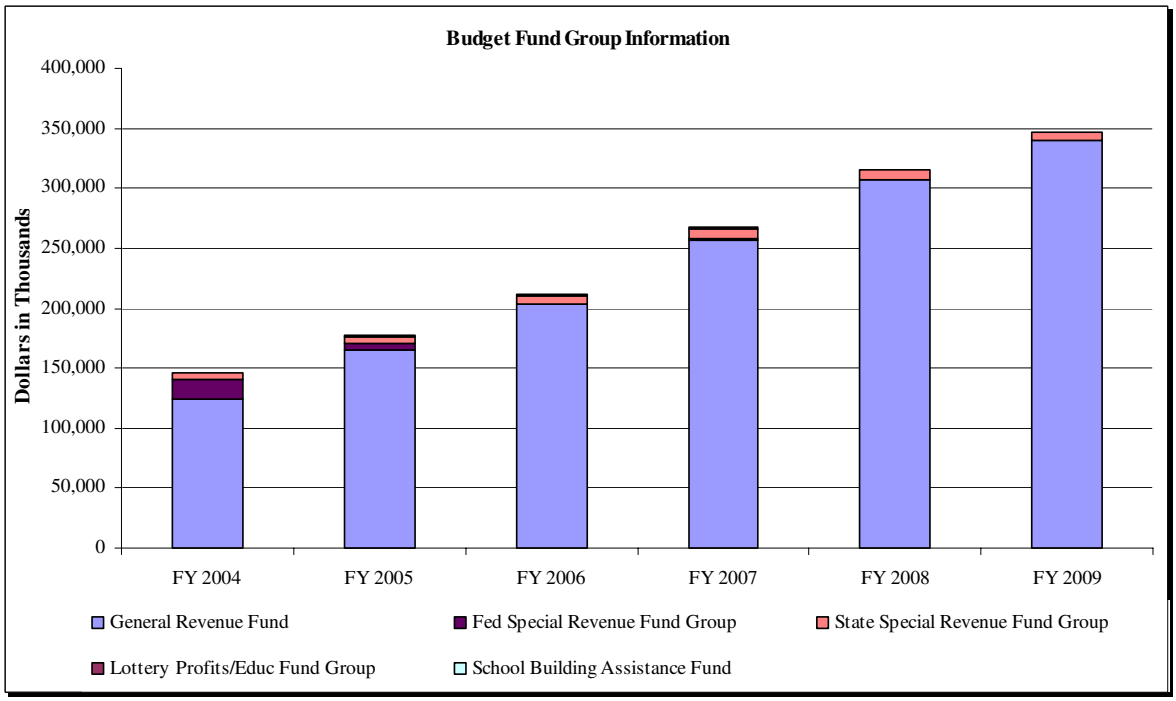
Turnaround Ohio Initiatives

- Create schools that work for every child by giving teachers the tools and technology they need to stimulate creative, problem-solving students to power Ohio's 21st century economy.

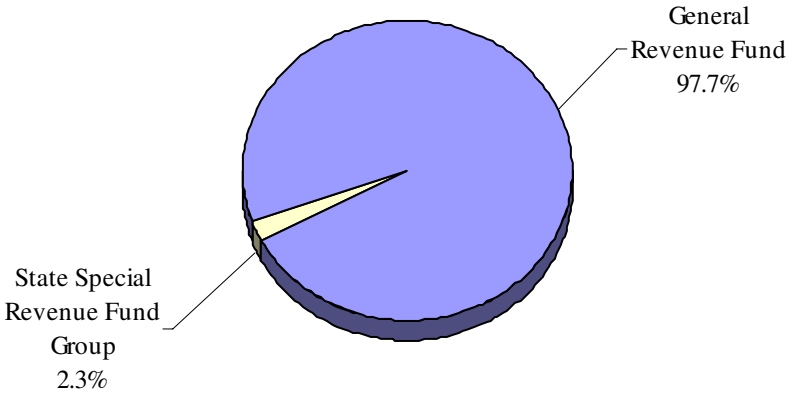
Agency Priorities

- Administer and oversee the construction and renovation of school buildings, as funded in the Capital Budget, to provide an appropriate learning environment for Ohio's school children.

Summary of Budget History and Recommendations

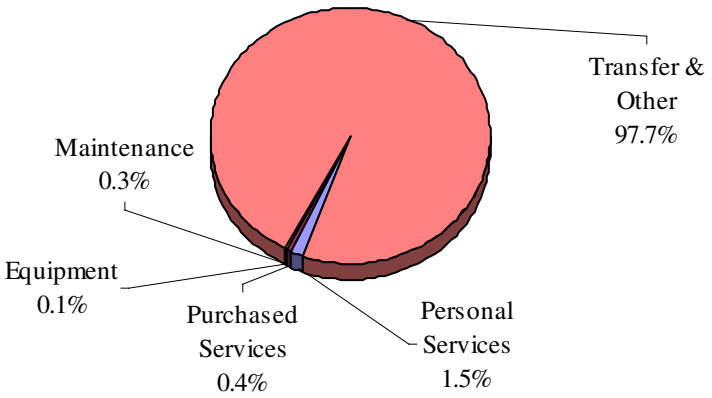


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	123,625	165,365	203,140	256,515	26.3	307,470	19.9	339,648	10.5
Fed Special Revenue Fund Group	16,489	4,976	890	1,461	64.2	0	(100.0)	0	.0
State Special Revenue Fund Group	5,426	6,244	6,458	7,691	19.1	7,750	.8	7,786	.5
Lottery Profits/Educ Fund Group	0	0	0	2,000	.0	0	(100.0)	0	.0
School Building Assistance Fund	0	578	603	0	(100.0)	0	.0	0	.0
TOTAL	**145,540**	**177,162**	**211,091**	**267,667**	**26.8**	**315,220**	**17.8**	**347,434**	**10.2**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	3,947	4,086	4,375	5,284	20.8	4,998	(5.4)	5,081	1.7
Purchased Services	432	1,190	1,106	1,123	1.5	1,351	20.3	1,269	(6.1)
Maintenance	938	895	875	1,123	28.3	1,054	(6.1)	1,084	2.9
Equipment	218	119	121	181	49.6	346	91.4	352	1.6
Subsidy	16,380	4,929	871	1,441	65.4	0	(100.0)	0	.0
Transfer & Other	123,625	165,942	203,743	258,515	26.9	307,470	18.9	339,648	10.5
TOTAL	**145,540**	**177,162**	**211,091**	**267,667**	**26.8**	**315,220**	**17.8**	**347,434**	**10.2**

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. Appropriations for the planning and construction of these facilities are funded primarily through the capital and tobacco bills. The operating budget provides for the proper administration of these programs and debt service payments.

Program 01.01: Classroom Facilities Assistance

The Classroom Facilities Assistance Program (CFAP) is the most comprehensive 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 Eligibility Ranking List. CFAP also includes the six districts participating in the Accelerated Urban Initiative (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo). There are 58 projects underway for this program in fiscal year 2007. The number of projects will likely rise to 65 and to 72 in fiscal years 2008 and 2009, respectively. From the inception of CFAP through December 2006, 102 school districts have been completed.

The Executive Recommendation will:

- Pay interest and principal for bonds issued to finance Classroom Facilities Assistance Program projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	230-428	Lease Rental Payments	22,702,000	0
GRF	GRF	230-908	Common Schools G.O. Debt Svc	242,227,800	289,511,820
TOTAL FOR PROGRAM				**264,929,800**	**289,511,820**

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 the renovation or replacement of specific buildings. Applications are rank ordered based on the severity of the problem. There are nine projects being completed under this program in fiscal year 2007. The number of projects will likely rise to 12 and to 15 in fiscal

years 2008 and 2009, respectively. From the inception of ENP through December 2006, 32 school buildings have been opened.

The Executive Recommendation will:

- Pay interest and principal for bonds issued to finance Exceptional Needs Program projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-908	Common Schools G.O. Debt Svc	27,439,054	33,578,199
TOTAL FOR PROGRAM				**27,439,054**	**33,578,199**

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 "discrete portion" of its 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. Through December 2006, 67 buildings were opened under ELPP. The number of projects will likely decrease as more districts become eligible through other OSFC programs.

The Executive Recommendation will:

- Allow for continued administration of this program, which is funded by local school districts, with technical support from OSFC shown in Program 01.07, General School Facilities Assistance.
- Provide information technology support for the employees, school districts, and contractors on each project.

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-technical 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 four JVSDs offered assistance under this program in fiscal year 2007, a number that is expected to rise to six and then to seven in fiscal years 2008 and 2009, respectively. Projects first started in fiscal year 2007 will likely begin to be completed in 2009.

In fiscal year 2006, OSFC assumed 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 eliminate the loan program and align this program with the Vocational Facilities Assistance Program, detailed above.

The Executive Recommendation will:

- Pay interest and principal for bonds issued to finance Joint Vocational Facilities Assistant Program projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-908	Common Schools G.O. Debt Svc	1,534,432	2,668,129
TOTAL FOR PROGRAM				**1,534,432**	**2,668,129**

Program 01.05: Energy Conservation

This program gives school districts an opportunity to make energy efficient improvements to their buildings and use the cost savings to pay for those improvements. As statutorily authorized, the Energy Conservation Program gives districts the ability to borrow funds, in this one limited instance, 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.

The Executive Recommendation will:

- Allow for continued administration of this program, which is supported by Program 01.07, General School Facilities Assistance;

Program 01.06: Community School Guaranteed Loans

This program offers assistance to community 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, $1.5 million remains for additional rounds of applications in fiscal years 2008 and 2009. OSFC's specific charge is to review and approve the application for a loan guarantee.

The Executive Recommendation will:

- Allow for continued administration of this program, which is supported by Program 01.07, General School Facilities Assistance;

Program 01.07: General School Facilities Assistance

General School Facilities Assistance supports the continued administration necessary to provide an appropriate level of management and oversight for the school construction projects.

The Executive Recommendation will:

- Fund 59.5 staff positions to provide the management and oversight required to ensure accountability for the various school facilities programs; to support project planning, budgeting, and review for compliance with the Ohio School Design Manual; and to provide project administration including tracking, approval, and assistance at every phase of the project through building design, construction, and final closeout;
- Provide the professional service contracts needed to develop contracting and design guidance, as provided to school districts through the OSFC Design Manual;
- Provide information technology support for the employees, school districts, and contractors on each project;
- Maintain purchased personal service levels, primarily for information technology systems, design manual updates, and auditing;
- Replace computer equipment for aging technology systems and maintain and upgrade equipment as necessary to support both on-going and additional construction projects; and
- Pay interest and principal for debt incurred for the "Big 8" and Emergency Repair programs. These are programs that largely have been closed out and are not scheduled for additional appropriations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-908	Common Schools G.O. Debt Svc	13,567,114	13,890,152
SSR	5E3	230-644	Operating Expenses	7,749,813	7,786,197
TOTAL FOR PROGRAM				**21,316,927**	**21,676,349**

LINE ITEM SUMMARY - School Facilities Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	230-428	Lease Rental Payments	31,765,182	31,697,465	31,684,689	31,603,200	22,702,000	(28.2)	0	(100.0)
GRF	230-908	Common Schools G.O. Debt Svc	91,859,332	133,667,174	171,455,309	224,911,500	284,768,400	26.6	339,648,300	19.3
TOTAL General Revenue Fund			**123,624,514**	**165,364,639**	**203,139,998**	**256,514,700**	**307,470,400**	**19.9**	**339,648,300**	**10.5**
3X9	230-601	Fed School Facilities Grant	16,489,008	4,976,397	889,532	1,460,663	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**16,489,008**	**4,976,397**	**889,532**	**1,460,663**	**0**	**(100.0)**	**0**	**.0**
5E3	230-644	Operating Expenses	5,426,340	6,243,680	6,458,321	7,691,485	7,749,813	.8	7,786,197	.5
TOTAL State Special Revenue Fund Group			**5,426,340**	**6,243,680**	**6,458,321**	**7,691,485**	**7,749,813**	**.8**	**7,786,197**	**.5**
020	230-620	Career Tech School Building	0	0	0	2,000,000	0	(100.0)	0	.0
TOTAL Lottery Profits/Educ Fund Group			**0**	**0**	**0**	**2,000,000**	**0**	**(100.0)**	**0**	**.0**
021	CAP-605	Hardship Loan Program	0	577,642	602,677	0	0	.0	0	.0
TOTAL School Building Assistance Fund			**0**	**577,642**	**602,677**	**0**	**0**	**.0**	**0**	**.0**
TOTAL School Facilities Commission			**145,539,862**	**177,162,358**	**211,090,528**	**267,666,848**	**315,220,213**	**17.8**	**347,434,497**	**10.2**

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 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 is approximately 135 full-time students for the 2006-2007 school year and about half of the students live on campus. Students, ages five to 22, are placed in the school by their local school district in cooperation with the wishes of their guardians. A majority of students have experienced a lack of success in "mainstreaming" local educational programs due to the severity of their disabilities or the lack of resources available in the local district. An Individualized Education Program is tailored for each student's academic and behavioral skill level and updated each year. Graduates go on to further educational and work experiences. Of those from the past three graduating classes, 40.5% went on to higher education, 31.1% went on to sheltered workshop programs, 14.2% went on to post-secondary vocational training programs, and 14.2% 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 135 employees and budget is approximately $10.7 million, of which approximately $7.9 million is funded from the General Revenue Fund.

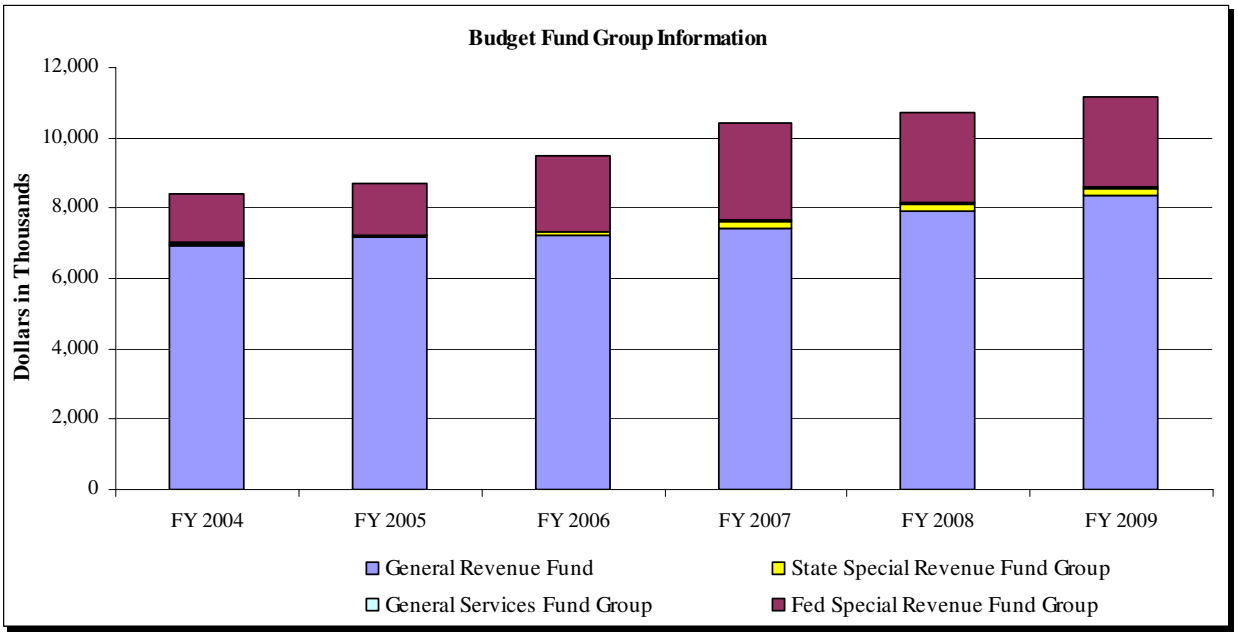
Turnaround Ohio Initiatives

- Promote schools that work for every child by providing teachers with access to tools and technology that help breakdown barriers to learning for blind and visually-impaired students and staff, and stimulate creative, problem-solving students to power Ohio's 21st century economy.
- Contribute to efforts to increase the number of students in Ohio's colleges and universities by focusing on graduation rates and pushing blind and visually-impaired students to fully realize their potential.
- Provide job training and placement opportunities to students of the Ohio State School for the Blind, as well as blind and visually-impaired students from around the state, and partner with the Rehabilitation Services Commission's Bureau of Services for the Visually Impaired (BSVI) to increase the opportunities of blind and visually-impaired youth to attain skills for high-quality jobs.

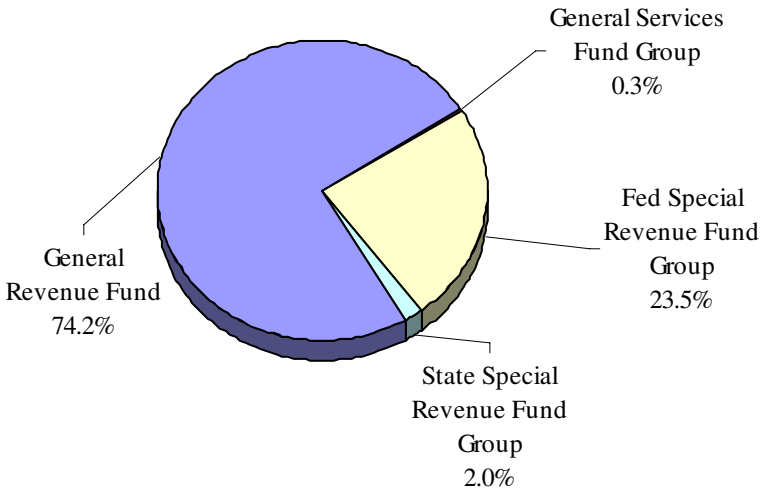
Agency Priorities

- Promote the intellectual, social, physical, and emotional growth of blind and visually-impaired students.
- Help our students to achieve their utmost academic and/or vocational potential, and become contributing members of their communities.
- 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.
- On behalf of the Ohio Department of Education, provide leadership and assistance to local school districts and other educational programs in meeting the educational needs of the approximately 1,500 blind and visually impaired students across the state.
- Ensure the state meets all the federal educational requirements, like those found in the No Child Left Behind Act and the Individuals with Disabilities Education Act, as they pertain to blind and visually-impaired children.

Summary of Budget History and Recommendations

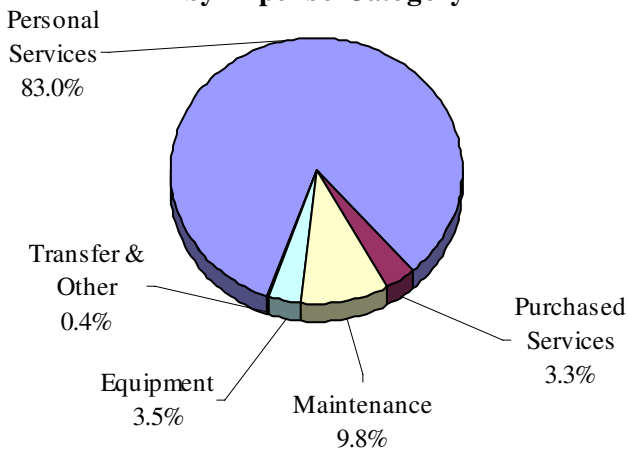


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	6,941	7,183	7,207	7,412	2.8	7,911	6.7	8,337	5.4
General Services Fund Group	30	30	21	38	75.2	38	.0	38	.0
Fed Special Revenue Fund Group	1,414	1,469	2,171	2,742	26.3	2,577	(6.0)	2,577	.0
State Special Revenue Fund Group	42	28	99	217	118.6	217	.0	217	.0
TOTAL	**8,427**	**8,709**	**9,499**	**10,409**	**9.6**	**10,743**	**3.2**	**11,169**	**4.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	7,354	7,458	7,934	8,439	6.4	8,884	5.3	9,310	4.8
Purchased Services	214	105	114	323	184.6	358	10.8	358	.0
Maintenance	729	899	1,094	1,149	5.1	1,075	(6.5)	1,075	.0
Equipment	122	247	357	453	26.8	381	(15.7)	381	.0
Transfer & Other	7	0	1	44	4,927.9	44	(1.0)	44	.0
TOTAL	**8,427**	**8,709**	**9,499**	**10,409**	**9.6**	**10,743**	**3.2**	**11,169**	**4.0**

PROGRAM SERIES 01: Education Program

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: 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 visually impaired education program. These are children who, despite their visual or other impairments, take part in the statewide graduation testing programs and a full range of 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.

The Executive Recommendation will:

- Serve the educational needs of approximately 135 blind or visually impaired students, some of whom are cognitively impaired or multi-handicapped, ages five to 22, in grades K though 12;
- Support the wages and benefits for 56 education employees, including teachers, related service therapists, and classroom aides;
- Upgrade instructional materials and technology needed as determined through the Individualized Education Program process (IEP), including braille books, Braillelite note takers, braille embossers, and various specialized computer programs; and
- Provide therapy for students for whom it is required, as determined by their IEP.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	226-100	Personal Services	2,385,102	2,550,944
GRF	GRF	226-200	Maintenance	14,302	14,302
GRF	GRF	226-300	Equipment	1,228	1,228
GSF	4H8	226-602	School Improvement Grants	37,514	37,514
FED	310	226-626	Multi-Handicapped Student Support	1,324,435	1,324,435
SSR	4M5	226-601	Work Study & Donations	119,775	119,775
TOTAL FOR PROGRAM				**3,882,356**	**4,048,198**

PROGRAM SERIES 02: Residential Program

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

This program supports the direct service and support staff needed 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.

The Executive Recommendation will:

- Serve students residing at the school campus five days a week during the school year;
- Support 29.5 employees maintaining residential services and supervision 24 hours a day;
- Fund daily living necessities related to residential living, including housekeeping, cooking, and recreational supplies; and
- Provide for the general maintenance of the living cottages and student apartments.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	226-100	Personal Services	1,115,353	1,149,640
GRF	GRF	226-200	Maintenance	24,600	24,600
GRF	GRF	226-300	Equipment	5,000	5,000
FED	310	226-626	Multi-Handicapped Student Support	41,801	41,801
SSR	4M5	226-601	Work Study & Donations	10,666	10,666
TOTAL FOR PROGRAM				**1,197,420**	**1,231,707**

Program 02.02: Student 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 afternoon when the students leave to go home for the weekend.

The Executive Recommendation will:

- Provide for five medical-related employees, including one registered nurse that the school shares with the Ohio School for the Deaf, to provide services on a 24-hour basis from Sunday at 4:00 p.m. until Friday at 4:00 p.m. during the school year; and
- Finance low-vision eye examinations that are required yearly for all students enrolled at the school.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	226-100	Personal Services	280,202	312,202
GRF	GRF	226-200	Maintenance	3,857	3,857
GRF	GRF	226-300	Equipment	2,000	2,000
TOTAL FOR PROGRAM				**286,059**	**318,059**

PROGRAM SERIES 03: Outreach Program

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: Outreach Program

The outreach program includes three components: the educational clinic, observation and school visits, and professional development. The educational clinic 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. Observation and school visits provide 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. Professional development 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.

The Executive Recommendation will:

- Provide assistance with assessments upon request for blind or visually impaired students educated in any local school district in Ohio;
- Provide approximately 45 to 50 Multifactored Evaluations (MFE) per year for blind or visually impaired children educated in local school districts to determine their educational needs;
- Enable local school districts to request assistance from OSB to observe blind or visually impaired students in district classrooms for programming recommendations;
- Support wages for 12 teachers at OSB that assist with observations on a part-time basis;
- Fund approximately 20 to 25 visits to local school districts;
- Support professional development for local school district educators serving blind or visually impaired students.
- Certify teachers to provide orientation and mobility services to students at the local level; and
- Fund the Parent Mentor project, which provides support and information for parents of students who are blind or visually impaired.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	226-100	Personal Services	1,120,828	1,314,890
GRF	GRF	226-200	Maintenance	6,200	6,200
FED	310	226-626	Multi-Handicapped Student Support	950,531	950,531
TOTAL FOR PROGRAM				**2,077,559**	**2,271,621**

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 and Support Services

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.

The Executive Recommendation will:

- Support the wages and benefits of 39 employees who provide administrative and service support for OSB; and
- Maintain administration services, business and fiscal operations, building and grounds maintenance, security, food service, and technology infrastructure.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	226-100	Personal Services	2,191,642	2,191,642
GRF	GRF	226-200	Maintenance	655,195	655,195
GRF	GRF	226-300	Equipment	105,060	105,060
FED	3P5	226-643	Medicaid Svcs Reimbursement	50,000	50,000
FED	310	226-626	Multi-Handicapped Student Support	210,338	210,338
SSR	4M5	226-601	Work Study & Donations	86,956	86,956
TOTAL FOR PROGRAM				**3,299,191**	**3,299,191**

LINE ITEM SUMMARY - School for the Blind

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	226-100	Personal Services	6,225,601	6,356,271	6,394,206	6,594,261	7,093,127	7.6	7,519,318	6.0
GRF	226-200	Maintenance	638,633	682,378	767,299	704,163	704,154	.0	704,154	.0
GRF	226-300	Equipment	76,543	143,946	45,954	113,289	113,288	.0	113,288	.0
TOTAL General Revenue Fund			**6,940,777**	**7,182,595**	**7,207,459**	**7,411,713**	**7,910,569**	**6.7**	**8,336,760**	**5.4**
4H8	226-602	School Improvement Grants	29,614	30,467	21,410	37,514	37,514	.0	37,514	.0
TOTAL General Services Fund Group			**29,614**	**30,467**	**21,410**	**37,514**	**37,514**	**.0**	**37,514**	**.0**
3P5	226-643	Medicaid Svcs Reimbursement	46,840	98,251	26,830	210,000	50,000	(76.2)	50,000	.0
310	226-626	Multi-Handicapped Student Support	1,367,006	1,370,287	2,144,001	2,531,892	2,527,105	(.2)	2,527,105	.0
TOTAL Fed Special Revenue Fund Group			**1,413,846**	**1,468,538**	**2,170,831**	**2,741,892**	**2,577,105**	**(6.0)**	**2,577,105**	**.0**
4M5	226-601	Work Study & Donations	42,400	27,636	99,455	217,396	217,397	.0	217,397	.0
TOTAL State Special Revenue Fund Group			**42,400**	**27,636**	**99,455**	**217,396**	**217,397**	**.0**	**217,397**	**.0**
TOTAL School for the Blind			**8,426,637**	**8,709,236**	**9,499,155**	**10,408,515**	**10,742,585**	**3.2**	**11,168,776**	**4.0**

Role and Overview

The Ohio School for the Deaf (OSD) provides educational services in Columbus to Ohio's school-age (grades K through 12) deaf or hearing-impaired youth so that they may become self-sufficient members of society. Children not yet in kindergarten can receive educational services through OSD's preschool, the Alice Cogswell Center. While attending OSD, students are expected to demonstrate proficiency in academics, American Sign Language, English, and social development.

The OSD is a campus consisting of 14 buildings where the educational needs of approximately 160 hearing-impaired students are served. Students are placed in the school by their local school district in cooperation with the wishes of their guardians. Approximately half of the students live on campus during the week. 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. Graduates of the school go on to future educational and work experiences, with approximately one-third advancing to higher education, one-third entering post-secondary vocational training programs, and one-third participating in independent or supported employment programs.

The State Board of Education and the Ohio Department of Education oversee operations at the school. OSD has a staff of about 140 and budget is approximately $13.1 million, of which $10.0 million is funded through the General Revenue Fund.

More information regarding the Ohio School for the Deaf is available at http://www.ohioschoolforthedeaf.org/.

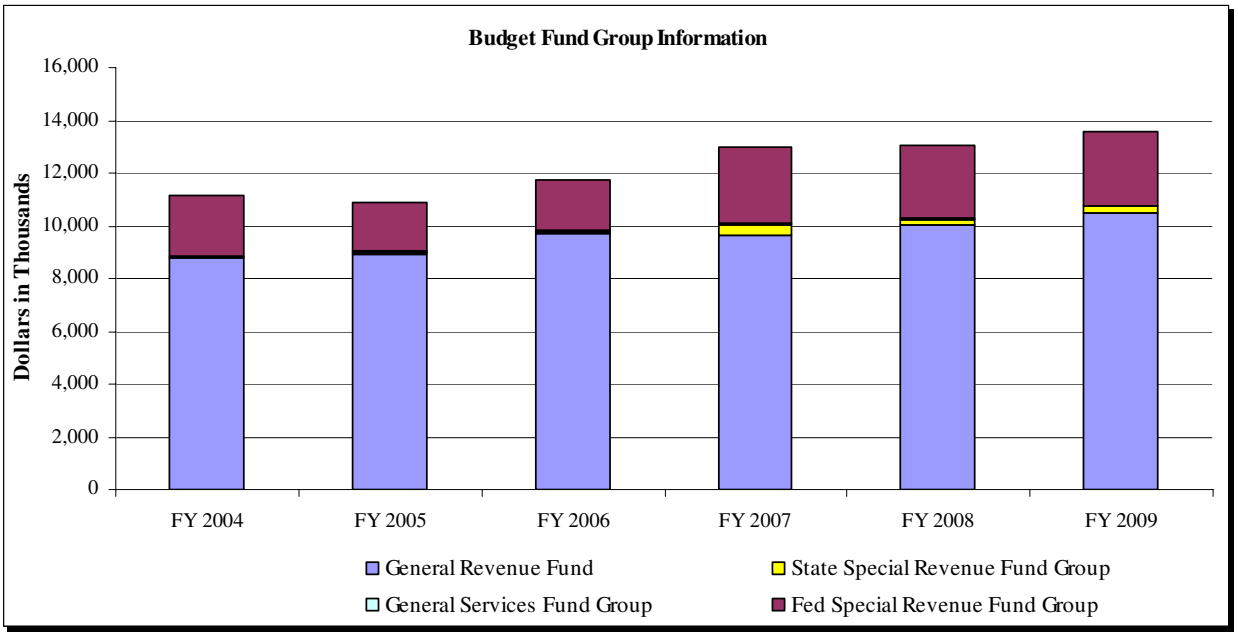
Turnaround Ohio Initiatives

- Provide every child a fair start through access to high-quality early care and education by continuing to build upon the Ohio School for the Deaf's preschool and elementary education programs.
- Promote schools that work for every child by providing teachers with access to tools and technology that help breakdown barriers to learning for deaf and hearing-impaired students and staff, and stimulate creative, problem-solving students to power Ohio's 21st century economy.
- Contribute to efforts to increase the number of students in Ohio's colleges and universities by focusing on graduation rates and pushing deaf and hearing-impaired students to fully realize their potential.
- Provide job training and placement opportunities to students at the Ohio School for the Deaf, as well as deaf and hearing-impaired students from around the state, and initiate summer training programs in collaboration with other state agencies and non-profit organizations to provide job skills training and vocational opportunities.

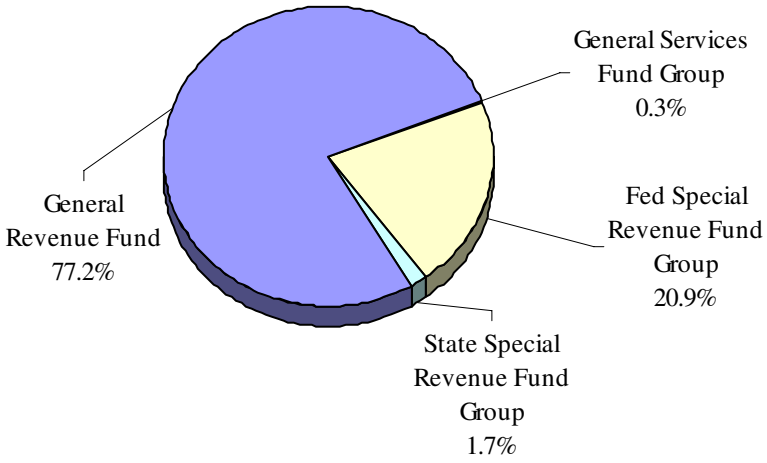
Agency Priorities

- Promote the intellectual, social, physical, cultural, and emotional growth of deaf and hearing-impaired students.
- Help deaf and hearing-impaired students achieve their utmost academic and/or vocational potential, and become contributing members of their communities.
- Work cooperatively with students, families, and the community to provide an effective, enjoyable educational experience through specialized curriculum, equipment, materials, and individualized native-language instruction.
- Maintain a healthy, safe, and supportive residential environment.
- On behalf of the Ohio Department of Education, provide leadership and assistance to local school districts and other educational programs in meeting the educational needs of the approximately 3,000 deaf and hearing-impaired students across the state.
- Ensure the state meets all the federal educational requirements, like those found in the No Child Left Behind Act and the Individuals with Disabilities Education Act, as they pertain to deaf and hearing-impaired children.

Summary of Budget History and Recommendation

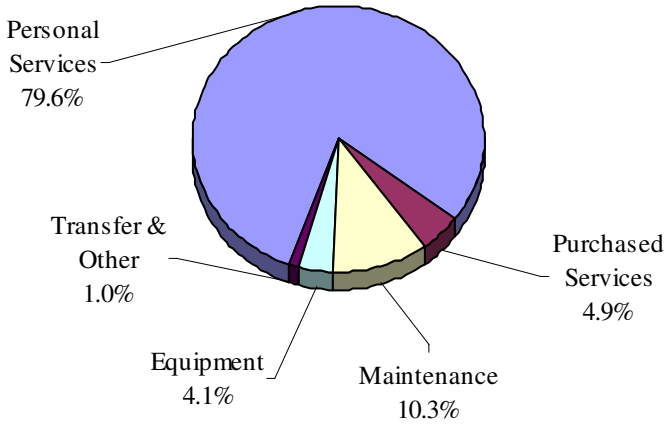


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	8,804	8,942	9,704	9,657	(.5)	10,031	3.9	10,519	4.9
General Services Fund Group	24	35	35	36	2.3	38	5.4	38	.0
Fed Special Revenue Fund Group	2,245	1,863	1,926	2,865	48.8	2,780	(3.0)	2,780	.0
State Special Revenue Fund Group	54	42	85	396	367.2	223	(43.7)	220	(1.1)
TOTAL	**11,128**	**10,882**	**11,749**	**12,954**	**10.3**	**13,072**	**.9**	**13,558**	**3.7**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	8,629	8,633	9,120	10,011	9.8	10,357	3.5	10,846	4.7
Purchased Services	1,115	773	305	566	85.7	658	16.2	655	(.4)
Maintenance	1,006	1,156	1,692	1,547	(8.6)	1,373	(11.3)	1,373	.0
Equipment	377	303	622	695	11.8	550	(20.9)	550	.0
Transfer & Other	0	16	10	134	1,222.7	134	.0	134	.0
TOTAL	**11,128**	**10,882**	**11,749**	**12,954**	**10.3**	**13,072**	**.9**	**13,558**	**3.7**

PROGRAM SERIES 01: Educational Program

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 hearing-impaired learners with differing levels of ability, achievement, hearing loss, and communication capacity.

Program 01.01: Hearing Impaired Education Program

This program provides K-12 educational services to deaf and hearing-impaired learners with Ohio's Model Curriculum that is aligned with Ohio's academic content standards in each of the core content areas.

The Executive Recommendation will:

- Fund wages and benefits for 56 teachers for OSD's approximately 160 learners, ages birth to 22 years old;
- Fund five administrators to oversee teachers, curriculum, and instruction activities;
- Support five presenters for professional development activities, four interpreters, and five assessors of sign language proficiency skills;
- Allow seven classrooms to be renovated and retrofitted to accommodate technology requirements; and
- Provide for one classroom to be fitted with interactive video distance learning equipment.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	221-100	Personal Services	3,821,182	3,984,199
GRF	GRF	221-200	Maintenance	117,416	117,416
GRF	GRF	221-300	Equipment	5,000	5,000
GSF	4M1	221-602	School Improvement Grants	36,500	36,500
FED	311	221-625	Statewide Outreach	570,849	570,849
SSR	4M0	221-601	Work Study & Donations	47,508	47,508
TOTAL FOR PROGRAM				**4,598,455**	**4,761,472**

Program 01.02: Preschool Program

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.

The Executive Recommendation will:

- Fund six teacher aides for the nursery, toddlers, and preschoolers; and
- Allow for the replacement of books and instructional supplies.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	221-100	Personal Services	432,660	487,660
GRF	GRF	221-200	Maintenance	7,275	7,275
FED	3Y1	221-686	Federal Early Childhood Grant	250,000	250,000
SSR	5H6	221-609	Preschool Program Support	127,832	125,358
TOTAL FOR PROGRAM				**817,767**	**870,293**

PROGRAM SERIES 02: Residential Program

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 a 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

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 and a health clinic staffed with registered nurses.

The Executive Recommendation will:

- Support 34 youth leaders to oversee the dormitories and food service staff to work with the OSD students that reside at the school during the school year;
- Provide funding for five bus/van drivers to transport learners to mainstream activities; and
- Provide support for eight tutors to work with residential learners after school hours.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	221-100	Personal Services	1,453,608	1,511,708
GRF	GRF	221-200	Maintenance	180,306	180,306
GRF	GRF	221-300	Equipment	2,039	2,039
FED	311	221-625	Statewide Outreach	20,000	20,000
SSR	4M0	221-601	Work Study & Donations	9,498	9,498
TOTAL FOR PROGRAM				**1,665,451**	**1,723,551**

Program 02.02: Student Health Care Services

This program provides for the provision of audiological, psychological, counseling, and direct nursing services to Medicaid-eligible deaf and hearing-impaired learners enrolled at OSD.

The Executive Recommendation will:

- Fund the Student Health Services office, which is staffed by registered nurses, a contracted psychologist, a part-time doctor, and a part-time dentist; and
- Support the education of OSD students in relation to health, wellness, and related activities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	221-100	Personal Services	375,147	375,147
GRF	GRF	221-200	Maintenance	9,099	9,099
TOTAL FOR PROGRAM				**384,246**	**384,246**

PROGRAM SERIES 03: Outreach Program

This program series offers support, assistance, and resources to deaf and hearing-impaired learners enrolled in Ohio's public schools. Also supported are regular education teachers, parents, and educational interpreters.

Program 03.01: Outreach Program

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.

The Executive Recommendation will:

- Fund 15 teachers and specialists to work with approximately 100 school districts throughout Ohio.
- Fund three employees for the Interpreting and Sign Language Resources center;
- Allow for the development and distribution of 35 tool kits on mathematics and reading to parents and professionals working with deaf and hearing-impaired children;

- Support one fileserver to handle OSD's webpage for outreach activities;
- Provide office supplies and equipment for outreach and summer camp activities; and
- Support a contract for one researcher to collect and analyze data on Ohio's deaf and hearing-impaired students, to ensure that the best educational practices are used in the future.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	221-100	Personal Services	270,794	357,418
GRF	GRF	221-200	Maintenance	5,898	5,898
GRF	GRF	221-300	Equipment	346	346
FED	311	221-625	Statewide Outreach	1,870,686	1,870,686
SSR	4M0	221-601	Work Study & Donations	4,747	4,747
TOTAL FOR PROGRAM				**2,152,471**	**2,239,095**

Program 03.02: Virtual Reality Education for Assisted Living

This program enables OSD to implement congressionally-earmarked grants to provide instruction to deaf and hearing-impaired learners through state of the art interactive educational virtual reality simulations, 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.

The Executive Recommendation will:

- Allow for the continuation of the Virtual Reality Education for Assisted Living (VREAL) program at a reduced level, as a result of decreased federal funding.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3AD	221-604	VREAL Ohio	25,000	25,000
TOTAL FOR PROGRAM				**25,000**	**25,000**

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 and Support Services

This program provides the administrative support (business and fiscal operations, human resources, safety and security, buildings and grounds maintenance, labor relations/EEO, facilities and grants management, and technology infrastructure) for OSD.

The Executive Recommendation will:

- Fund 39 administrative and support staff members in business and fiscal services, maintenance, human resources, facilities and technology management, and security services;
- Provide for the replacement of 15 computers and peripherals, two vehicles, and lawn mowers;
- Allow for continued maintenance to include painting of buildings and rooms, trimming of campus trees, replacing deteriorating sidewalks, and installing outside lighting to improve security;
- Provide food for three meals and snacks daily throughout the school year; and
- Purchase software to better track student attendance, discipline issues, skills competencies, and other data conducive to greater accountability.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	221-100	Personal Services	2,421,972	2,547,730
GRF	GRF	221-200	Maintenance	713,098	713,098
GRF	GRF	221-300	Equipment	215,115	215,115
GSF	4M1	221-602	School Improvement Grants	1,500	1,500
FED	3R0	221-684	Medicaid Svcs Reimbursement	34,999	34,999
FED	311	221-625	Statewide Outreach	8,600	8,600
SSR	4M0	221-601	Work Study & Donations	33,247	33,247
TOTAL FOR PROGRAM				**3,428,531**	**3,554,289**

LINE ITEM SUMMARY - School for the Deaf

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	221-100	Personal Services	7,783,477	7,811,926	8,023,205	8,401,704	8,775,363	4.4	9,263,862	5.6
GRF	221-200	Maintenance	855,407	991,539	1,238,601	1,032,751	1,033,092	.0	1,033,092	.0
GRF	221-300	Equipment	164,951	138,549	442,030	222,500	222,500	.0	222,500	.0
TOTAL General Revenue Fund			**8,803,835**	**8,942,014**	**9,703,836**	**9,656,955**	**10,030,955**	**3.9**	**10,519,454**	**4.9**
4M1	221-602	School Improvement Grants	24,417	34,790	35,248	36,069	38,000	5.4	38,000	.0
TOTAL General Services Fund Group			**24,417**	**34,790**	**35,248**	**36,069**	**38,000**	**5.4**	**38,000**	**.0**
3AD	221-604	VREAL Ohio	1,106,202	686,107	134,187	100,000	25,000	(75.0)	25,000	.0
3R0	221-684	Medicaid Svcs Reimbursement	2,795	1,004	63,295	35,000	34,999	.0	34,999	.0
3Y1	221-686	Federal Early Childhood Grant	295,527	197,660	219,717	250,000	250,000	.0	250,000	.0
311	221-625	Statewide Outreach	840,398	978,383	1,508,354	2,480,144	2,470,135	(.4)	2,470,135	.0
TOTAL Fed Special Revenue Fund Group			**2,244,922**	**1,863,154**	**1,925,553**	**2,865,144**	**2,780,134**	**(3.0)**	**2,780,134**	**.0**
4M0	221-601	Work Study & Donations	14,980	6,911	43,505	267,688	95,000	(64.5)	95,000	.0
5H6	221-609	Preschool Program SUpport	39,473	34,949	41,155	127,829	127,832	.0	125,358	(1.9)
TOTAL State Special Revenue Fund Group			**54,453**	**41,860**	**84,660**	**395,517**	**222,832**	**(43.7)**	**220,358**	**(1.1)**
TOTAL School for the Deaf			**11,127,627**	**10,881,818**	**11,749,297**	**12,953,685**	**13,071,921**	**.9**	**13,557,946**	**3.7**

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 11 divisions, approximately 168 employees, and an annual budget of approximately $22.6 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.

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, maintains various other indexes and records, 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.

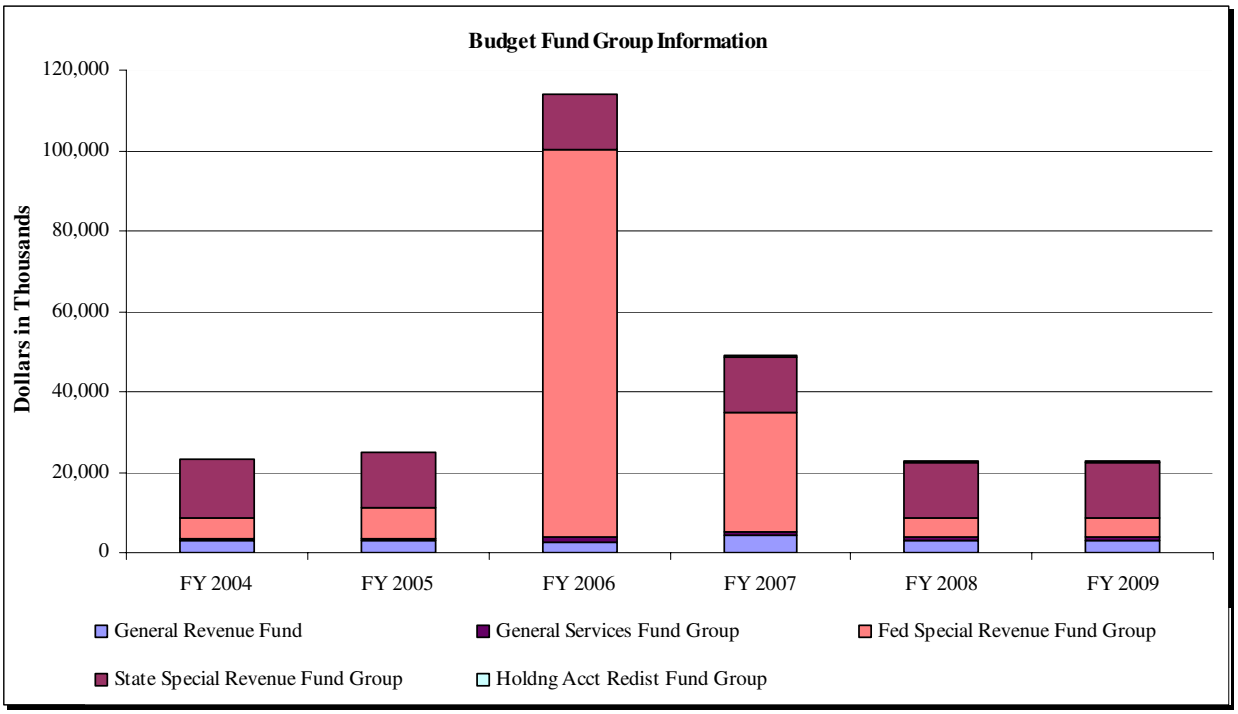
In addition, the SOS incorporates Ohio businesses and nonprofit organizations, registers business names, registers company trademarks and service marks, files secured commercial transactions, grants business licenses to foreign corporations doing business in Ohio, provides certificates of good standing, and receives limited liability and limited liability partnership filings.

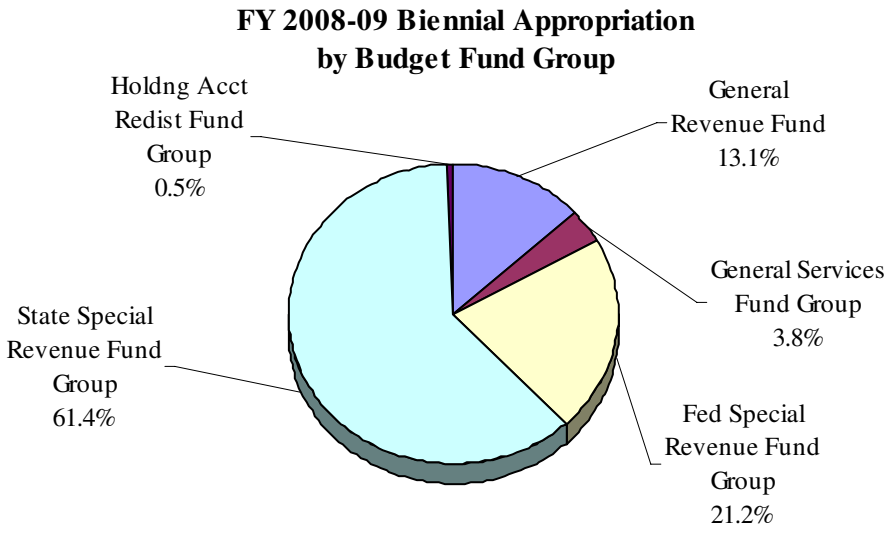
More information regarding the Secretary of State is available at http://www.sos.state.oh.us/.

Agency Priorities

- Restore trust to Ohio elections.
- Ensure business filings are quick, efficient, and easy to retrieve.
- Protect social security numbers from public access.
- Create and maintain a social health index.

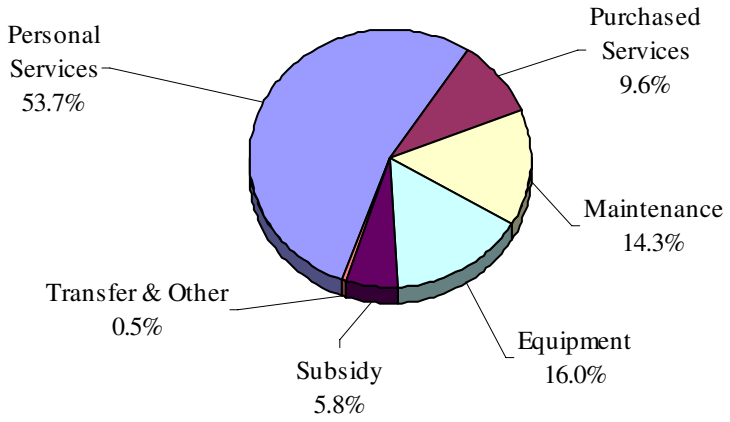
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	3,127	2,983	2,714	4,171	53.7	2,972	(28.8)	2,972	.0
General Services Fund Group	447	383	1,011	918	(9.2)	868	(5.4)	868	.0
Fed Special Revenue Fund Group	5,090	7,646	96,442	29,754	(69.1)	4,791	(83.9)	4,791	.0
State Special Revenue Fund Group	14,429	13,945	13,827	13,891	.5	13,891	.0	13,891	.0
Holdng Acct Redist Fund Group	104	98	49	165	238.8	115	(30.3)	115	.0
TOTAL	**23,197**	**25,055**	**114,042**	**48,899**	**(57.1)**	**22,637**	**(53.7)**	**22,637**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	10,713	10,636	10,894	11,625	6.7	11,965	2.9	12,348	3.2
Purchased Services	4,839	4,886	6,218	8,311	33.7	2,328	(72.0)	2,023	(13.1)
Maintenance	2,746	5,463	3,414	3,065	(10.2)	3,270	6.7	3,222	(1.5)
Equipment	620	608	90,121	22,561	(75.0)	3,640	(83.9)	3,610	(.8)
Subsidy	4,167	3,357	3,324	3,169	(4.7)	1,319	(58.4)	1,319	.0
Transfer & Other	111	105	70	167	138.7	115	(31.2)	115	.0
TOTAL	**23,197**	**25,055**	**114,042**	**48,899**	**(57.1)**	**22,637**	**(53.7)**	**22,637**	**.0**

PROGRAM SERIES 01: Elections

As Ohio's chief election officer, 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 election and other materials such as the *Voter Information Guide*, *Candidate Requirement Guide,* and the *Citizen Digest*.

The Executive Recommendation will:

- Support 19 administrative staff members who are responsible for coordinating elections-related activities; and
- Provide for information technology upgrades.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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(B). Each new election officer 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.

The Executive Recommendation will:

- Support 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 2008	RECOMMENDED FY 2009
GRF	GRF	050-407	Pollworkers Training	277,997	277,997
TOTAL FOR PROGRAM				**277,997**	**277,997**

Program 01.03: Election 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.

The Executive Recommendation will:

- Support two FTEs to maintain the master file of the state's registered voters and the electronic compilation of election results; and

- Enable the electronic delivery of data to eliminate the need for manual data entry of information.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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 election of judges from at-large districts and minority voting rights.

The Executive Recommendation will:

- Provide support for potential legal expenses.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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.

The Executive Recommendation will:

- Support the examination and certification of voting machines.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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, voter education, administration of the federal grant programs, 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 124th General Assembly.

The Executive Recommendation will:

- Support the Secretary of State's highest priority, the purchase of new voting equipment, upgrades to the voter registration system, voter education, the administration of the federal grant programs, and compliance with facility accessibility in accordance with state and federal law.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
FED	3AH	050-614	Election Reform/HHS	1,000,000	1,000,000

FED	3AS	050-616	2005 HAVA Voting Machines	3,750,000	3,750,000
TOTAL FOR PROGRAM				**4,750,000**	**4,750,000**

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.

The Executive Recommendation will:

- Provide support for the preparation, printing, and distribution of voter registration and educational materials upon request.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	414	050-602	Citizen Education Fund	55,712	55,712
TOTAL FOR PROGRAM				**55,712**	**55,712**

PROGRAM SERIES 02: Business Services

This 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, partnerships having limited liability, and limited liability companies also file with this office.

The Corporations section of the Business Services Division also approves amendments to existing entities, mergers, consolidations, and dissolutions; and registers trademarks/service marks, 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, and the date of incorporation; and the number of shares authorized. The Corporations section also issues certified copies as well as a variety of certificates pertaining to the business entities on file.

Program 02.01: Business Services Program Management

This program provides services to businesses wishing to incorporate in the State of Ohio. Additionally, SOS assists in 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).

The Executive Recommendation will:

- Provide for the filing and maintenance of records related to Ohio corporations, foreign corporations, and other business entities; and
- Support approximately 137 employees in the operation of the Secretary of State's Office including 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 2008	RECOMMENDED FY 2009
SSR	599	050-603	Business Svcs Opertng Expenses	13,761,734	13,761,734
TOTAL FOR PROGRAM				**13,761,734**	**13,761,734**

Program 02.02: Uniform Commercial Code Refund

This program provides refunds 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.

The Executive Recommendation will:

- Provide for the refund of Uniform Commercial Code filing fees as necessary.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
090	R01	050-605	Uniform Commercial Code Refund	30,000	30,000
TOTAL FOR PROGRAM				**30,000**	**30,000**

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.

The Executive Recommendation will:

- Provide for the refund of Corporations' Filing fees as necessary.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
090	R02	050-606	Corp/Business Filing Refunds	85,000	85,000
TOTAL FOR PROGRAM				**85,000**	**85,000**

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 by law and for public access.

The Executive Recommendation will:

- Fund the replacement of existing information technology hardware and upgrades to the current operating system to ensure proper record storage and retrieval capabilities; and
- Support 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	413	050-601	Information Systems	119,955	119,955
SSR	5N9	050-607	Technology Improvements	129,565	129,565
TOTAL FOR PROGRAM				**249,520**	**249,520**

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.

The Executive Recommendation will:

- Provide 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;
- Support the automation of the notary public application process and the development of the commission's website; and
- Fund the commission's current three FTEs that manage the program on behalf of the Secretary of State.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	412	050-609	Notary Commission	685,249	685,249
TOTAL FOR PROGRAM				**685,249**	**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.

The Executive Recommendation will:

- Subsidize, contingent on federal grant funding, 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 and support the local efforts of nearly thirty statewide teams to develop and implement violence prevention solutions in schools; and
- Provide support, in combination with other funding sources, 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 2008	RECOMMENDED FY 2009
FED	3X4	050-612	Ohio Cntr/Law Related Edu Grnt	41,000	41,000
TOTAL FOR PROGRAM				**41,000**	**41,000**

LINE ITEM SUMMARY - Secretary of State

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	050-321	Operating Expenses	2,863,219	2,594,084	2,493,877	3,784,726	2,585,000	(31.7)	2,585,000	.0
GRF	050-403	Election Statistics	113,026	106,073	101,800	103,936	103,936	.0	103,936	.0
GRF	050-407	Pollworkers Training	145,771	277,997	113,683	277,997	277,997	.0	277,997	.0
GRF	050-409	Litigation Expenditures	4,949	4,652	4,429	4,652	4,652	.0	4,652	.0
TOTAL General Revenue Fund			**3,126,965**	**2,982,806**	**2,713,789**	**4,171,311**	**2,971,585**	**(28.8)**	**2,971,585**	**.0**
4S8	050-610	Voting Machine Examiners	14,392	7,119	13,169	7,200	7,200	.0	7,200	.0
412	050-609	Notary Commission	172,707	189,249	671,753	685,249	685,249	.0	685,249	.0
413	050-601	Information Systems	191,500	95,623	246,285	169,955	119,955	(29.4)	119,955	.0
414	050-602	Citizen Education Fund	68,429	91,403	79,675	55,712	55,712	.0	55,712	.0
TOTAL General Services Fund Group			**447,028**	**383,394**	**1,010,882**	**918,116**	**868,116**	**(5.4)**	**868,116**	**.0**
3AA	050-613	Federal Election Reform	4,933,527	266,937	0	0	0	.0	0	.0
3AH	050-614	Election Reform/HHS	0	0	187,956	1,000,000	1,000,000	.0	1,000,000	.0
3AR	050-615	2004 HAVA Voting Machines	126,834	2,753,386	20,352,450	0	0	.0	0	.0
3AS	050-616	2005 HAVA Voting Machines	0	61,037	75,447,512	28,344,668	3,750,000	(86.8)	3,750,000	.0
3AT	050-617	Voter/Poll Worker Education	0	4,551,794	448,206	0	0	.0	0	.0
3X4	050-612	Ohio Cntr/Law Related Edu Grnt	29,960	12,831	5,531	41,000	41,000	.0	41,000	.0
TOTAL Fed Special Revenue Fund Group			**5,090,321**	**7,645,985**	**96,441,655**	**29,385,668**	**4,791,000**	**(83.7)**	**4,791,000**	**.0**
5N9	050-607	Technology Improvements	91,937	129,197	139,549	129,565	129,565	.0	129,565	.0
599	050-603	Business Svcs Opertng Expenses	14,336,815	13,815,685	13,686,998	13,761,734	13,761,734	.0	13,761,734	.0
TOTAL State Special Revenue Fund Group			**14,428,752**	**13,944,882**	**13,826,547**	**13,891,299**	**13,891,299**	**.0**	**13,891,299**	**.0**
R01	050-605	Uniform Commercial Code Refund	33,297	20,719	8,740	65,000	30,000	(53.8)	30,000	.0
R02	050-606	Corp/Business Filing Refunds	70,518	77,004	39,960	100,000	85,000	(15.0)	85,000	.0
TOTAL Holdng Acct Redist Fund Group			**103,815**	**97,723**	**48,700**	**165,000**	**115,000**	**(30.3)**	**115,000**	**.0**
TOTAL Secretary of State			**23,196,881**	**25,054,790**	**114,041,573**	**48,531,394**	**22,637,000**	**(53.4)**	**22,637,000**	**.0**

Role and Overview

The Ohio Senate (SEN), in conjunction with the House of Representatives, enacts 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 laws 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 to 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.

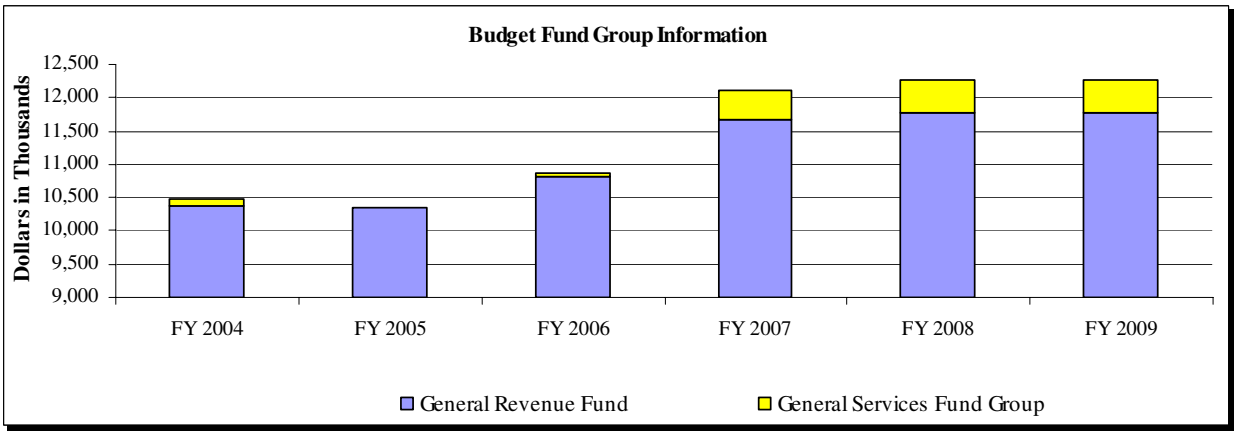
In addition, members may be appointed to serve on statutorily created committees such as the Joint Committee on Agency Rule Review, which has the power to review and invalidate agency rules; or the state Controlling Board, which provides legislative oversight over certain capital and operating expenditures 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 $12.3 million.

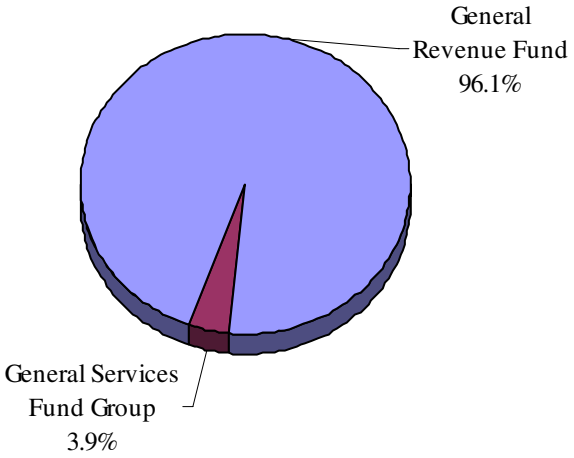
Pursuant to Section 107.03(B) of the Ohio Revised Code, the Governor may not alter the funding requests of agencies of the legislative branch of government. The Senate provides the Office of Budget and Management with their budget request for inclusion in the executive budget proposal and not for consideration or approval.

Additional information regarding the Ohio Senate is available at http://www.senate.state.oh.us/.

Summary of Budget History and Recommendations

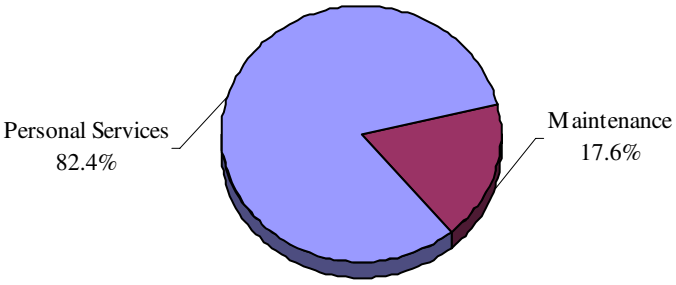


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	10,378	10,342	10,811	11,662	7.9	11,778	1.0	11,778	.0
General Services Fund Group	110	10	64	459	618.6	483	5.2	483	.0
TOTAL	**10,487**	**10,352**	**10,875**	**12,121**	**11.5**	**12,261**	**1.2**	**12,261**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	9,596	9,406	9,765	10,000	2.4	10,100	1.0	10,100	.0
Purchased Services	1	0	0	0	(100.0)	0	.0	0	.0
Maintenance	812	874	975	2,121	117.4	2,161	1.9	2,161	.0
Equipment	72	67	130	0	(100.0)	0	.0	0	.0
Goods For Resale	6	4	4	0	(100.0)	0	.0	0	.0
TOTAL	**10,487**	**10,352**	**10,875**	**12,121**	**11.5**	**12,261**	**1.2**	**12,261**	**.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.

The Senate's Request will:

- Continue the current level of 146 full-time positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	020-321	Operating Expenses	11,778,439	11,778,439
GSF	102	020-602	Senate Reimbursement	448,465	448,465
GSF	409	020-601	Miscellaneous Sales	34,497	34,497
TOTAL FOR PROGRAM				**12,261,401**	**12,261,401**

LINE ITEM SUMMARY - Senate

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	020-321	Operating Expenses	10,377,782	10,342,416	10,811,090	11,661,821	11,778,439	1.0	11,778,439	.0
TOTAL General Revenue Fund			**10,377,782**	**10,342,416**	**10,811,090**	**11,661,821**	**11,778,439**	**1.0**	**11,778,439**	**.0**
102	020-602	Senate Reimbursement	103,803	5,673	48,765	444,025	448,465	1.0	448,465	.0
409	020-601	Miscellaneous Sales	5,880	4,307	15,116	15,000	34,497	130.0	34,497	.0
TOTAL General Services Fund Group			**109,683**	**9,980**	**63,881**	**459,025**	**482,962**	**5.2**	**482,962**	**.0**
TOTAL The Ohio Senate			**10,487,465**	**10,352,396**	**10,874,971**	**12,120,846**	**12,261,401**	**1.2**	**12,261,401**	**.0**

Role and Overview

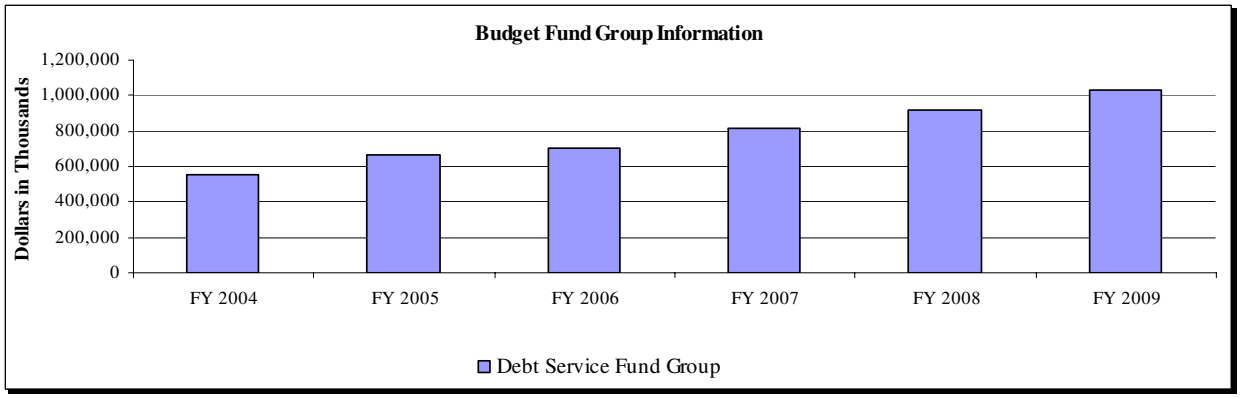
The Commissioners of the Sinking Fund (CSF) facilitate the payment of debt service on fixed rate, variable rate, and derivative products for state general obligation bonds, including bonds issued for highway, coal research and development, local infrastructure, parks and natural resources, higher education,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

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

Agency Priorities

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

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Debt Service Fund Group	557,483	661,420	704,194	820,091	16.5	915,152	11.6	1,033,907	13.0
TOTAL	**557,483**	**661,420**	**704,194**	**820,091**	**16.5**	**915,152**	**11.6**	**1,033,907**	**13.0**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Maintenance	415	365	349	0	(100.0)	0	.0	0	.0
Transfer & Other	557,068	661,055	703,846	820,091	16.5	915,152	11.6	1,033,907	13.0
TOTAL	**557,483**	**661,420**	**704,194**	**820,091**	**16.5**	**915,152**	**11.6**	**1,033,907**	**13.0**

PROGRAM SERIES 01: General Obligation Debt Retirement

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

Program 01.01: General Obligation Debt Retirement

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

The Executive Recommendation will:

- Support debt service payments for general obligation bonds issued for highway, coal research and development, local infrastructure, parks and natural resources, conservation, higher education, primary and secondary education, Third Frontier research and development, and job ready site development purposes; and
- Provide $915.2 million in fiscal year 2008 and $1,033.9 million in fiscal year 2009 to fund general obligation debt service.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
DSF	070	155-905	3rd Frontier R&D Bond Ret Fund	14,349,500	25,023,400
DSF	072	155-902	Hwy Cap Improv. Bond Ret Fund	202,694,900	205,139,500
DSF	073	155-903	Nat Resources Bond Ret Fund	24,713,800	25,723,000
DSF	074	155-904	Conserv Prjcts Bond Srv Fund	14,847,200	19,779,200
DSF	076	155-906	Coal R&D Bond Ret Fund	7,232,400	8,192,500
DSF	077	155-907	State Cap Improv Bond Ret Fund	178,713,600	189,296,300
DSF	078	155-908	Comm Schools Bond Ret Fund	292,268,400	342,148,300
DSF	079	155-909	Higher Education Bond Ret Fnd	175,972,400	210,372,200
DSF	090	155-912	Job Ready Site Dev Bond Ret Fnd	4,359,400	8,232,500
TOTAL FOR PROGRAM				**915,151,600**	**1,033,906,900**

LINE ITEM SUMMARY - Sinking Fund

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
070	155-905	3rd Frontier R&D Bond Ret Fund	0	0	0	10,914,768	14,349,500	31.5	25,023,400	74.4
071	155-901	Hwy Oblig Bond Retirement Fund	35,593,610	10,511,935	0	0	0	.0	0	.0
072	155-902	Hwy Cap Improv. Bond Ret Fund	149,491,931	168,409,198	181,163,641	196,464,900	202,694,900	3.2	205,139,500	1.2
073	155-903	Nat Resources Bond Ret Fund	21,617,256	23,406,932	25,373,565	24,659,100	24,713,800	.2	25,723,000	4.1
074	155-904	Conserv Prjcts Bond Srv Fund	4,717,100	10,160,256	9,916,551	17,668,800	14,847,200	(16.0)	19,779,200	33.2
076	155-906	Coal R&D Bond Ret Fund	7,217,343	9,031,126	7,053,193	8,980,800	7,232,400	(19.5)	8,192,500	13.3
077	155-907	State Cap Improv Bond Ret Fund	139,327,537	151,887,149	157,571,484	174,545,100	178,713,600	2.4	189,296,300	5.9
078	155-908	Comm Schools Bond Ret Fund	108,297,519	163,216,965	188,885,689	236,911,500	292,268,400	23.4	342,148,300	17.1
079	155-909	Higher Education Bond Ret Fnd	91,220,421	124,796,702	134,230,211	158,114,100	175,972,400	11.3	210,372,200	19.5
090	155-912	Job Ready Site Dev Bond Ret Fnd	0	0	0	7,591,405	4,359,400	(42.6)	8,232,500	88.8
TOTAL Debt Service Fund Group			**557,482,717**	**661,420,263**	**704,194,334**	**835,850,473**	**915,151,600**	**9.5**	**1033,906,900**	**13.0**
TOTAL Sinking Fund			**557,482,717**	**661,420,263**	**704,194,334**	**835,850,473**	**915,151,600**	**9.5**	**1033,906,900**	**13.0**

Southern Ohio Agricultural and Community Development Foundation

Role and Overview

The Southern Ohio Agricultural and Community Development Foundation (SOA) is charged with developing and carrying out programs to help replace the production of tobacco with other agricultural products and to mitigate the adverse economic impact of reduced tobacco production in Ohio's traditional tobacco growing region. The foundation is governed by a twelve-member Board of Trustees.

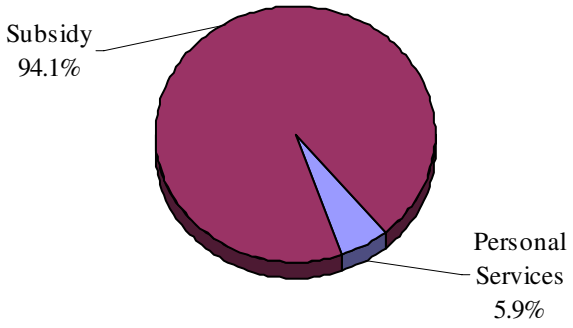
Agency Priorities

- Help create and enhance economic opportunities for Ohio's tobacco farm families and rural communities.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	0	0	0	0	.0	0	.0	7,988	.0
TOTAL	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**	**7,988**	**.0**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	0	0	0	0	.0	0	.0	475	.0
Subsidy	0	0	0	0	.0	0	.0	7,513	.0
TOTAL	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**	**7,988**	**.0**

PROGRAM SERIES 01: Program Management

This program series prepares, implements, and continuously updates a plan to develop means for tobacco growers to grow other agricultural products voluntarily.

Southern Ohio Agricultural and Community Development Foundation

Program 01.01: Program Management

This program increases the variety, quantity, and value of agricultural products other than tobacco that are produced in the major tobacco producing counties of the state; preserves agricultural land and soils in those parts of the state where tobacco has traditionally been grown; makes strategic investments in communities that will be affected by the reduced demand for tobacco; and provides education and training assistance to tobacco growers to help them make the transition out of tobacco production.

The Executive Recommendation will:

- Provide education and training assistance to tobacco growers to help them make the transition away from tobacco production;
- Help farmers who voluntarily move away from their dependence on tobacco by expanding current agricultural enterprises or diversifying into alternative agricultural enterprises;
- Provide strategic investments in communities that have been adversely affected by the reduction in the demand for tobacco with an emphasis on job creation and retention; and
- Support tobacco farmers who have production livestock and provide them with fencing, corrals, chutes, and grain handling equipment.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	945-321	Operating Expenses	0	475,220
GRF	GRF	945-501	S OH Agr Comm Dev Fndtn	0	7,513,251
TOTAL FOR PROGRAM				**0**	**7,988,471**

Southern Ohio Agricultural and Community Development Foundation

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

SOA previously received revenue from the tobacco Master Settlement Agreement. Substitute Senate Bill 321 of the 126th General Assembly appropriated funding for fiscal years 2007 and 2008 for the foundation. Fiscal year 2009 appropriations are from the General Revenue Fund.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 spending in the following table is converted from the previous line-item structure to the current line-item structure with the fiscal year 2008 appropriation from S.B. 321 and the Executive Recommendation for fiscal year 2009 from the General Revenue Fund.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	945-321	Operating Expenses	456,942	475,220	4.0%	475,220	0.0%
GRF	945-501	S OH Agr Comm Dev Fndtn	13,150,375	7,513,251	-42.9%	7,513,251	0.0%

LINE ITEM SUMMARY – Southern Ohio Agriculture and Community Development Trust Fund

FND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	945-321	OPERATING EXPENSES	0	0	0	0	0	.0	475,220	.0
GRF	945-501	S OH AGR COM DEV FNDTN	0	0	0	0	0	.0	7,513,251	.0
TOTAL GENERAL REVENUE FUND			0	0	0	0	0	.0	7,988,471	.0
TOTAL ALL BUDGET FUND GROUPS			0	0	0	0	0	.0	7,988,471	.0

Executive Budget for Fiscal YEARS 2008 AND 2009

Board of Speech-Language Pathology and Audiology

Role and Overview

The Board of Speech-Language Pathology and Audiology (SPE) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice speech-language pathology and audiology in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules of the state. The board's annual budget of slightly more than $430,000 supports a staff of four in addition to the eight board members. SPE has approximately 6,200 licensees. More information about the Board of Speech-Language Pathology and Audiology is available at http://slpaud.ohio.gov/.

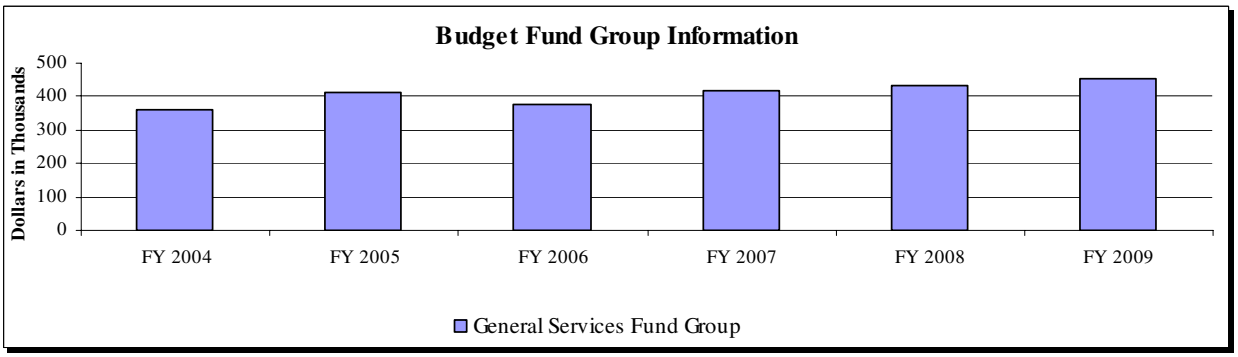
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Ease the burden of regulations that prohibit and constrain development in Ohio through "Advantage Ohio."
- Operate with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

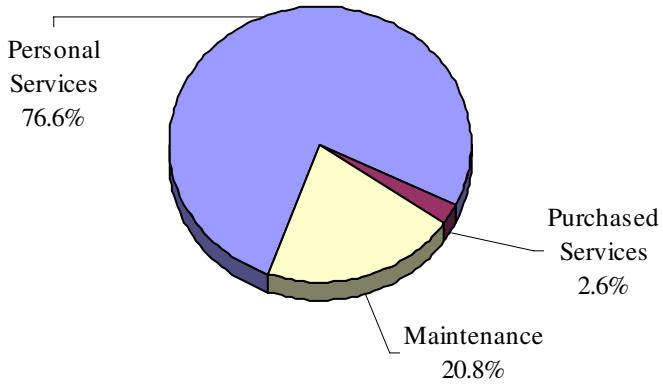
- Protect Ohio consumers of speech, pathology, and audiology services by regulating the professions.
- Focus on the shortage of speech-language pathologists in Ohio.
- Ensure ethical standards of practice by speech-language pathologists and audiologists licensed.

Summary of Budget History and Recommendation



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	362	410	376	415	10.4	431	3.8	453	5.2
TOTAL	**362**	**410**	**376**	**415**	**10.4**	**431**	**3.8**	**453**	**5.2**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	273	289	285	320	12.1	331	3.4	346	4.7
Purchased Services	1	5	4	0	(100.0)	13	.0	10	(23.1)
Maintenance	77	101	78	94	20.5	87	(7.5)	97	11.5
Equipment	12	15	9	1	(89.3)	0	(100.0)	0	.0
Transfer & Other	0	0	0	0	.0	0	(100.0)	0	.0
TOTAL	**362**	**410**	**376**	**415**	**10.4**	**431**	**3.8**	**453**	**5.2**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the Board of Speech-Language Pathology and Audiology.

The Executive Recommendation will:

- Provide consumer protection for audiology and speech pathology services; and
- Regulate approximately 6,200 licensees;

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GSF	4K9	886-609	Operating Expenses	430,600	453,000
TOTAL FOR PROGRAM				**430,600**	**453,000**

LINE ITEM SUMMARY - Speech Pathology and Audiology

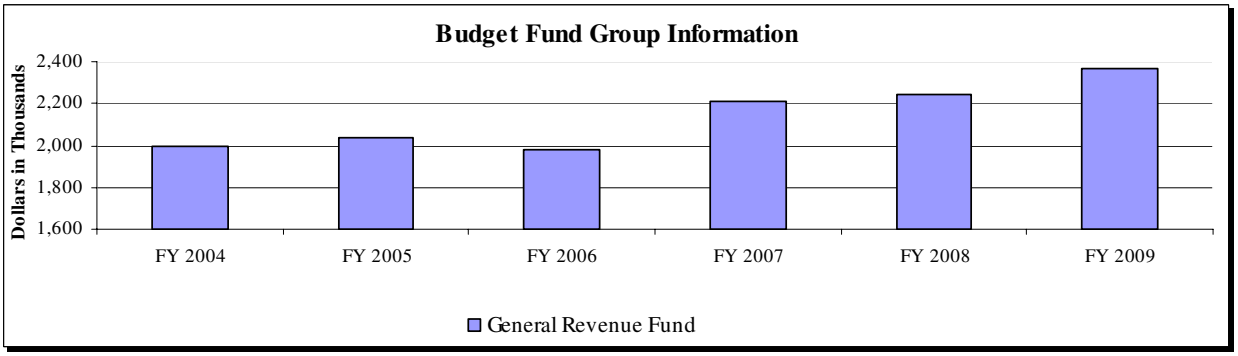
FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	886-609	Operating Expenses	362,287	410,289	375,950	415,000	430,600	3.8	453,000	5.2
TOTAL General Services Fund Group			**362,287**	**410,289**	**375,950**	**415,000**	**430,600**	**3.8**	**453,000**	**5.2**
TOTAL SPEECH-LANGUAGE/PATH/AUDIOLOGY			**362,287**	**410,289**	**375,950**	**415,000**	**430,600**	**3.8**	**453,000**	**5.2**

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 four areas including: 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; actions of the 88 county budget commissions; and decisions of municipal boards of appeal.

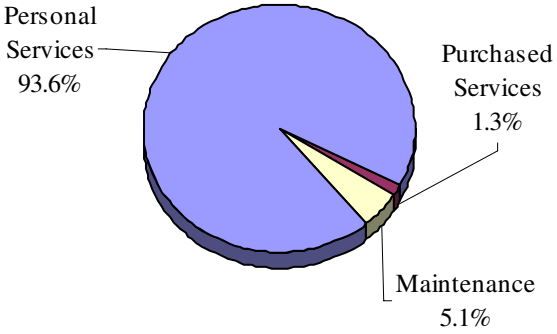
The effect of the Board of Tax Appeals' decisions on revenue for the state and its political subdivisions is considerable, on average, $4 billion to $5 billion was in controversy from real property valuations and determinations of the Tax Commissioner during fiscal year 2006. Appeals are filed and terminated throughout the year, although many are in active status throughout the year. In fiscal year 2006, 1,892 new appeals were filed, 1,505 appeals were terminated; and 1,826 appeals remained in active status at year end. 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/.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,994	2,035	1,977	2,211	11.9	2,247	1.6	2,369	5.4
TOTAL	**1,994**	**2,035**	**1,977**	**2,211**	**11.9**	**2,247**	**1.6**	**2,369**	**5.4**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	1,852	1,868	1,740	2,033	16.9	2,104	3.5	2,218	5.4
Purchased Services	22	50	31	40	29.8	30	(25.0)	30	.0
Maintenance	108	117	159	127	(20.2)	114	(10.6)	122	7.0
Equipment	1	0	47	11	(77.6)	0	(100.0)	0	.0
Transfer & Other	9	0	0	0	.0	0	.0	0	.0
TOTAL	**1,994**	**2,035**	**1,977**	**2,211**	**11.9**	**2,247**	**1.6**	**2,369**	**5.4**

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 approximately 40 percent 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.

The Executive Recommendation will:

- Allow the board to determine an estimated 1,550 appeals each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	116-321	Operating Expenses	2,247,476	2,369,363
TOTAL FOR PROGRAM				**2,247,476**	**2,369,363**

LINE ITEM SUMMARY - Tax Appeals

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	116-321	Operating Expenses	1,993,512	2,035,289	1,976,714	2,211,035	2,247,476	1.6	2,369,363	5.4
TOTAL General Revenue Fund			**1,993,512**	**2,035,289**	**1,976,714**	**2,211,035**	**2,247,476**	**1.6**	**2,369,363**	**5.4**
TOTAL Board of Tax Appeals			**1,993,512**	**2,035,289**	**1,976,714**	**2,211,035**	**2,247,476**	**1.6**	**2,369,363**	**5.4**

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.

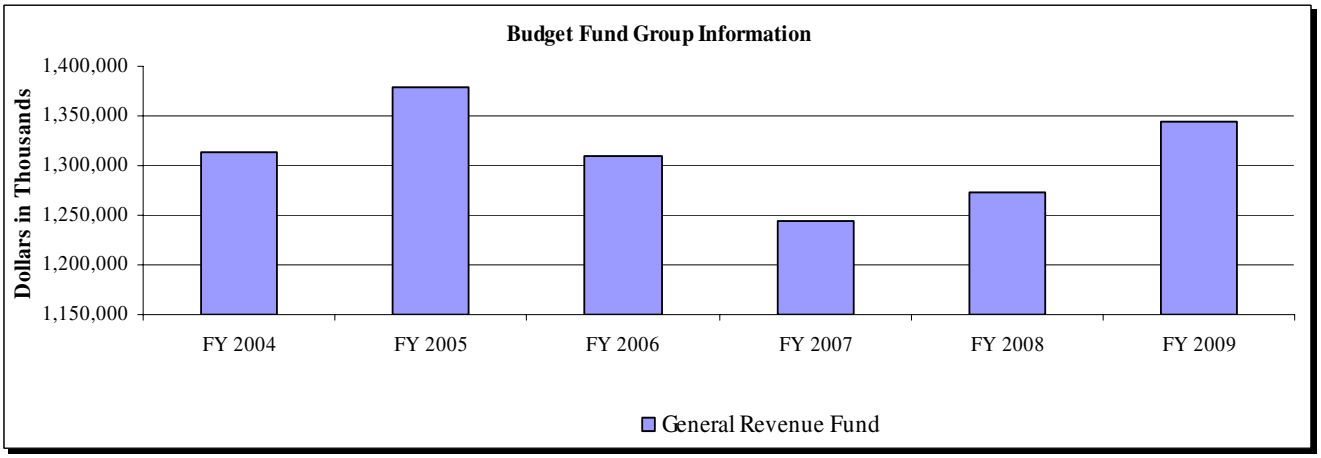
There are two major tax relief programs: (1) real property tax relief; and (2) tangible personal property tax relief. Four line items appear on the budget tables that follow this narrative. Two of the line items deal with real property tax relief and two deal with tangible personal property tax relief.

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 residential 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 residential 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 Recommendation contains a proposal that which if enacted would significantly increase property tax relief payments to school districts and local governments by expanding eligibility for the homestead exemption to include all elderly or disabled homeowners and their surviving spouses. The additional costs to the General Revenue Fund of this proposed expansion of the exemption would be supported by debt service savings generated from bond sales that would be replaced by the proceeds of securitizing future revenue from Ohio's portion of the Tobacco Master Settlement Agreement.

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's 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 by reducing the percent of the fiscal year 2003 payment to 32 percent for fiscal year 2008, 16 percent for fiscal year 2009, with no payment for fiscal year 2010.

Summary of Budget History and Recommendations



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,313,229	1,379,052	1,309,275	1,243,754	(5.0)	1,272,130	2.3	1,344,779	5.7
TOTAL	**1,313,229**	**1,379,052**	**1,309,275**	**1,243,754**	**(5.0)**	**1,272,130**	**2.3**	**1,344,779**	**5.7**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Subsidy	1,313,229	1,378,934	1,309,275	774,683	(40.8)	1,272,130	64.2	1,344,779	5.7
Transfer & Other	0	118	0	409,946	.0	0	(100.0)	0	.0
Difference	0	0	0	59,124	.0	0	(100.0)	0	.0
TOTAL	**1,313,229**	**1,379,052**	**1,309,275**	**1,243,754**	**(5.0)**	**1,272,130**	**2.3**	**1,344,779**	**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.

The Executive Recommendation will:

- Reimburse local school districts for real property tax revenues that are lost due to real property tax relief programs.
- Expand eligibility for the homestead exemption to include all elderly or disable homeowners.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GRF	GRF	200-901	Property Tax Allocation - EDU	794,583,404	850,868,654
TOTAL FOR PROGRAM				**794,583,404**	**850,868,654**

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.

The Executive Recommendation will:

- Reimburse local units of government for real property tax revenues that are lost due to real property tax relief programs.
- Expand eligibility for the homestead exemption to include all elderly or disable homeowners.

FUND	RECOMMENDED

GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	110-901	Property Tax Allocation - TAX	446,953,165	478,613,618
TOTAL FOR PROGRAM				**446,953,165**	**478,613,618**

Program 01.03: Tangible Property Tax Relief – Education

This program provides the tangible tax exemption moneys to school districts.

The Executive Recommendation will:

- Reimburse 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
- Reduce the percentage of lost revenue that is reimbursed from 64 percent to 32 percent for fiscal year 2008 and 16 percent for fiscal year 2009.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	200-906	Tangible Tax Exemption - EDU	21,415,244	10,707,622
TOTAL FOR PROGRAM				**21,415,244**	**10,707,622**

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.

The Executive Recommendation will:

- Reimburse 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
- Reduce the percentage of lost revenue that is reimbursed from 64 percent to 32 percent for fiscal year 2008 and 16 percent for fiscal year 2009.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	110-906	Tangible Tax Exemption - TAX	9,177,962	4,588,981
TOTAL FOR PROGRAM				**9,177,962**	**4,588,981**

LINE ITEM SUMMARY - Tax Relief Programs

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	110-901	Property Tax Allocation - TAX	444,982,717	474,166,507	451,904,945	431,230,935	446,953,165	3.6	478,613,618	7.1
GRF	110-906	Tangible Tax Exemption - TAX	25,214,074	22,412,510	17,930,008	13,766,942	9,177,962	(33.3)	4,588,981	(50.0)
GRF	200-901	Property Tax Allocation - EDU	782,182,369	828,384,762	796,169,148	766,632,774	794,583,404	3.6	850,868,654	7.1
GRF	200-906	Tangible Tax Exemption - EDU	60,849,770	54,088,685	43,270,947	32,122,865	21,415,244	(33.3)	10,707,622	(50.0)
TOTAL General Revenue Fund			**1313,228,930**	**1379,052,464**	**1309,275,048**	**1243,753,516**	**1272,129,775**	**2.3**	**1344,778,875**	**5.7**
TOTAL Tax Relief Programs			**1313,228,930**	**1379,052,464**	**1309,275,048**	**1243,753,516**	**1272,129,775**	**2.3**	**1344,778,875**	**5.7**

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.

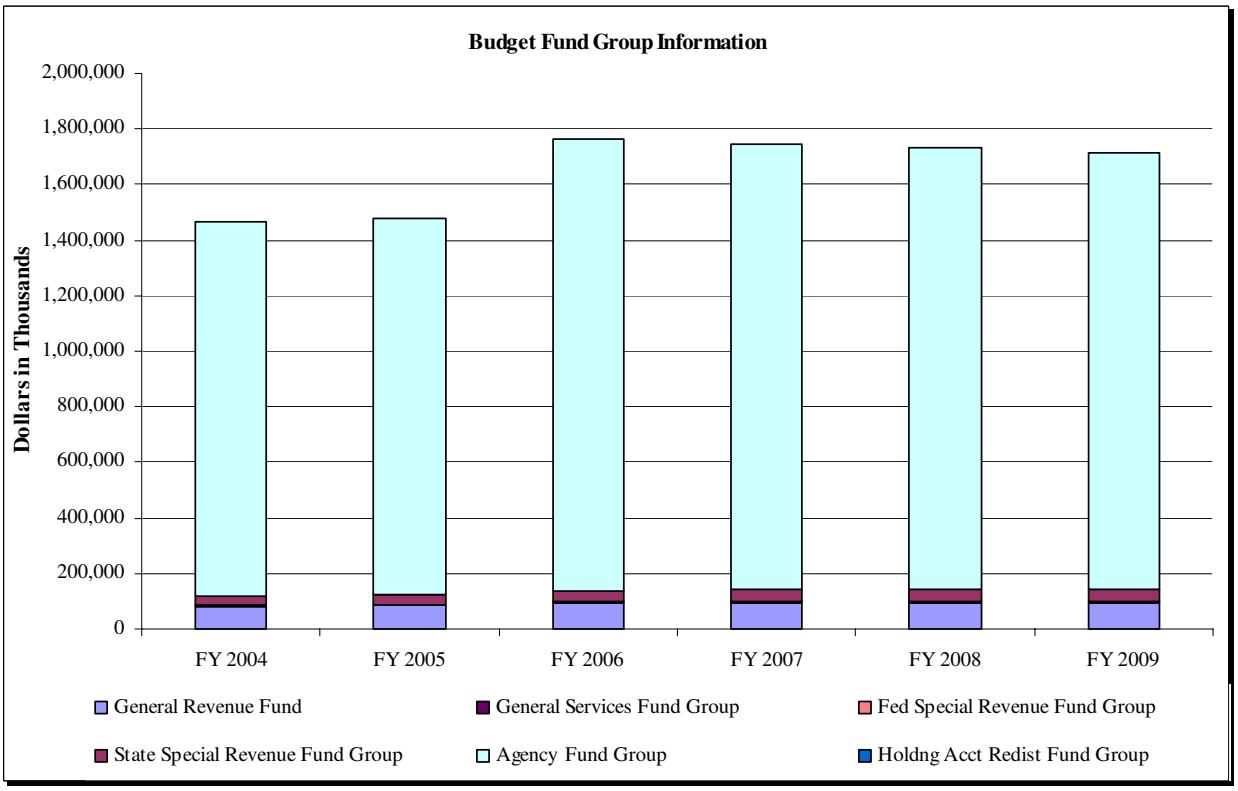
A tax commissioner, who is appointed by the Governor, heads the department. The department has an annual operating budget of approximately $141 million, which supports about 1,400 employees. ODT administers the following taxes: Alcoholic Beverage (state and county), Cigarette (state and county), Commercial 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.

Additional information regarding the Department of Taxation is available at http://www.tax.ohio.gov/.

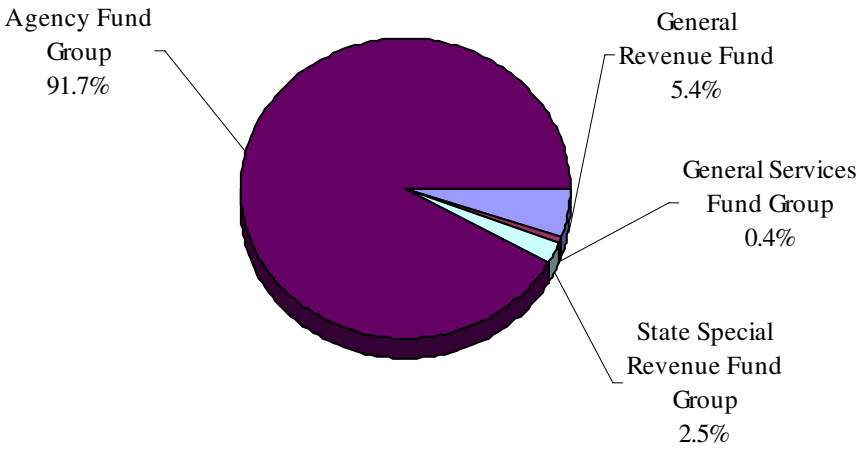
Agency Priorities

- Improve departmental efficiency by updating departmental practices and infrastructure.
- Increase compliance to enhance the revenues available for essential state services.
- Improve taxpayer services by expanding education and outreach activities.
- Continue implementation of tax reform.

Summary of Budget History and Recommendations



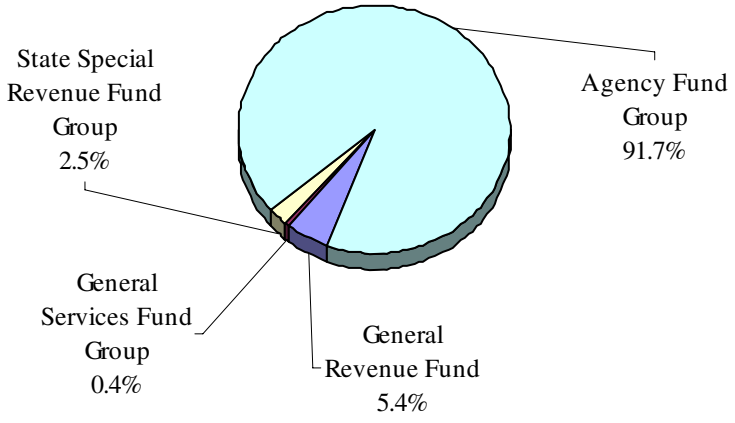
FY 2008-09 Biennial Appropriation by Budget Fund Group*



*Budget fund groups accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	83,736	84,483	93,592	91,512	(2.2)	92,112	.7	92,840	.8
General Services Fund Group	246	1,303	6,245	10,632	70.3	7,625	(28.3)	7,490	(1.8)
Fed Special Revenue Fund Group	13	19	0	25	23,709.5	0	(100.0)	0	.0
State Special Revenue Fund Group	31,371	35,796	38,860	40,525	4.3	43,292	6.9	43,762	1.1
Agency Fund Group	1,350,156	1,357,800	1,627,363	1,603,700	(1.5)	1,586,900	(1.0)	1,567,800	(1.2)
Holdng Acct Redist Fund Group	0	0	0	100	.0	100	.0	100	.0
TOTAL	**1,465,521**	**1,479,399**	**1,766,059**	**1,746,484**	**(1.1)**	**1,730,029**	**(.9)**	**1,711,992**	**(1.0)**

FY 2008-09 Biennial Appropriation by Expense Category*



*Categories of expense accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	88,946	91,023	96,767	100,898	4.3	104,485	3.6	109,548	4.8
Purchased Services	4,487	7,870	6,556	10,349	57.9	6,053	(41.5)	4,492	(25.8)
Maintenance	18,377	18,971	26,115	23,827	(8.8)	23,309	(2.2)	22,182	(4.8)
Equipment	3,041	3,278	8,748	6,011	(31.3)	7,581	26.1	6,270	(17.3)
Transfer & Other	1,350,672	1,358,258	1,627,874	1,605,400	(1.4)	1,588,600	(1.0)	1,569,500	(1.2)
TOTAL	**1,465,521**	**1,479,399**	**1,766,059**	**1,746,484**	**(1.1)**	**1,730,029**	**(.9)**	**1,711,992**	**(1.0)**

PROGRAM SERIES 01: Tax Administration

This program series provides for all operations related to tax administration. The primary functions are receipt, processing, and the 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.

The Executive Recommendation will:

- Support continued improvements in efficiency and effectiveness of the delivery of services to taxpayers. This program currently handles 3.5 million phone calls, 97,000 e-mails, and more than 100,000 walk-in requests annually;

- Contribute to 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
- Maintain current quality of service while supporting a reduction in staffing from approximately 260 to 245 full-time equivalents (FTEs).

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	110-321	Operating Expenses	25,614,999	23,057,826
TOTAL FOR PROGRAM				**25,614,999**	**23,057,826**

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.

The Executive Recommendation will:

- Support all mail and electronic processing of tax services, including the receipt, opening or accessing, and disposition of all tax filings. In calendar year 2005, this program handled approximately 5.1 million returns.
- Fund new technology which will allow the department to maintain the current quality of service while reducing its dependence in intermittent processing staff; and
- Allow the department to provide revenues to support state operations and tax refunds to eligible taxpayers in an efficient and accurate manner.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	110-321	Operating Expenses	16,222,832	14,519,278
SSR	437	110-606	Litter Tax and Natural Resources Admin	381,605	250,093
TOTAL FOR PROGRAM				**16,604,437**	**14,769,371**

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.

The Executive Recommendation will:

- Fund the tax compliance initiatives of the Audit, Enforcement, Estate, Corporate Franchise, Personal Income, and Sales & Use divisions of the Department of Taxation;
- Support the management of billing and assessment functions for the Individual Income, Employer Withholding, Corporate Franchise, Sales & Use, and School District Income taxes;
- Fund continued enforcement costs of the Department of Taxation related to the Tobacco Master Settlement Agreement; and
- Support department activities related to the investigation of fraud, coordinated efforts with other enforcement agencies, tracking of evidence, and testimony for trial cases.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	110-321	Operating Expenses	41,663,897	45,377,296
GRF	GRF	110-404	Tobacco Settlement Enforcement	0	328,034
GSF	5BQ	110-629	Commercial Activity Tax Admin	6,000,000	6,000,000
GSF	5W7	110-627	Exempt Facility Administration	100,000	150,000
SSR	4C6	110-616	International Registration Plan	706,855	706,855
SSR	4R6	110-610	Tire Tax Administration	125,000	150,000
SSR	436	110-608	Motor Vehicle Audit	1,200,000	1,200,000
SSR	437	110-606	Litter Tax and Nat. Resources Admin	293,395	549,907
SSR	5V7	110-622	Motor Fuel Tax Administration	4,700,000	5,000,000
SSR	639	110-614	Cigarette Tax Enforcement	100,000	100,000
TOTAL FOR PROGRAM				**54,889,147**	**59,562,092**

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.

The Executive Recommendation will:

- Support 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;
- Fund the collection and publication of statistical and historical tax data from Ohio and other states;
- Provide legal advice to the department and handles filings in bankruptcy court and the adjudication of tax appeals; and
- Fund the provision of seminars on tax policy issues throughout Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	110-321	Operating Expenses	8,538,334	9,485,662
TOTAL FOR PROGRAM				**8,538,334**	**9,485,662**

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.

The Executive Recommendation will:

- Support 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;
- Fund 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;
- Fund staffing levels at approximately 340 FTEs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	110-412	Child Support Administration	71,680	71,680
GSF	433	110-602	Tape File Account	125,000	140,000
GSF	5W4	110-625	Centralized Tax Filing & Payment	400,000	200,000
SSR	435	110-607	Local Tax Administration	17,250,000	17,250,000
SSR	438	110-609	School District Income Tax	3,600,000	3,600,000
SSR	5N5	110-605	Municipal Income Tax Administrative	500,000	500,000
SSR	5N6	110-618	Kilowatt Hour Tax Administration	125,000	175,000
SSR	5V8	110-623	Property Tax Administration	13,500,000	13,500,000
SSR	688	110-615	Local Excise Tax Administration	210,000	180,000
TOTAL FOR PROGRAM				**35,781,680**	**35,616,680**

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: Refunds and Distributions

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.

The Executive Recommendation will:

- Fund 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 2008	RECOMMENDED FY 2009
GSF	5CZ	110-631	Vendor's License Application	1,000,000	1,000,000
SSR	642	110-613	Ohio Political Party Distributions	600,000	600,000
AGY	095	110-995	Municipal Income Tax	21,000,000	21,000,000
AGY	425	110-635	Tax Refunds	1,565,900,000	1,546,800,000
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				**1,588,600,000**	**1,569,500,000**

LINE ITEM SUMMARY - Taxation

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	110-321	Operating Expenses	83,676,665	84,416,330	93,557,151	91,439,754	92,040,062	.7	92,440,062	.4
GRF	110-404	TOBACCO SETTLEMENT ENFORCEMENT	0	0	0	0	0	.0	328,034	.0
GRF	110-412	Child Support Administration	59,247	66,334	34,775	71,988	71,680	(.4)	71,680	.0
TOTAL General Revenue Fund			**83,735,912**	**84,482,664**	**93,591,926**	**91,511,742**	**92,111,742**	**.7**	**92,839,776**	**.8**
225	110-626	Enforcement AND Forfeiture Collctn	25,684	0	0	0	0	.0	0	.0
228	110-628	Tax Reform System Implementation	0	0	0	7,000,000	0	(100.0)	0	.0
433	110-602	Tape File Account	76,612	69,302	79,202	96,165	125,000	30.0	140,000	12.0
5BQ	110-629	Commercial Activity Tax Admin	0	0	3,899,357	500,000	6,000,000	1100.0	6,000,000	.0
5BW	110-630	Tax Amnesty Promotion & Admin	0	0	1,044,871	0	0	.0	0	.0
5CZ	110-631	Vendor's License Application	0	0	93,925	1,000,000	1,000,000	.0	1,000,000	.0
5W4	110-625	Centralized Tax Filing & Payment	143,244	1,233,321	1,102,194	2,000,000	400,000	(80.0)	200,000	(50.0)
5W7	110-627	Exempt Facility Administration	0	0	25,000	36,000	100,000	177.8	150,000	50.0
TOTAL General Services Fund Group			**245,540**	**1,302,623**	**6,244,549**	**10,632,165**	**7,625,000**	**(28.3)**	**7,490,000**	**(1.8)**
3J6	110-601	Motor Fuel Compliance	12,792	18,715	105	25,000	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**12,792**	**18,715**	**105**	**25,000**	**0**	**(100.0)**	**0**	**.0**
4C6	110-616	International Registration Plan	469,819	644,625	693,399	706,855	706,855	.0	706,855	.0
4R6	110-610	Tire Tax Administration	45,527	60,972	56,887	65,000	125,000	92.3	150,000	20.0
435	110-607	Local Tax Administration	12,851,358	13,801,401	16,121,774	16,394,879	17,250,000	5.2	17,250,000	.0
436	110-608	Motor Vehicle Audit	1,222,630	1,224,147	1,255,728	1,350,000	1,200,000	(11.1)	1,200,000	.0
437	110-606	Litter Tax and Nat. Resources Admin	551,146	422,835	592,027	625,232	675,000	8.0	800,000	18.5
438	110-609	School District Income Tax	2,389,992	2,598,340	2,588,790	2,599,999	3,600,000	38.5	3,600,000	.0
5N5	110-605	Municipal Income Tax Administrative	315,733	393,692	299,101	265,000	500,000	88.7	500,000	.0
5N6	110-618	Kilowatt Hour Tax Administration	25,000	85,000	72,543	85,000	125,000	47.1	175,000	40.0
5V7	110-622	Motor Fuel Tax Administration	3,478,127	3,570,506	4,299,238	4,397,263	4,700,000	6.9	5,000,000	6.4
5V8	110-623	Property Tax Administration	9,261,096	12,232,814	12,052,461	12,967,102	13,500,000	4.1	13,500,000	.0
639	110-614	Cigarette Tax Enforcement	89,926	121,150	161,071	158,925	100,000	(37.1)	100,000	.0
642	110-613	Ohio Political Party Distributions	491,095	422,236	390,766	600,000	600,000	.0	600,000	.0
688	110-615	Local Excise Tax Administration	179,302	218,050	276,309	300,000	210,000	(30.0)	180,000	(14.3)
TOTAL State Special Revenue Fund Group			**31,370,751**	**35,795,768**	**38,860,094**	**40,515,255**	**43,291,855**	**6.9**	**43,761,855**	**1.1**
095	110-901	Municipal Income Tax	10,456,939	35,006,925	36,783,212	0	0	.0	0	.0
095	110-995	Municipal Income Tax	0	0	0	21,000,000	21,000,000	.0	21,000,000	.0
425	110-635	Tax Refunds	1339,699,546	1322,792,612	1590,579,291	1582,700,000	1565,900,000	(1.1)	1546,800,000	(1.2)
TOTAL Agency Fund Group			**1350,156,485**	**1357,799,537**	**1627,362,503**	**1603,700,000**	**1586,900,000**	**(1.0)**	**1567,800,000**	**(1.2)**

LINE ITEM SUMMARY - Taxation

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
R10	110-611	Tax Distributions	0	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			**0**	**0**	**0**	**100,000**	**100,000**	**.0**	**100,000**	**.0**
TOTAL Department of Taxation			**1465,521,480**	**1479,399,307**	**1766,059,177**	**1746,484,162**	**1730,028,597**	**(.9)**	**1711,991,631**	**(1.0)**

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 districts, 88 counties, and 130 outpost facilities throughout the state, with the remainder located in the central office in Columbus.

The department's budget is appropriated in two separate budget bills, with all non-general revenue fund appropriations in the transportation budget bill and all general revenue fund (GRF) appropriations in the main operating budget bill. The department's funding source is mainly state and federal taxes on motor fuels. Approximately 92 percent of ODOT's biennium budget is to be used 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. Additional information regarding the Department of Transportation is available at http://www.dot.state.oh.us/.

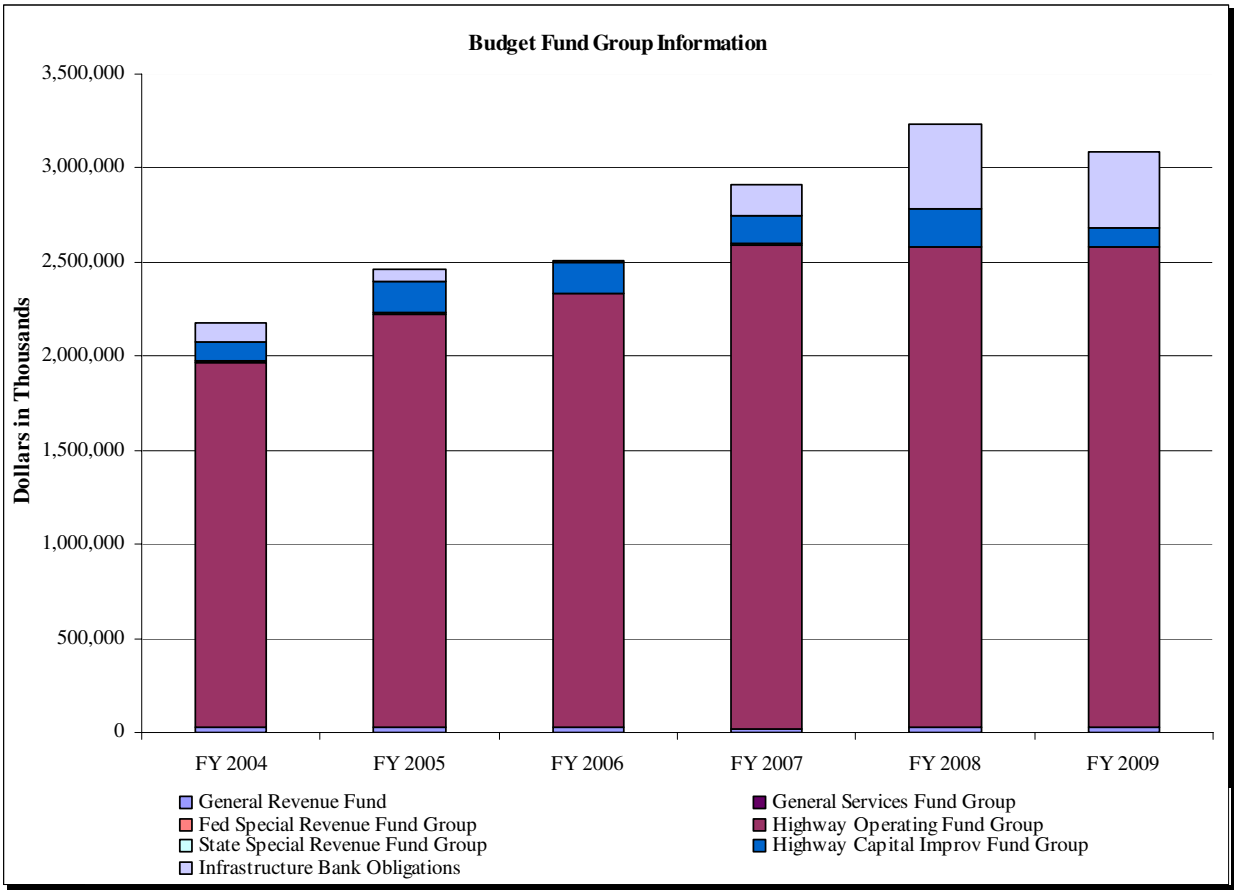
Turnaround Ohio Initiatives

- Target transportation resources to those communities that need and desire growth.
- Make Ohio a gateway to international commerce and a hub for the nation's freight.
- Provide public transportation to connect workers to jobs.

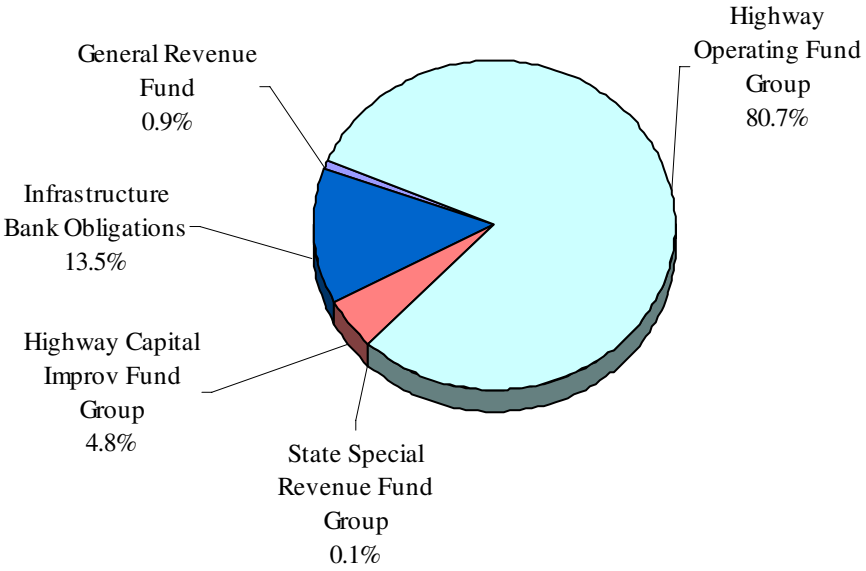
Agency Priorities

- Remove winter snow and ice to ensure safety and mobility of people and freight.
- Ensure the sustainable conditions of ODOT's extensive bridge and pavement system.
- Address high-crash locations on the state and local road system to contribute to fewer highway crashes and fatalities each year.

Summary of Budget History and Recommendations

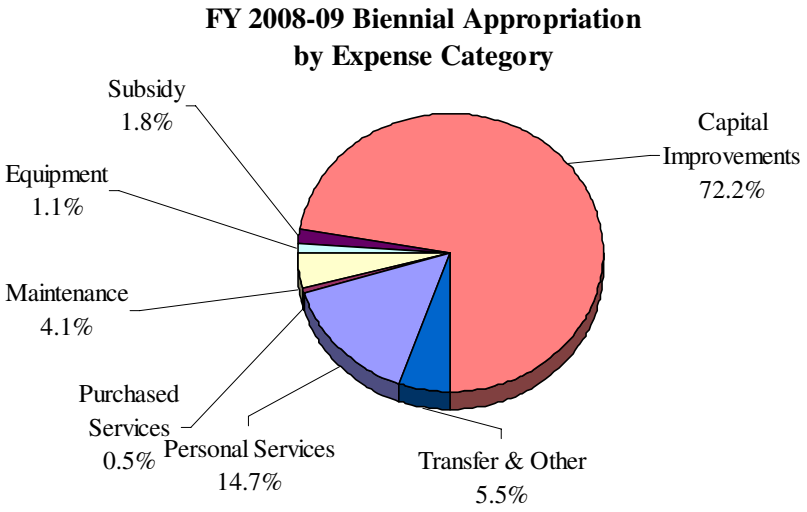


FY 2008-09 Biennial Appropriation by Budget Fund Group*



*Budget fund groups accounting for less than 0.0% are not shown.

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	27,158	31,143	26,188	21,904	(16.4)	31,584	44.2	27,584	(12.7)
General Services Fund Group	749	653	354	0	(100.0)	0	.0	0	.0
Fed Special Revenue Fund Group	496	48	0	10	2,654.8	10	.0	10	.0
Highway Operating Fund Group	1,940,927	2,195,091	2,302,713	2,572,582	11.7	2,547,030	(1.0)	2,551,266	.2
State Special Revenue Fund Group	2,712	1,277	1,477	3,846	160.4	3,444	(10.5)	3,445	.0
Highway Capital Improv Fund Group	105,716	173,319	164,862	150,000	(9.0)	200,000	33.3	100,000	(50.0)
Infrastructure Bank Obligations	99,793	56,551	12,693	160,000	1,160.5	450,000	181.3	400,000	(11.1)
TOTAL	**2,177,552**	**2,458,082**	**2,508,288**	**2,908,342**	**15.9**	**3,232,068**	**11.1**	**3,082,305**	**(4.6)**



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	392,456	399,452	403,471	448,638	11.2	454,003	1.2	454,003	4.6
Purchased Services	7,682	8,547	9,203	18,936	105.8	14,289	(24.5)	14,289	3.8
Maintenance	125,442	131,973	136,307	170,521	25.1	129,174	(24.2)	129,174	2.1
Equipment	35,995	38,923	31,992	37,855	18.3	35,807	(5.4)	35,807	.6
Subsidy	46,542	68,709	46,420	49,928	7.6	56,986	14.1	56,986	1.5
Capital Improvements	1,460,862	1,693,373	1,767,596	2,022,232	14.4	2,380,976	17.7	2,380,976	(8.4)
Transfer & Other	108,573	117,105	113,299	160,233	41.4	160,834	.4	160,834	15.4
TOTAL	**2,177,552**	**2,458,082**	**2,508,288**	**2,908,342**	**15.9**	**3,232,068**	**11.1**	**3,082,305**	**(4.6)**

PROGRAM SERIES 01: Transportation Planning and Research

The Transportation Planning and Research program series supports ODOT's strategic initiatives. Approximately 86 percent of the funding is used for transportation planning with the remainder dedicated to highway research. The Federal Highway Administration (FHWA) requires that 2 percent of federal funding be dedicated to planning and research.

Program 01.01: Planning and Research Operating

The Planning and Research Operating Program provides personnel and operating resources needed to support the various aspects of planning and research. Planning efforts include data collection, analysis, and reporting activities that support the federally mandated Cooperative and Continuing Statewide Metropolitan Transportation Planning process. Technical and administrative support is also provided to both public and private agencies in planning development and operating the transportation system. Planning activities include: statewide traffic monitoring; official Ohio road inventory for state, county, townships, and municipal roads; a Highway Performance Monitoring

System required by the FHWA; continual evaluation and update of the department's long-range plan; and the Metropolitan Planning Organization (MPO) urban planning process.

The program also supports the following research activities: conducting research responsive to the department's strategic initiatives; considering economics and emerging technologies; providing information and technology for management policy decisions; sharing results with customers through various mechanisms; and producing practical results with the potential for implementation.

The Executive Recommendation will:

- Maintain the official Ohio road inventory by incorporating all changes in mileage, classification, characteristics, and other related attributes;
- Assist all MPOs using the latest state of the art technologies in the areas of roads, bridges, safety regulations, and transportation for planning; and
- Provide workshops and training opportunities throughout the year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HOF	002	771-411	Planning & Research-State	14,800,000	15,506,700
TOTAL FOR PROGRAM				**14,800,000**	**15,506,700**

Program 01.02: Planning and Research Contracts

This program provides services such as the maintenance of basic data files used to provide input to other aspects of planning. This 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.

The Executive Recommendation will:

- Fund various special planning projects, studies, software, and equipment;
- Provide funding for about 75 research projects on topics such as mobility, safety, and fuel technologies;
- Provide present and future traffic estimates for proposed highway improvements in rural and urban areas; and
- Provide fiscal support for the MPO staff to conduct administrative technical analysis and policy development actions needed to support the planning programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HOF	002	771-411	Planning & Research-State	5,924,547	6,226,601
HOF	002	771-412	Planning & Research-Federal	29,996,363	30,264,923
TOTAL FOR PROGRAM				**35,920,910**	**36,491,524**

PROGRAM SERIES 02: Highway Transportation

Highway Transportation consists of seven programs which cover highway design, acquisition of right-of-way, and highway construction, including inspection and engineering.

Program 02.01: Highway Operating

This program includes the operations of the district and central office and the divisions of facilities and equipment; production management; highway operations; contract administration; and contract management. The divisions employ approximately 5,000 employees and provide many services to the state.

The Executive Recommendation will:

- Provide construction management including asphalt and concrete testing to ensure minimum standards are met;
- Provide contract oversight, dispute resolution involving contractors, and bid lettings;
- Maintain over 16,000 pieces of rolling stock equipment inventory at a fixed average age;
- Maintain more than 220 salt storage facilities and provide over 500,000 tons of salt; and
- Support geotechnical services for planning, design, construction and maintenance for transportation systems.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HOF	002	772-421	Highway Construction-State	163,427,032	171,111,779
HOF	002	773-431	Highway Maintenance-State	323,141,629	336,551,690
TOTAL FOR PROGRAM				**486,568,661**	**507,663,469**

Program 02.02: Preservation Pavement and Bridges

This program provides funding for maintenance, repair, rehabilitation, or replacement of existing roads and bridges throughout Ohio.

The Executive Recommendation will:

- Maintain Ohio's highway pavements at 90 percent acceptability;
- Fund repair or overlay of over 2,500 lane miles of general system pavement, 1,100 lane miles of priority system pavement, and almost 600 lane miles of urban system pavement;
- Preserve, replace, and maintain Ohio's 15,000 bridge structures at a steady condition level; and
- Fund the complete reconstruction of approximately 150 lane miles of priority system pavement.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HOF	002	772-421	Highway Construction-State	248,264,305	239,596,613
HOF	002	772-422	Highway Construction-Federal	503,041,322	584,514,261
042	042	772-723	Highway Construction-Bonds	50,000,000	15,000,000
TOTAL FOR PROGRAM				**801,305,627**	**839,110,874**

Program 02.03: Safety

This program emphasizes safety in all phases of highway development by identifying and studying safety problems, developing solutions, establishing priorities, and implementing countermeasures. Safety projects are not limited to the state highway system. Proposed local projects for public roads are also evaluated and prioritized to improve safety through better operation of the existing highway facility.

The Executive Recommendation will:

- Fund studies of the top 250 crash locations and safety hotspots and evaluate the funding needed to address these priorities; and
- Continue reductions in the number of crashes including 10% reduction in crashes by 2015 and 25% reduction in rear end crashes by 2015.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HOF	002	772-421	Highway Construction-State	14,800,000	13,000,000
HOF	002	772-422	Highway Construction-Federal	55,200,000	58,280,000
TOTAL FOR PROGRAM				**70,000,000**	**71,280,000**

Program 02.04: Local Government Programs

This program provides federal funds for replacement and rehabilitation of transportation infrastructure.

The Executive Recommendation will:

- Provide $771 million in federal and state funds to counties and municipalities for the replacement and rehabilitation of bridges, highways, and safety projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	002	772-422	Highway Construction-Federal	280,592,412	284,177,242
HOF	002	772-424	Highway Construction-Other	106,439,000	100,379,155
TOTAL FOR PROGRAM				**387,031,412**	**384,556,397**

Program 02.05: Major New

This program provides funding for all major new construction projects based on the criteria of congestion relief, economic development, safety, and corridor completion. The project selection process operates under the direction of the Transportation Review Advisory Committee (TRAC).

The Executive Recommendation will:

- Provide for an overall review of TRAC projects; and
- Maintain funding of all current projects for as little disruption as possible during TRAC review.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	002	772-421	Highway Construction-State	79,915,881	43,180,027
HOF	002	772-422	Highway Construction-Federal	90,914,630	2,954,502
042	042	772-723	Highway Construction-Bonds	150,000,000	85,000,000
045	045	772-428	Highway Infrastructure Bank-Bonds	450,000,000	400,000,000
TOTAL FOR PROGRAM				**770,830,511**	**531,134,529**

Program 02.06: Other Construction Programs

This program includes: GARVEE debt service payments; earmarks; State Infrastructure Bank; Appalachian Geological Site Management; Railroad Grade Separation initiative; Emergency Roadside Rest Areas; Noise Walls; Safe Route to Schools; Metro Parks; Amish Buggy; and Forest Highways.

The Executive Recommendation will:

- Provide a safer environment for horse drawn buggies and motor vehicles to share Ohio's roadways;
- Provide construction of noise walls to mitigate increased traffic noise;
- Fund the Geologic Site Management Program, which addresses slips, landslides, rock falls, underground mines, and erosion projects;
- Fund construction of the Appalachian corridor highways to promote economic development;
- Provide grade separations for the most affected communities to ensure access to safety, health, and educational facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	776-466	Railroad Crossing/Grade Separation	789,600	789,600
HOF	002	772-421	Highway Construction-State	22,314,970	37,296,000
HOF	002	772-422	Highway Construction-Federal	174,230,784	156,807,754
HOF	002	772-437	Garvee Debt Service-State	10,321,300	19,273,500
HOF	002	772-438	Garvee Debt Service-Federal	113,915,900	139,015,000
HOF	212	772-426	Highway Infrastructure Bank-Fed	4,303,173	4,018,649
HOF	212	772-427	Highway Infrastructure Bank-State	8,268,315	10,209,272
HOF	212	772-429	HIGHWAY Ifrastructure BANK-Local	11,000,000	11,499,999
HOF	212	772-430	Infrastruct. Debt Res Title 23-49	1,500,000	1,500,000
HOF	213	772-431	Roadway Infrastructure Bank-State	1,000,000	1,000,000
HOF	213	772-432	Roadway INfrastructure Bank-Local	6,000,000	6,000,000
HOF	213	772-433	Infrastructure Debt Reserve-State	2,000,000	2,000,000
TOTAL FOR PROGRAM				**355,644,042**	**389,409,774**

Program 02.07: Highway Maintenance Contracts

This program provides rest area maintenance to assure roadside rest areas and ODOT facilities on the state highway system are clean and safe. ODOT currently has 116 rest areas, 12 district headquarters, 1 central office headquarter, and 88 county garages. This program also provides maintenance for roadways, guard rail activities, and preventative or reactive maintenance.

The Executive Recommendation will:

- Maintains 116 rest areas, 88 garages, and 13 district or central office headquarters.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	002	773-431	Highway Maintenance-State	80,111,272	81,363,497
TOTAL FOR PROGRAM				**80,111,272**	**81,363,497**

PROGRAM SERIES 03: Public Transportation

This program series includes five programs that assist 60 transit systems serving 60 counties. The program series allows ODOT's Office of Transit to work towards improved ridesharing in rural and urban regions so that all Ohioans have access to transportation regardless of economic status, location, or physical agility.

Program 03.01: Public Transit Operating

This program provides for the administration and oversight of the Ohio Coordination Program, the Ohio Elderly and Disabled Transit Fare Assistance Program, and the Ohio Public Transportation Grant Program. Administration of these initiatives includes data collection and reporting, grants management, and dissemination of public transportation information. ODOT also provides technical assistance for administration which includes clarifying requirements, sharing best practices, and providing guidance on the implementation of local projects.

The Executive Recommendation will:

- Support administration and oversight for 60 transit systems, 17 coordination projects and 200 specialized projects;
- Allow ODOT to conduct 38 quality assurance reviews and 60 site visits to ensure program compliance and provide technical assistance;
- Allow staff to coordinate and facilitate training opportunities for all program participants; and
- Provide transportation coordination information and technical and follow up with local entities on federal initiatives.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	775-451	Public Transportation-State	823,000	823,000
TOTAL FOR PROGRAM				**823,000**	**823,000**

Program 03.02: Public Transit Assistance

This program provides partial funding to local public transit systems for operating assistance and capital projects. There are currently 36 rural transit systems and 24 urban systems. In urban areas, 60 percent of the daily trips are work related. In the rural areas, the majority of trips are for medical purposes. Last year, more than 129 million passenger trips were provided.

The Executive Recommendation will:

- Increase funding for public transportation by 25%, bringing it to the highest level since 2004;
- Maintain funding for 35 rural transit systems, 24 urban transit systems, and 16 coordination projects; and
- Provide funding for many of the 28 counties which do not have any public transportation service.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	775-451	Public Transportation-State	12,267,000	12,267,000
HOF	002	775-452	Public Transportation-Federal	24,031,589	28,936,763
HOF	002	775-454	Public Transportation-Other	1,500,000	1,500,000
TOTAL FOR PROGRAM				**37,798,589**	**42,703,763**

Program 03.03: Elderly and Disabled Assistance

This program is used to offset losses experienced by transit systems that reduce their fares to half fare for eligible elderly and disabled passengers. Funds from this program support 54 of 60 Ohio transit systems to offer half fares. Approximately 49 percent of the rural transit trips provided in 2005 were for the elderly and people with disabilities. In most instances, these individuals have no other means of transportation and are on limited, fixed incomes. From 1997 to 2005, ridership among the elderly and people with disabilities increased over 40 percent.

The Executive Recommendation will:

- Provide half fares to elderly and disabled of 54 Ohio transit systems;
- Provide more than 17 million trips on public transit by the elderly and people with disabilities; and
- Provide specialized transportation for human service agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	775-451	Public Transportation-State	7,210,000	7,210,000
HOF	002	775-459	Elderly & Disabled Special Equip.	4,730,000	4,730,000
TOTAL FOR PROGRAM				**11,940,000**	**11,940,000**

Program 03.04: Technical Assistance

This program provides oversight for the Ohio Public Transportation Grant Program, the Ohio Coordination Program, the Specialized Program, and the federally mandated Rail Safety Program. ODOT staff provides technical assistance to the transit systems through regular site visits. Other technical assistance is provided by ODOT staff and consultants.

The Executive Recommendation will:

- Provide for 38 quality assurance reviews and one rail safety and security triennial review;
- Continue services of 60 site visits and 24 training workshops; and
- Improve the overall quality of transportation services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	002	775-452	Public Transportation-Federal	1,440,000	1,455,000
TOTAL FOR PROGRAM				**1,440,000**	**1,455,000**

Program 03.05: Transit Infrastructure Bank Loans

This program provides direct loans to government entities for projects eligible under Federal Highway Title 23 or Title 49. The State Infrastructure Bank (SIB) revolving loan program is used to enhance the number of transportation projects that can be completed within the state. The loans range in size from $100,000 to $20 million. The federal government established this program to help local governments advance transportation projects while leveraging future revenue streams.

The Executive Recommendation will:

- Continue the revolving loan program to provide entities with additional funding options to advance highway projects which would otherwise be unaffordable; and
- Provide loans ranging in size from $100,000 to $20 million.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	212	775-408	Transit Infrastructure Bank-Local	2,500,000	812,685
HOF	212	775-455	Title 49 Infrastructure Bank-State	476,485	312,795
HOF	213	775-457	Transit Infrastructure Bank-State	500,000	312,082
HOF	213	775-460	Transit Infrastructure Bank-Local	1,000,000	1,000,000
TOTAL FOR PROGRAM				**4,476,485**	**2,437,562**

PROGRAM SERIES 04: Rail Transportation

The Ohio Rail Development Commission (ORDC) is an independent agency within ODOT. ORDC's programs promote economic development and rail-highway safety. ORDC also administers federal and state funding of all rail safety projects including the upgrade and removal of hazardous crossings as determined by the Public Utilities Commission.

Program 04.01: Rail Operating

This program provides the funding for GRF payroll of the ORDC staff and personal services contracts. All administrative expenses including equipment, travel and rent for the agency are also supported by this program.

The Executive Recommendation will:

- Support payroll of eight staff members of the Ohio Rail Development Commission for program operations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	776-465	Rail Transportation	980,000	980,000
TOTAL FOR PROGRAM				**980,000**	**980,000**

Program 04.02: Rail Development Grant and Loan Program

This program provides loans and grants to railroads, businesses, and communities for the rehabilitation, acquisition, preservation or construction of rail infrastructure. This program also supports ORDC's efforts to work with communities and businesses on rail issues throughout the state.

The Executive Recommendation will:

- Increase the grants and loans provided by 235% and fulfill Governor Strickland's commitment to provide more funding for rail improvements and economic development; and
- Continue maintenance and oversight of the 240 miles of state-owned rail line and related licenses, easements, and rented properties associated with this land.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	776-465	Rail Transportation	3,700,000	3,700,000
FED	3B9	776-662	Rail Transportation-Federal	10,000	10,000
SSR	4N4	776-663	Panhandle Lease Reserve Payments	762,500	763,700
SSR	4N4	776-664	Rail Transportation-Other	2,111,500	2,111,500
TOTAL FOR PROGRAM				**6,584,000**	**6,585,200**

Program 04.03: Rail Highway Grade Crossing Safety

This program provides for the elimination of hazards at highway-railroad grade crossings through: the installation of flashing lights and roadway gates; railroad crossing closure/consolidations; railroad-highway grade separations; and grade crossing surface reconstruction.

The Executive Recommendation will:

- Maintain program levels similar to fiscal year 2006 which included 68 warning device (light and gate) projects, nine crossing closures and 37 highway-rail surface reconstruction projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
HOF	002	776-462	Grade Crossings-Federal	15,000,000	15,000,000
TOTAL FOR PROGRAM				**15,000,000**	**15,000,000**

Program 04.04: Passenger Rail Studies

This program focuses on planning and project development activities related to the initiation of possible intercity passenger rail services. ORDC's statewide passenger rail planning efforts center on the OHIO HUB: an interconnected intercity passenger rail system that serves the major cities in the state, and connects to rail corridors in neighboring states as well as other multiple modes like air.

The Executive Recommendation will:

- Provide planning and research funds for rail studies; and
- Continue support of economic impact studies associated with the OHIO HUB.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	776-465	Rail Transportation	20,000	20,000
TOTAL FOR PROGRAM				**20,000**	**20,000**

PROGRAM SERIES 05: Aviation

This program series includes three programs which work with airports to meet national safety standards, improve and maintain infrastructure, provide air transportation to state officials, and maintain the state's aircraft fleet.

Program 05.01: Aviation Operating

The Flight Operations section is responsible for operating the Ohio Department of Transportation aircraft. The ODOT aircraft are used to transport state officials and other state personnel, and to perform ODOT missions such as aerial photography, emergency management, forestry missions, health, homeland security, prisoner transfers, ODNR missions, wild animal inoculations, and deter criminal activity by assisting in marijuana eradication. The section administers functions pertaining to aircraft flight operations such as policies and procedures, pilot and ground crew qualifications and training, and airport record keeping. The Aircraft Support section maintains the entire fleet of state aircraft, which includes those of the Ohio Highway Patrol and the Ohio Department of Natural Resources.

The Executive Recommendation will:

- Maintain and operate the department's fleet of 30 aircraft.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	777-471	Airport Improvements-State	611,857	611,875
HOF	002	777-475	Aviation Administration	5,210,000	5,358,100
TOTAL FOR PROGRAM				**5,821,857**	**5,969,975**

Program 05.02: Aviation Improvement Program

This program performs statewide airport system planning projects, including the Ohio airport system plan, airport safety certification updates, and data collection improvements for the airport pavement data base.

The Executive Recommendation will:

- Increase funding for air travel and economic development of statewide airports;
- Support a joint effort with the Department of Development to develop and implement a statewide strategy to enhance Ohio's airports as centers of regional economic development;
- Provide grants for airport maintenance and capital improvements; and
- Maintain oversight of 10,600 aircraft registrations and anti-terrorist forms.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	777-471	Airport Improvements-State	5,182,128	1,182,128
HOF	002	777-472	Airport Improvements-Federal	405,000	405,000
SSR	5W9	777-615	County Airport Maintenance	570,000	570,000
TOTAL FOR PROGRAM				**6,157,128**	**2,157,128**

Program 05.03: Aviation Infrastructure Bank Loans

This program provides direct loans to public entities for aviation projects.

The Executive Recommendation will:

- Maintain the revolving loan program to assist airports and aviation related projects. Currently, there are eight aviation loans totaling $14 million.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	213	777-477	Aviation Infrastructure Bank-State	2,000,000	3,500,000
HOF	213	777-478	Aviation Infrastructure Bank-Local	5,996,118	6,000,000
TOTAL FOR PROGRAM				**7,996,118**	**9,500,000**

PROGRAM SERIES 06: Program Management

This program series consists of the Program Management and Land and Buildings Programs.

Program 06.01: Program Management

This program includes the director's executive leadership staff, divisions of quality and human resources, finance and forecasting, information technology, facilities management, and local programs.

The Executive Recommendation will:

- Provide coordination of employee training and development, labor relations, recruitment and development of the department's human resource plan which evaluates Districts and Central Office human resource needs;
- Maintain the department's finance activities which include monitoring of both state and federal revenue, budget submission, monitoring of operating and capital budgets, and payroll processing.;
- Support new systems application development and maintenance, the purchase and maintenance of information technology equipment including hardware, software, and servers; and
- Support payroll for 786 staff members which serve over 5,000 employees of the department.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	002	779-491	Administration-State	98,262,864	100,601,493
TOTAL FOR PROGRAM				**98,262,864**	**100,601,493**

Program 06.02: Land and Buildings

This program pays for facilities of the department including environmental compliance, maintenance, and new construction of buildings as necessary.

The Executive Recommendation will:

- Provide maintenance and upkeep for 13 headquarters buildings, 88 count garages, 112 outposts and salt sheds. Services include roof repair, landscape maintenance, and remodeling; and
- Support the annual debt service allocated to ODOT for bonds issued under the Ohio Building Authority.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
HOF	002	770-003	Adm-State-Debt Service	10,555,300	3,614,700
HOF	002	779-491	Administration-State	22,000,000	22,000,000
TOTAL FOR PROGRAM				**32,555,300**	**25,614,700**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Notes

772-428, Highway Infrastructure Bank-Bonds: This line item is increased significantly to provide more funding to complete major new program projects for the biennium.

775-451, Public Transportation-State: This line item is increased significantly to improve public transportation and increase economic development as promoted in the Turnaround Ohio plan.

776-466, Rail Transportation: This line item is increased to provide more grants for rail spurs to increase economic development as promoted in the Turnaround Ohio plan.

LINE ITEM SUMMARY - Transportation

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	775-451	Public Transportation-State	19,498,468	23,264,179	20,130,269	16,300,000	20,300,000	**	20,300,000	.0
GRF	775-456	Public Transp/Discretionary Capital	557,662	1,228,415	490,393	0	0	.0	0	.0
GRF	775-458	Elderly & Disabled Fare Assist.	505,249	596	0	0	0	.0	0	.0
GRF	776-465	Rail Transportation	2,471,796	3,522,549	2,200,145	2,700,000	4,700,000	**	4,700,000	.0
GRF	776-466	Railroad Crossing/Grade Separation	693,888	773,124	254,158	789,600	789,600	.0	789,600	.0
GRF	777-471	Airport Improvements-State	2,890,014	1,810,733	2,577,086	1,793,985	5,793,985	223.0	1,794,003	(69.0)
GRF	777-473	Rickenbacker Lease Payments-State	541,401	543,014	535,626	320,300	0	(100.0)	0	.0
TOTAL General Revenue Fund			**27,158,478**	**31,142,610**	**26,187,677**	**21,903,885**	**31,583,585**	**44.2**	**27,583,603**	**(12.7)**
5E7	775-657	Transit Capital Funds	749,480	652,994	353,917	0	0	.0	0	.0
TOTAL General Services Fund Group			**749,480**	**652,994**	**353,917**	**0**	**0**	**.0**	**0**	**.0**
3B9	776-662	Rail Transportation-Federal	496,056	48,155	363	10,000	10,000	.0	10,000	.0
TOTAL Fed Special Revenue Fund Group			**496,056**	**48,155**	**363**	**10,000**	**10,000**	**.0**	**10,000**	**.0**
002	770-003	Adm-State-Debt Service	13,802,440	13,393,459	12,964,242	10,923,100	10,555,300	(3.4)	3,614,700	(65.8)
002	771-411	Planning & Research-State	14,645,322	14,225,863	16,048,767	19,112,000	20,724,547	8.4	21,733,301	4.9
002	771-412	Planning & Research-Federal	26,849,202	22,912,972	24,821,192	40,000,000	29,996,363	(25.0)	30,264,923	.9
002	772-421	Highway Construction-State	437,276,063	508,574,905	493,079,107	578,969,730	528,722,188	(8.7)	504,184,419	(4.6)
002	772-422	Highway Construction-Federal	756,233,868	942,829,104	1086,636,087	1131,500,000	1103,979,148	(2.4)	1086,733,759	(1.6)
002	772-424	Highway Construction-Other	58,759,131	62,454,927	52,305,838	53,500,000	106,439,000	**	100,379,155	(5.7)
002	772-437	Garvee Debt Service-State	0	0	0	0	10,321,300	.0	19,273,500	86.7
002	772-438	Garvee Debt Service-Federal	0	0	0	0	113,915,900	.0	139,015,000	22.0
002	773-431	Highway Maintenance-State	395,140,339	376,567,482	370,516,139	393,313,472	403,252,901	2.5	417,915,187	3.6
002	775-452	Public Transportation-Federal	23,943,231	18,099,674	20,730,219	30,365,000	25,471,589	(16.1)	30,391,763	19.3
002	775-454	Public Transportation-Other	330,136	429,559	658,843	1,500,000	1,500,000	.0	1,500,000	.0
002	775-459	Elderly & Disabled Special Equip.	1,044,567	1,476,512	2,213,228	4,595,000	4,730,000	2.9	4,730,000	.0
002	776-462	Grade Crossings-Federal	10,472,055	11,380,273	8,593,475	15,000,000	15,000,000	.0	15,000,000	.0
002	777-472	Airport Improvements-Federal	30,000	198,831	211,169	405,000	405,000	.0	405,000	.0
002	777-475	Aviation Administration	3,322,960	3,398,583	5,490,563	4,046,900	5,210,000	28.7	5,358,100	2.8
002	779-491	Administration-State	113,122,638	117,731,662	105,983,054	121,057,898	120,262,864	(.7)	122,601,493	1.9
212	770-005	Infrastructure Debt Service - Fed	65,541,596	66,592,452	0	0	0	.0	0	.0
212	772-423	Infrastructure Lease Pymts - Fed	11,752,277	11,290,018	0	0	0	.0	0	.0
212	772-426	Highway Infrastructure Bank-Fed	2,298,271	10,886,208	10,542,981	2,000,000	4,303,173	115.2	4,018,649	(6.6)
212	772-427	Highway Infrastructure Bank-State	6,191,548	10,647,942	13,981,913	8,853,400	8,268,315	(6.6)	10,209,272	23.5
212	772-429	HIGHWAY Ifrastructure BANK-Local	0	0	0	12,500,000	11,000,000	(12.0)	11,499,999	4.5
212	772-430	Infrastruct. Debt Res Title 23-49	0	0	0	1,500,000	1,500,000	.0	1,500,000	.0
212	775-406	Transit Infrastructure Bank-Fed	171,542	0	0	0	0	.0	0	.0
212	775-408	Transit Infrastructure Bank-Local	0	0	0	2,500,000	2,500,000	.0	812,685	(67.5)

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Transportation

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
212	775-455	Title 49 Infrastructure Bank-State	0	0	0	1,000,000	476,485	(52.4)	312,795	(34.4)
213	772-431	Roadway Infrastructure Bank-State	0	0	1,340,090	1,775,461	1,000,000	(43.7)	1,000,000	.0
213	772-432	Roadway INfrastructure Bank-Local	0	0	0	7,000,000	6,000,000	(14.3)	6,000,000	.0
213	772-433	Infrastructure Debt Reserve-State	0	0	0	2,000,000	2,000,000	.0	2,000,000	.0
213	775-457	Transit Infrastructure Bank-State	0	0	0	500,000	500,000	.0	312,082	(37.6)
213	775-460	Transit Infrastructure Bank-Local	0	0	0	1,000,000	1,000,000	.0	1,000,000	.0
213	777-477	Aviation Infrastructure Bank-State	0	2,000,000	609,455	3,000,000	2,000,000	(33.3)	3,500,000	75.0
213	777-478	Aviation Infrastructure Bank-Local	0	0	0	7,000,000	5,996,118	(14.3)	6,000,000	.1
214	770-401	Infrastructure Debt Service - Fed	0	0	73,372,557	105,129,400	0	(100.0)	0	.0
214	772-434	Infrastructure Lease Pymts - Fed	0	0	2,614,380	12,536,000	0	(100.0)	0	.0
4T5	770-609	ODOT Memorial	0	640	0	0	0	.0	0	.0
TOTAL Highway Operating Fund Group			**1940,927,186**	**2195,091,066**	**2302,713,299**	**2572,582,361**	**2547,030,191**	**(1.0)**	**2551,265,782**	**.2**
4A3	776-665	Railroad Crossing Safety Devices	1,500	0	0	0	0	.0	0	.0
4N4	776-663	Panhandle Lease Reserve Payments	0	0	0	764,400	762,500	(.2)	763,700	.2
4N4	776-664	Rail Transportation-Other	2,710,015	1,162,899	1,040,202	2,111,500	2,111,500	.0	2,111,500	.0
5CF	776-667	Rail Transload Facilities	0	0	0	400,000	0	(100.0)	0	.0
5W9	777-615	County Airport Maintenance	0	114,343	436,630	570,000	570,000	.0	570,000	.0
TOTAL State Special Revenue Fund Group			**2,711,515**	**1,277,242**	**1,476,832**	**3,845,900**	**3,444,000**	**(10.5)**	**3,445,200**	**.0**
042	772-723	Highway Construction-Bonds	105,716,295	173,318,802	164,862,472	150,000,000	200,000,000	33.3	100,000,000	(50.0)
TOTAL Highway Capital Improv Fund Group			**105,716,295**	**173,318,802**	**164,862,472**	**150,000,000**	**200,000,000**	**33.3**	**100,000,000**	**(50.0)**
045	772-428	Highway Infrastructure Bank-Bonds	99,792,739	56,551,078	12,693,458	160,000,000	450,000,000	**	400,000,000	(11.1)
TOTAL Infrastructure Bank Obligations			**99,792,739**	**56,551,078**	**12,693,458**	**160,000,000**	**450,000,000**	**181.3**	**400,000,000**	**(11.1)**
TOTAL Department of Transportation			**2177,551,749**	**2458,081,947**	**2508,288,018**	**2908,342,146**	**3232,067,776**	**11.1**	**3082,304,585**	**(4.6)**

**** Please see the Appropriation Line Item analysis for further detail.**

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 moneys; 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 2008 is $66.6 million.

More information regarding the Treasurer of State is available at http://www.ohiotreasurer.org/.

Turnaround Ohio Initiatives

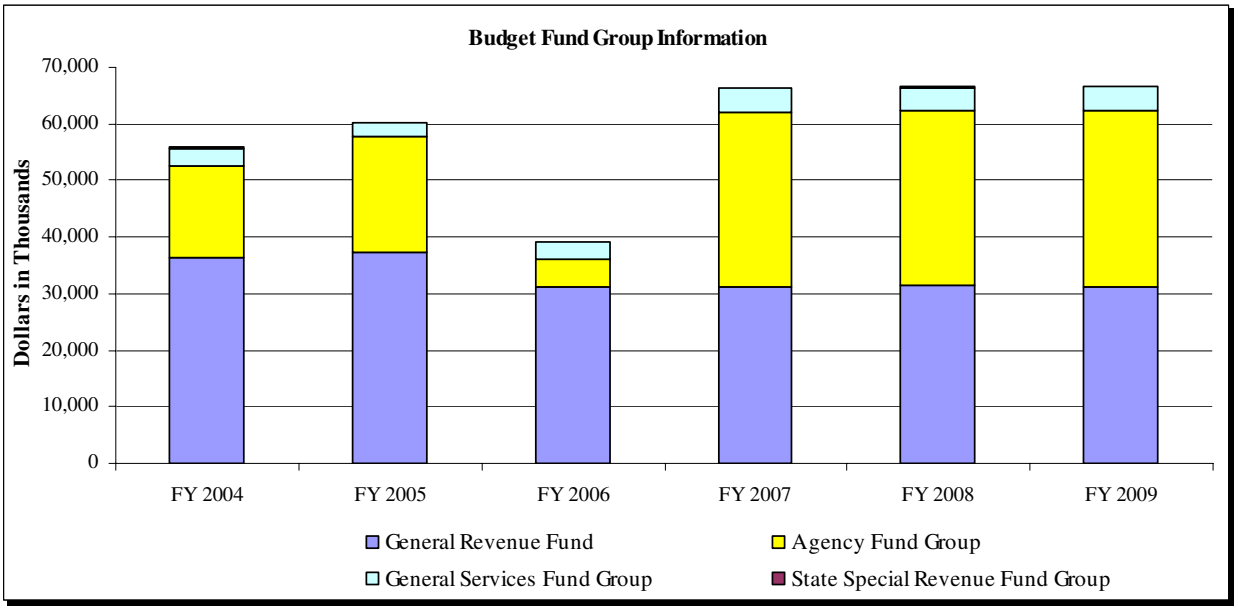
- Strengthen current system of internal financial controls and internal auditing.
- Update and improve efficiency of treasury operations and interface with agencies.
- Work with OBM, the legislature, state auditor, and others to bring in outside bank accounts for greater accountability, efficiency, cash flow, and investment returns.
- Work with the legislature, BWC, and pension systems to see that execution of the custodial function ensures proper financial checks and balances.
- Work with OBM, DOD, and the legislature to develop more financing options to meet the pressing needs of Ohioans in job creation, education, and health care.
- Develop an educational training program for local government units (townships, villages, cities, and school districts) that are fiscally challenged.

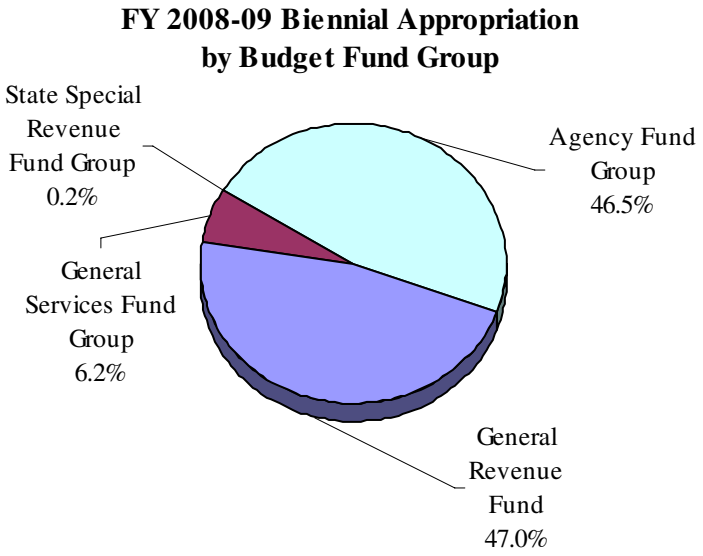
Agency Priorities

- Strengthen accountability in state government by improving transparency.
- Improve efficiency and reduce costs of all financial transactions.
- Review and rationalize all contractual commitments.
- Complete current work on comprehensive inventory of state-owned properties and work with the Governor to institute a procedure for allowing communities and the private sector to propose alternative uses for consideration in reviewing possible disposition of unused or underutilized state properties.
- Work with local officials and the legislature to improve land banking programs and other frameworks for revitalizing vacant and abandoned properties.
- Improve the transparency and accountability of the Treasury's investment and debt activities.
- Improve statewide cash management processes and the collection and concentration of funds to maximize investment returns.
- Maximize investment returns by better cash-flow forecasts without increased risk.
- Establish a Department of Finance and Economic Growth to maximize options for debt management and investment to foster economic development opportunities.
- Review existing programs (namely, Linked Deposit, Bid Ohio, and STAR Ohio) to find ways to distribute more money to community banks that will stimulate economic activity in Ohio's micropolitan and rural areas.
- Revive and expand the small business Linked Deposit program for job creation.
- Develop a Linked Deposit program to promote the use of home-grown products.
- Partner with others to offer programs for foreclosure prevention and intervention by providing information and help to consumers at risk.
- Work to implement the personal finance education component of Ohio CORE.

- Partner with others to create a teacher training academy to equip more teachers with the skills necessary to teach financial literacy.
- Expand the existing Women & Money program to broader demographics.
- Review and update the CPIM training for local financial officials.

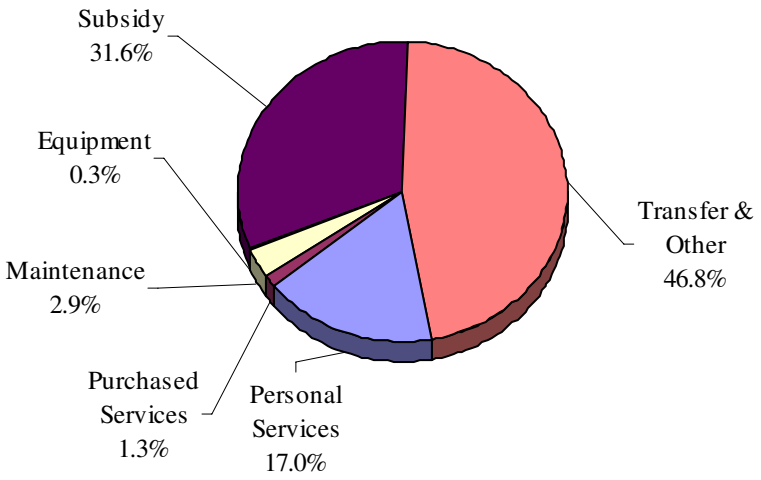
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	36,451	37,161	31,279	31,169	(.3)	31,363	.6	31,306	(.2)
General Services Fund Group	3,011	2,484	3,097	4,064	31.2	4,064	.0	4,214	3.7
State Special Revenue Fund Group	147	148	114	135	18.3	135	.0	135	.0
Agency Fund Group	16,203	20,525	4,769	31,000	550.0	31,000	.0	31,000	.0
TOTAL	**55,811**	**60,318**	**39,258**	**66,368**	**69.1**	**66,562**	**.3**	**66,655**	**.1**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	9,516	9,520	9,849	11,011	11.8	11,348	3.1	11,884	4.7
Purchased Services	1,203	788	840	1,085	29.1	859	(20.8)	719	(16.3)
Maintenance	1,615	1,551	1,763	1,801	2.1	1,944	8.0	1,668	(14.2)
Equipment	462	383	795	173	(78.3)	210	21.4	250	19.2
Subsidy	26,636	27,501	21,186	21,170	(.1)	21,064	(.5)	21,007	(.3)
Transfer & Other	16,380	20,573	4,824	31,129	545.2	31,137	.0	31,127	.0
TOTAL	**55,811**	**60,318**	**39,258**	**66,368**	**69.1**	**66,562**	**.3**	**66,655**	**.1**

PROGRAM SERIES 01: Investment of Assets

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: Treasury 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. Treasury Management supports office operations including treasury expenses such as payroll, fringe benefits, maintenance, and equipment.

The Executive Recommendation will:

- Support 147 staff members working to fulfill the Treasurer's statutory responsibilities to collect, invest, and protect state funds;
- Support investment and management of $7.3 billion in state funds, which requires systems for cash forecasting, investment accounting, pricing of securities, and research; and
- Protect more than $440 million in deposits in 128 public depositories around the state.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	090-321	Operating Expenses	9,313,195	9,313,195
TOTAL FOR PROGRAM				**9,313,195**	**9,313,195**

Program 01.02: Custodial Funds

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.

The Executive Recommendation will:

- Fund the contracts with eight financial institutions for custody and monitoring services for the approximately $181 billion in custodial assets;
- Process approximately 7 million state and custodial warrants from the state's five retirement systems, the Ohio Bureau of Workers' Compensation, the Ohio Department of Job and Family Services, and the Auditor of State; and
- Support 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	4E9	090-603	Securities Lending Income	3,164,000	3,314,000
GSF	605	090-609	Treasurer of State Admin Fund	350,000	350,000
TOTAL FOR PROGRAM				**3,514,000**	**3,664,000**

Program 01.03: STAR Ohio Investment and Management

This program provides for expenses associated with the Ohio Subdivisions Fund, commonly referred to as STAR Ohio. STAR Ohio is a AAA-rated investment alternative created for eligible governmental subdivisions. This local government 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.

The Executive Recommendation will:

- Compensate the Treasurer's Office for its portion of the services provided to approximately 1,600 shareholders participating in the STAR Ohio program; and
- Support daily portfolio management, management of the STAR Ohio securities lending program, compliance monitoring, and trade reconciliation.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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.

The Executive Recommendation will:

- Provide wages and benefits for three employees associated with Sinking Fund management;
- Support administrative expenses associated with debt issuance costs and debt service payments on the $7.6 billion of outstanding general obligation bonds;
- Administer nine general obligation bond retirement funds and make 22 debt service payments totaling $813 million per year; and
- Service five credit enhancement facilities and make 12 associated payments annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	090-401	Office of the Sinking Fund	537,223	537,223
TOTAL FOR PROGRAM				**537,223**	**537,223**

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 from injuries sustained in the line of duty. This is subsidized in part to cover payments to officers who 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.

The Executive Recommendation will:

- Provide disability pensions, supplemental cost-of-living payments, and survivor benefits for beneficiaries who received these payments prior to the consolidation that created the current Ohio Police and Fire Pension Fund;
- Support death benefit payments to the families of law enforcement officers, firefighters, and correction officers who die in the line of duty; and
- Serve approximately 1,300 families annually.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	090-524	Police & Fire Disability Bfts	14,000	12,000
GRF	GRF	090-534	Police & Fire Ad Hoc Cola Bfts	140,000	130,000
GRF	GRF	090-554	Police & Fire Survivor Bfts	910,000	865,000
GRF	GRF	090-575	Police & Fire Death Benefits	20,000,000	20,000,000
TOTAL FOR PROGRAM				**21,064,000**	**21,007,000**

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.

The Executive Recommendation will:

- Provide for the payment of tax refunds and permissive tax distributions each fiscal year.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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.

The Executive Recommendation will:

- Provide wages and benefits for four employees associated with the continuing education program; and
- Provide resources for approximately nine conferences around the state to provide training to 2,780 local public fund managers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	090-402	Continuing Education	448,843	448,843
SSR	5C5	090-602	County Treasurer Education	135,000	135,000
TOTAL FOR PROGRAM				**583,843**	**583,843**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 090-609, Treasurer of State Admin Fund, will shift some administrative costs to 090-603, Securities Lending Income. This is because warrant processing revenue, which supports 090-609, is declining due to the shift to electronic funds transfer.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007	FY 2008	% Change	FY 2009	% Change
4E9	090-603	Securities Lending Income	3,164,000	3,164,000	0.0%	3,314,000	4.7%
605	090-609	Treasurer of State Admin Fund	350,000	350,000	0.0%	350,000	0.0%

Line Item Notes

090-524, Police & Fire Disability Bfts: This line item has a declining number of beneficiaries whose eligibility for this benefit predates the merger of local public safety personnel into the current statewide Police & Fire Pension Fund. For additional information, please refer to Program 03.01, Police and Fire Subsidies.

LINE ITEM SUMMARY - Treasurer

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	090-321	Operating Expenses	8,936,388	8,845,881	9,292,805	9,041,937	9,313,195	3.0	9,313,195	.0
GRF	090-401	Office of the Sinking Fund	454,935	375,142	412,904	521,576	537,223	3.0	537,223	.0
GRF	090-402	Continuing Education	423,512	438,569	387,028	435,770	448,843	3.0	448,843	.0
GRF	090-524	Police & Fire Disability Bfts	27,832	23,250	18,568	20,000	14,000	**	12,000	**
GRF	090-534	Police & Fire Ad Hoc Cola Bfts	199,428	176,971	156,671	150,000	140,000	(6.7)	130,000	(7.1)
GRF	090-544	Police & Fire State Contrib	1,200,000	1,200,000	0	0	0	.0	0	.0
GRF	090-554	Police & Fire Survivor Bfts	1,208,650	1,101,250	1,010,750	1,000,000	910,000	(9.0)	865,000	(4.9)
GRF	090-575	Police & Fire Death Benefits	24,000,000	25,000,000	20,000,000	20,000,000	20,000,000	.0	20,000,000	.0
TOTAL General Revenue Fund			**36,450,745**	**37,161,063**	**31,278,726**	**31,169,283**	**31,363,261**	**.6**	**31,306,261**	**(.2)**
4E9	090-603	Securities Lending Income	2,189,910	1,786,369	2,129,310	2,814,000	3,164,000	12.4	3,314,000	4.7
577	090-605	Investment Pool Reimbursement	386,897	153,105	428,646	550,000	550,000	.0	550,000	.0
605	090-609	Treasurer of State Admin Fund	434,110	544,797	538,682	700,000	350,000	**	350,000	.0
TOTAL General Services Fund Group			**3,010,917**	**2,484,271**	**3,096,638**	**4,064,000**	**4,064,000**	**.0**	**4,214,000**	**3.7**
5C5	090-602	County Treasurer Education	146,728	148,162	114,142	135,000	135,000	.0	135,000	.0
TOTAL State Special Revenue Fund Group			**146,728**	**148,162**	**114,142**	**135,000**	**135,000**	**.0**	**135,000**	**.0**
425	090-635	Tax Refunds	16,202,694	20,524,563	4,768,872	31,000,000	31,000,000	.0	31,000,000	.0
TOTAL Agency Fund Group			**16,202,694**	**20,524,563**	**4,768,872**	**31,000,000**	**31,000,000**	**.0**	**31,000,000**	**.0**
TOTAL Treasurer of State			**55,811,084**	**60,318,059**	**39,258,378**	**66,368,283**	**66,562,261**	**.3**	**66,655,261**	**.1**

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 2007 is approximately $6.4 million.

The agency offers many different types of investment products within the CollegeAdvantage 529 Savings Plan that allows Ohioans to choose from 36 college investment options. There are 19 variable investment options managed by Putnam Investments, 15 index investment options managed by Vanguard, and two banking options managed by Fifth Third Bank. 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 universities. Contributions into the Guaranteed Savings Fund have been suspended through December 31, 2007, due to a market-value deficit resulting from high tuition inflation that exceeds investment returns.

In fiscal year 2006, approximately 690,000 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 that are used for qualified higher education expenses are not subject to federal income taxes.

In fiscal year 2007, TTA estimates that approximately $948,696 (or 14.9%) 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 ($1,411,024 or 22.2%), the Index Savings Plan ($2,091,390 or 32.8%) and the Banking Products Plan ($1,913,592 or 30.1%).

More information regarding the Ohio Tuition Trust Authority is available at www.collegeadvantage.com/.

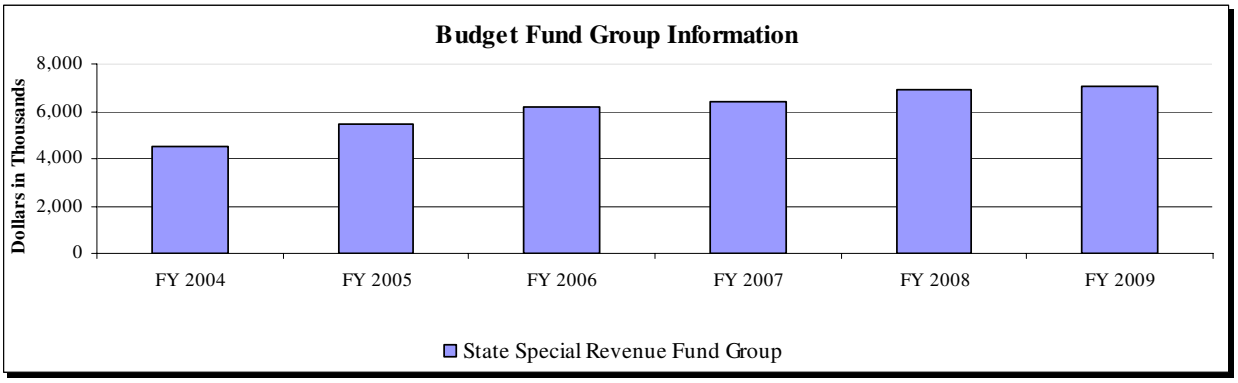
Turnaround Ohio Initiatives

- Promote and ensure the availability of early college savings options for all Ohioans.
- Partner with other state agencies, higher education organizations and community groups to help Ohioans obtain a college degree.

Agency Priorities

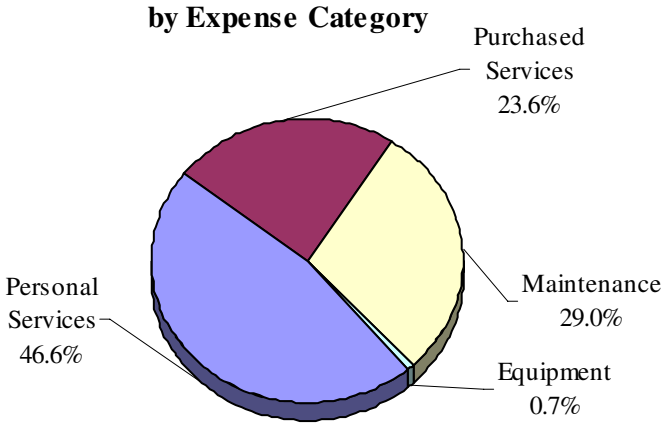
- Continue to strive for the best mix of savings and investment choices for customers and prospects in order to increase contributions and participants in the plan.
- Continue to improve customer support and administration of the plan, including enhancements to the website, improvements in the security of assets and more efficient internal operations in all departments.
- Work to raise awareness of the value and economic impact of higher education, and the importance of early college savings.
- Seek innovative ways to bring more low income families and a more diverse ethnic population into the plan to save for college.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
State Special Revenue Fund Group	4,535	5,447	6,210	6,365	2.5	6,912	8.6	7,019	1.5
TOTAL	**4,535**	**5,447**	**6,210**	**6,365**	**2.5**	**6,912**	**8.6**	**7,019**	**1.5**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	1,980	2,170	2,557	2,566	.4	3,182	24.0	3,310	4.0
Purchased Services	942	1,614	1,628	1,654	1.6	1,601	(3.2)	1,691	5.6
Maintenance	1,506	1,580	1,912	2,054	7.4	2,067	.6	1,979	(4.2)
Equipment	107	82	113	91	(19.6)	62	(32.6)	39	(36.6)
TOTAL	**4,535**	**5,447**	**6,210**	**6,365**	**2.5**	**6,912**	**8.6**	**7,019**	**1.5**

PROGRAM SERIES 01: College Advantage

This program series consists of the Tuition Trust Authority's four primary savings plans 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 Savings Plan

The Guaranteed Savings Plan, created in 1989 as the first college savings plan supported by the state, has assets worth over $859.1 million and has over 100,000 participants. The Guaranteed Savings Plan is currently suspended until December 31, 2007. 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.

The Executive Recommendation will:

- Provide support for six 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 100,000 participants in the program are informed about their investments and receive assistance as needed;
- Provide necessary support and supervision needed to identify solutions to minimize the State of Ohio's long-term obligations on the Guaranteed Savings Plan; and
- Enhance the website to allow more online accessibility and functionality for account owners.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
SSR	645	095-601	Gurantd College Savings Plan	872,086	881,169
TOTAL FOR PROGRAM				**872,086**	**881,169**

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 Equity Options). These accounts are not guaranteed a fixed rate of return and investors assume all risk. Currently, over 70,000 investors participate in the Putnam direct program. TTA is responsible for all record-keeping responsibilities of the Putnam direct program.

The Executive Recommendation will:

- Support the purchase of vendor services for marketing research, building brand awareness through media and direct mail campaigns, public relations, corporate partnerships to encourage payroll deduction, and investor education;
- Support infrastructure improvements and enhancements to the website to allow greater efficiencies within the operations of TTA and more online accessibility and functionality for account owners;
- Fund 13 staff members to manage the day-to-day record-keeping, customer service, marketing, financial/investment reporting and analysis, and technical support functions for the Variable Savings Plan and its 70,000 current direct investors;
- Provide funding for one additional staff member in fiscal year 2008 to support the growth in volume of sales, transactions and accounts; and
- Support the 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 2008	RECOMMENDED FY 2009
SSR	5P3	095-602	Variable College Savings Fund	2,031,354	2,063,596
TOTAL FOR PROGRAM				**2,031,354**	**2,063,596**

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. These accounts are not guaranteed a fixed rate of return and investors assume all risk. During fiscal year 2006, over 21,000 new Vanguard accounts were opened. TTA is responsible for all record-keeping duties.

The Executive Recommendation will:

- Support the purchase of vendor services for marketing research, building brand awareness through media and direct mail campaigns, public relations, corporate partnerships to encourage payroll deduction, and investor education;
- Support infrastructure improvements and enhancements to the website to allow greater efficiencies within the operations of TTA and more online accessibility and functionality for account owners;
- Provide support for 13 staff members to manage the day-to-day record-keeping, customer service, marketing, financial/investment reporting and analysis, and technical support functions for the Index Savings Plan and its 67,000 current investors;
- Provide funding for one additional staff member in fiscal year 2008 to support the growth in volume of sales, transactions, and accounts; and
- Support the 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 2008	RECOMMENDED FY 2009
SSR	5AM	095-603	Index Savings Plan	2,376,852	2,425,777
TOTAL FOR PROGRAM				**2,376,852**	**2,425,777**

Program 01.04: Banking Products

The Banking Products Plan was added to the College Advantage program series as another savings option September 1, 2005, in accordance with Amended Substitute Senate Bill 161 of the 123rd General Assembly and Controlling Board action TTA108. This program provides conservative college savings options, provided by Fifth Third Bank, for risk-averse savers, parents with children near college age, or those with children currently enrolled in college who may not want to take on risk or lose principal. These options may also appeal to investors looking to diversify their 529 portfolios. The Fifth Third Banking Products include Certificates of Deposit with maturities from 3 months to 12 years and a 529 savings account, all of which are FDIC insured up to $100,000. During fiscal year 2006, over 3,000 new Fifth Third accounts were opened. TTA is responsible for all record-keeping duties.

The Executive Recommendation will:

- Support the purchase of vendor services for marketing research, building brand awareness through media and direct mail campaigns, public relations, corporate partnerships to encourage payroll deduction, and investor education;
- Support infrastructure improvements and enhancements to the website to allow greater efficiencies within the operations of TTA and more online accessibility and functionality for account owners;

- Provide support for 13 staff members to manage the day-to-day record-keeping, customer service, marketing, financial/investment reporting and analysis, and technical support functions for the Banking Products and its 5,400 current investors; and
- Support the 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 2008	RECOMMENDED FY 2009
SSR	5DC	095-604	Banking Products	1,631,283	1,648,123
TOTAL FOR PROGRAM				**1,631,283**	**1,648,123**

LINE ITEM SUMMARY - Tuition Trust Authority

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5AM	095-603	Index Savings Plan	0	2,191,189	2,332,568	2,111,156	2,376,852	12.6	2,425,777	2.1
5DC	095-604	Banking Products	0	0	979,559	1,934,012	1,631,283	(15.7)	1,648,123	1.0
5P3	095-602	Variable College Savings Fund	1,598,587	1,511,472	1,899,350	1,428,364	2,031,354	42.2	2,063,596	1.6
645	095-601	Gurantd College Savings Plan	2,936,650	1,744,269	998,738	891,173	872,086	(2.1)	881,169	1.0
TOTAL State Special Revenue Fund Group			**4,535,237**	**5,446,930**	**6,210,215**	**6,364,705**	**6,911,575**	**8.6**	**7,018,665**	**1.5**
TOTAL Tuition Trust Authority			**4,535,237**	**5,446,930**	**6,210,215**	**6,364,705**	**6,911,575**	**8.6**	**7,018,665**	**1.5**

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).

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. As of February 2007, there is approximately $11.2 million in unobligated funds and an additional obligated amount of $2.2 million for anticipated fiscal year 2007 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.

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.

Additional information regarding the Petroleum Underground Storage Tank Release Compensation Board is available at http://www.petroboard.com/.

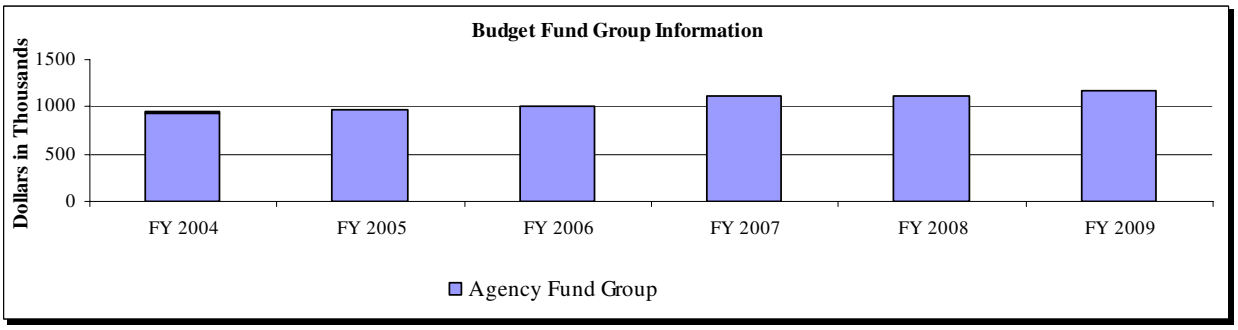
Turnaround Ohio Initiatives

- Strengthen channels of communication to Ohio's petroleum storage tank owners to help ensure their participation in the Financial Assurance Fund.
- Continually improve the claims review process to facilitate fairness and efficiency in reimbursement.

Agency Priorities

- Execute sound fiscal practices and strategies to preserve the solvency of the Financial Assurance Fund.
- Implement competent management systems to guide the Board's operations.
- Deliver effective services through a motivated and well-trained team of employees.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Agency Fund Group	940	972	1,011	1,117	10.4	1,117	.0	1,169	4.7
TOTAL	**940**	**972**	**1,011**	**1,117**	**10.4**	**1,117**	**.0**	**1,169**	**4.7**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	940	972	1,011	1,117	10.4	1,117	.0	1,169	4.7
TOTAL	**940**	**972**	**1,011**	**1,117**	**10.4**	**1,117**	**.0**	**1,169**	**4.7**

PROGRAM SERIES 01: Reporting and Compliance

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.

The Executive Recommendation will:

- Allow the collection and application of fees and penalties in accordance with law;
- Provide for the issuance of Certificates of Financial Assurance Fund Coverage for approximately 23,000 USTs;
- Coordinate the annual study of the Financial Assurance Fund's estimated claim liability with an independent actuarial firm;
- Coordinate the annual audit with an independent accounting firm and the State's Auditor's Office; and
- Fund the equivalent of 8.5 full-time employees for the daily operations for Reporting and Compliance program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
AGY	691	810-632	PUSTCB Staff	506,595	529,631
TOTAL FOR PROGRAM				**506,595**	**529,631**

Program 01.02: Eligibility and Reimbursement Determination

This program is responsible for maintaining the eligibility, pre-approval, and reimbursement databases that allow the board and staff members to execute their duties. The board's claim staff reviews appropriate documentation and rules governing the eligibility and reimbursement processes, and makes recommendations to the director regarding an owner's right to place claims against the Financial Assurance Fund and the amounts eligible for reimbursement. Tank owners have the rights of appeal as provided by Ohio Revised Code, Section 119.

The Executive Recommendation will:

- Administers 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;
- Allow the evaluation and determination of eligibility of 800 reimbursement claim applications per year;
- Provide the resources to remediate contamination through reimbursement payments;
- Assist in the development of innovative ways to reduce clean-up costs through the pre-approval process; and

- Fund the equivalent of 7.5 full-time employees for the daily operations for Eligibility and Reimbursement Determination program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
AGY	691	810-632	PUSTCB Staff	610,063	639,550
TOTAL FOR PROGRAM				**610,063**	**639,550**

LINE ITEM SUMMARY - Underground Storage Tank Release

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
691	810-632	PUSTCB Staff	940,220	971,730	1,011,189	1,116,658	1,116,658	.0	1,169,181	4.7
TOTAL Agency Fund Group			**940,220**	**971,730**	**1,011,189**	**1,116,658**	**1,116,658**	**.0**	**1,169,181**	**4.7**
TOTAL Underground Storage Tank Rel			**940,220**	**971,730**	**1,011,189**	**1,116,658**	**1,116,658**	**.0**	**1,169,181**	**4.7**

Role and Overview

The Ohio Veterans' Home Agency (OVHA) cares for elderly, chronically ill, and disabled wartime veterans at the agency's nursing homes or in less restrictive group living (domiciliary) arrangements, so that they can achieve their highest level of functional ability. To be eligible for admission, a veteran must have served during wartime, have been honorably discharged, be unable to earn a living, and have been a resident of Ohio for five years prior to admission.

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 Ohio Veterans' Home Agency. It includes the 427-bed Secrest/Giffin nursing home and the 293-bed domiciliary, both located in Sandusky, Ohio. A new 168-bed nursing home facility, located in Georgetown, Ohio, admitted its first resident in November 2003.

OVHA receives a per diem grant from the U.S. Veterans' Affairs on a reimbursement basis and also receives resident assessment fees which contribute to the operation of the homes.

The OVHA 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 an operating budget of $57.4 million.

Additional information regarding the Veterans' Home Agency is online at: http://www.ohioveteranshome.gov/

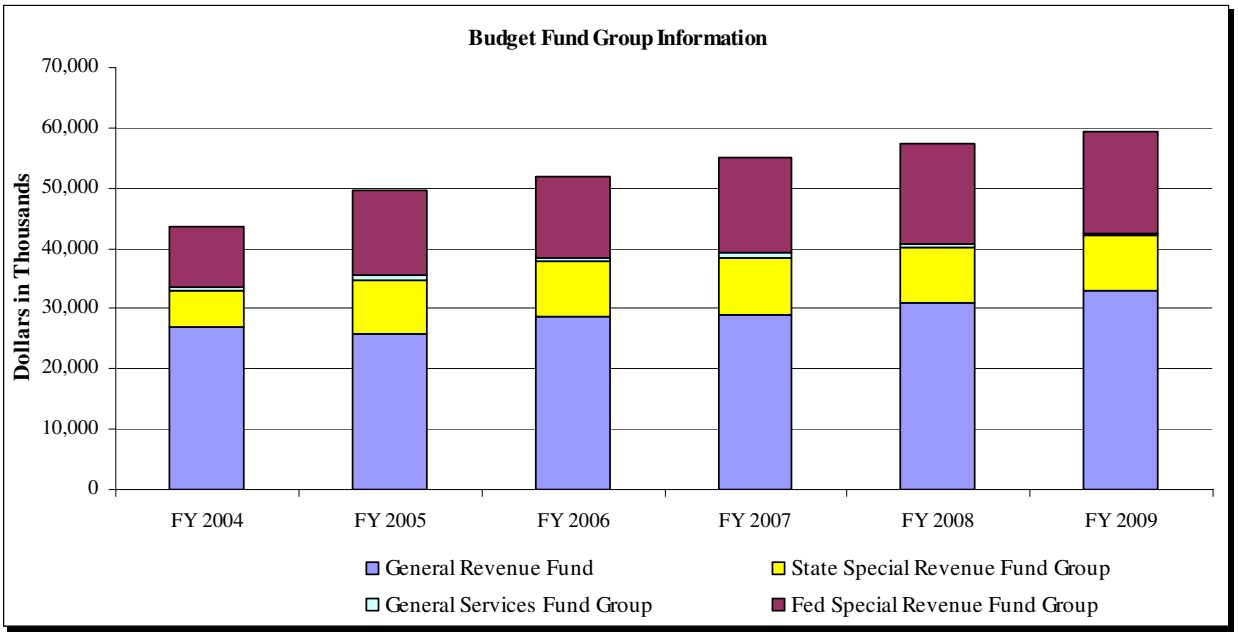
Turnaround Ohio Initiatives

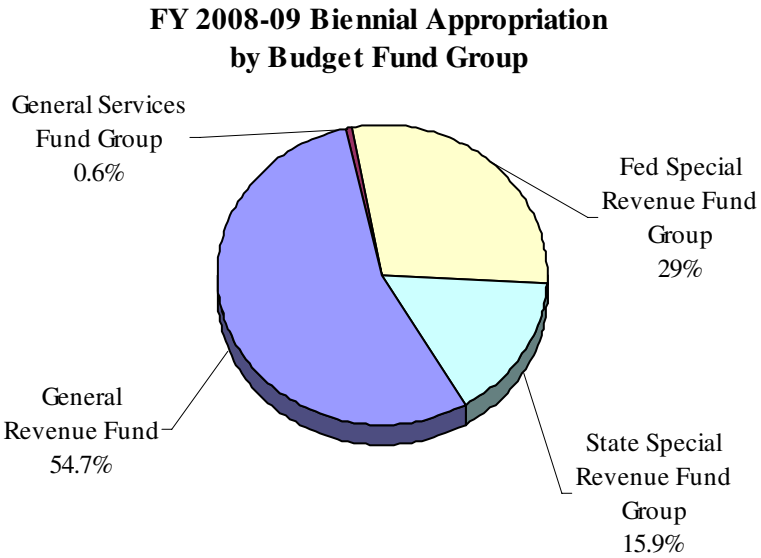
- Fulfill the promise made by a grateful nation and state by providing the highest quality of care to Ohio's heroes and honor Ohio's commitment to "serving those who served."

Agency Priorities

- Secure federal, state, and self-generated resources to improve the ability to maximize the quality and quantity of long-term and domiciliary services to Ohio's heroes.
- Exercise the agency's strategic plan and commensurate measurements to reassure Ohio's veterans' community and taxpayers that the agency obtains the highest results with the same or less resources than public or private competitors.
- Continue to encourage and strengthen community partnerships and business relationships to maximize volunteer, family, and service organization support as well as incorporate best practices in the agency's business plan.

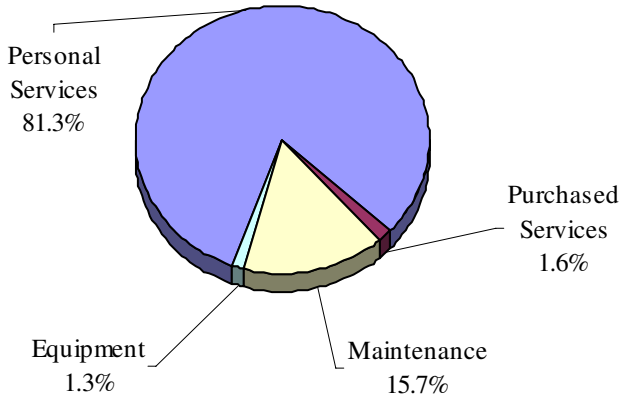
Summary of Budget History and Recommendations





(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
General Revenue Fund	26,927	25,884	28,608	29,076	1.6	30,946	6.4	32,888	6.3
General Services Fund Group	601	884	670	883	31.7	376	(57.4)	376	.0
Fed Special Revenue Fund Group	10,158	13,932	13,337	15,945	19.6	16,737	5.0	16,857	.7
State Special Revenue Fund Group	6,061	8,793	9,221	9,301	.9	9,301	.0	9,301	.0
TOTAL	**43,747**	**49,492**	**51,836**	**55,205**	**6.5**	**57,360**	**3.9**	**59,422**	**3.6**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	RECOMMENDED FY 2009	% CHANGE
Personal Services	35,975	40,714	42,699	45,488	6.5	46,772	2.8	48,190	3.0
Purchased Services	295	383	389	689	77.2	914	32.6	945	3.4
Maintenance	6,892	7,567	8,036	8,218	2.3	8,869	7.9	9,516	7.3
Equipment	505	727	570	742	30.2	805	8.4	770	(4.3)
Capital Improvements	81	84	79	68	(14.7)	0	(100.0)	0	.0
Transfer & Other	0	18	63	0	(100.0)	0	.0	0	.0
TOTAL	**43,747**	**49,492**	**51,836**	**55,205**	**6.5**	**57,360**	**3.9**	**59,422**	**3.6**

PROGRAM SERIES 01: Resident 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.

The Executive Recommendation will:

- Support the operation of a 427 bed nursing home facility in Sandusky, of which 140 beds are for Alzheimer's/dementia care;
- Support the operation of 126 nursing home beds in Georgetown, of which 42 beds are for Alzheimer's/dementia care; and
- Support the delivery of Skilled Care and Hospice Care (Sandusky only) for residents requiring those levels of care.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	430-100	Personal Services	21,383,571	22,546,029
GRF	GRF	430-200	Maintenance	6,060,803	6,678,108
GSF	484	430-603	Veterans Home Services	325,382	324,025
FED	3BX	430-609	Medicare Services	1,446,807	1,446,807
FED	3L2	430-601	Veterans Home Operating-Federal	13,141,954	13,219,137
SSR	4E2	430-602	Veterans Home Operating	7,457,674	7,424,496
SSR	604	430-604	Veterans Home Improvement	599,777	624,903
TOTAL FOR PROGRAM				**50,415,968**	**52,263,505**

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.

The Executive Recommendation will:

- Support the operation of a domiciliary that provides both independent and assisted living services to 200 veterans.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	430-100	Personal Services	1,550,701	1,706,885
GRF	GRF	430-200	Maintenance	1,676,701	1,682,465
GSF	484	430-603	Veterans Home Services	50,498	51,855
FED	3L2	430-601	Veterans Home Operating-Federal	2,148,366	2,191,334
SSR	4E2	430-602	Veterans Home Operating	1,073,126	1,106,304
SSR	604	430-604	Veterans Home Improvement	170,319	145,193
TOTAL FOR PROGRAM				**6,669,711**	**6,884,036**

PROGRAM SERIES 02: Veterans Services

This program series provides ancillary services for several programs that support veterans or support the maintenance of the OVHA grounds and buildings.

Program 02.01: Hall of Fame

This program 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.

The Executive Recommendation will:

- Fund a yearly enshrinement ceremony honoring veterans for their contributions to the community; and
- Support one employee to coordinate activities, make presentations to veterans' organizations, and publish a newsletter, which is now available on the Internet.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	430-402	Hall of Fame	125,000	125,000
TOTAL FOR PROGRAM				**125,000**	**125,000**

Program 02.02: Museum Operation

This program provides for the operation of the Veterans' Home Museum which is located in the historic I. F. Mack building on the Sandusky campus. The museum is run by the OVHA residents and displays historic military memorabilia and Veterans' Hall of Fame plaques.

The Executive Recommendation will:

- Support utilities costs for the museum.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	430-200	Maintenance	22,243	22,243
TOTAL FOR PROGRAM				**22,243**	**22,243**

Program 02.03: Cemetery Operation

This program provides grounds maintenance for the 13.3 acre veterans' cemetery on the Sandusky campus. This cemetery was started in 1889 and is the final resting place for over 4,000 former residents, including two recipients of the Medal of Honor.

The Executive Recommendation will:

- Support grounds maintenance and setting of markers at the 13.3 acre cemetery; and
- Fund the opening and closing of graves for former residents who choose to be buried in the cemetery.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	430-100	Personal Services	36,531	36,531
TOTAL FOR PROGRAM				**36,531**	**36,531**

Program 02.04: Historic Building Maintenance

This program provides for essential maintenance of several historic buildings that were part of the original Veterans' Home established in 1888, some of which are on the National Register of Historic Places.

The Executive Recommendation will:

- Support grounds maintenance and safety maintenance for six historic buildings located on the Sandusky campus, which were part of the original Solders' and Sailors' Home.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	430-100	Personal Services	14,458	14,458
GRF	GRF	430-200	Maintenance	75,797	75,797
TOTAL FOR PROGRAM				**90,255**	**90,255**

Appropriation Line Item Analyses for Fiscal Years 2008 and 2009

Line Item Restructuring Analysis

Line item 430-402, Hall of Fame, is created. The change removes Hall of Fame funding from another Veterans Home operating line item.

Line item 430-609, Medicare Services, is now retaining Medicare Part B and and Medicare Part A revenue. Medicare Part B funding is no longer spent from 430-603.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2007 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 2007**	**FY 2008**	**% Change**	**FY 2009**	**% Change**
GRF	430-402	Hall of Fame	91,200	125,000	37.1%	125,000	0.0%
484	430-603	Veterans Services	375,880	375,880	0.0%	375,880	0.0%
3BX	430-609	Medicare Services	1,161,667	1,446,807	24.5%	1,446,807	0.0%

LINE ITEM SUMMARY - Veterans' Home

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	430-100	Personal Services	20,635,917	19,182,338	21,399,054	21,830,031	22,985,261	5.3	24,303,903	5.7
GRF	430-200	Maintenance	6,290,775	6,701,361	7,209,106	7,246,200	7,835,544	8.1	8,458,613	8.0
GRF	430-402	Hall of Fame	0	0	0	0	125,000	**	125,000	.0
TOTAL General Revenue Fund			**26,926,692**	**25,883,699**	**28,608,160**	**29,076,231**	**30,945,805**	**6.4**	**32,887,516**	**6.3**
484	430-603	Veterans Home Services	600,971	883,887	670,379	882,737	375,880	**	375,880	.0
TOTAL General Services Fund Group			**600,971**	**883,887**	**670,379**	**882,737**	**375,880**	**(57.4)**	**375,880**	**.0**
3BX	430-609	Medicare Services	0	0	0	654,810	1,446,807	**	1,446,807	.0
3L2	430-601	Veterans Home Operating-Federal	10,158,447	13,931,740	13,336,970	15,290,320	15,290,320	.0	15,410,471	.8
TOTAL Fed Special Revenue Fund Group			**10,158,447**	**13,931,740**	**13,336,970**	**15,945,130**	**16,737,127**	**5.0**	**16,857,278**	**.7**
4E2	430-602	Veterans Home Operating	5,475,280	7,982,225	8,520,652	8,530,800	8,530,800	.0	8,530,800	.0
604	430-604	Veterans Home Improvement	585,307	810,701	700,020	770,096	770,096	.0	770,096	.0
TOTAL State Special Revenue Fund Group			**6,060,587**	**8,792,926**	**9,220,672**	**9,300,896**	**9,300,896**	**.0**	**9,300,896**	**.0**
TOTAL Veterans' Home			**43,746,697**	**49,492,252**	**51,836,181**	**55,204,994**	**57,359,708**	**3.9**	**59,421,570**	**3.6**

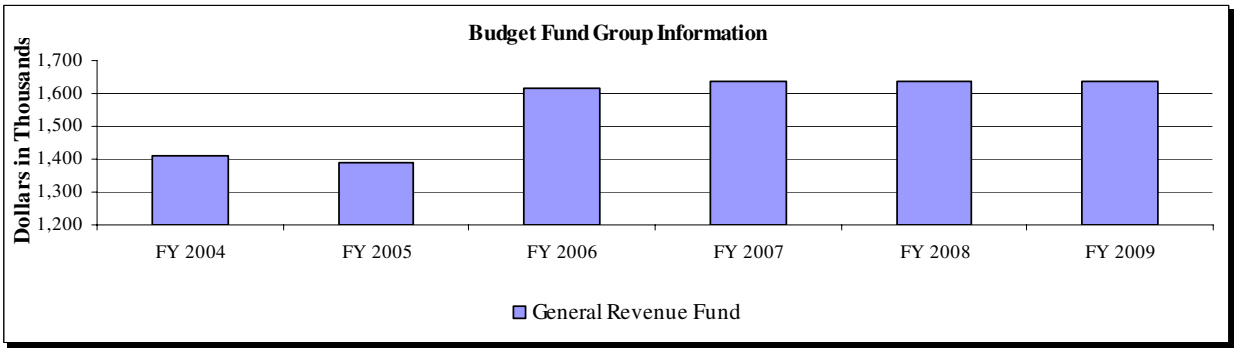
Role and Overview

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 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)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	1,409	1,387	1,618	1,635	1.0	1,635	.0	1,635	.0
TOTAL	**1,409**	**1,387**	**1,618**	**1,635**	**1.0**	**1,635**	**.0**	**1,635**	**.0**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
OBJECT OF EXPENSE	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Subsidy	1,409	1,387	1,618	1,635	1.0	1,635	.0	1,635	.0
TOTAL	**1,409**	**1,387**	**1,618**	**1,635**	**1.0**	**1,635**	**.0**	**1,635**	**.0**

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.

The Executive Recommendation will:

- Provide each organization with the same level of subsidy funding as received in fiscal year 2007.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
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	Viet Nam Veterans of America	185,954	185,954
GRF	GRF	752-501	American Legion of Ohio	302,328	302,328
GRF	GRF	753-501	AMVETS	287,919	287,919
GRF	GRF	754-501	Disabled American Veterans	216,308	216,308
GRF	GRF	756-501	Marine Corps League	115,972	115,972
GRF	GRF	757-501	37th Division Veterans Association	5,946	5,946
GRF	GRF	758-501	Veterans of Foreign Wars	246,615	246,615
TOTAL FOR PROGRAM				**1,634,619**	**1,634,619**

LINE ITEM SUMMARY - Veterans' Organizations

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 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	53,953	49,453	49,453	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	302,328	302,328	302,328	.0	302,328	.0
GRF	753-501	AMVETS	237,415	220,341	270,938	287,919	287,919	.0	287,919	.0
GRF	754-501	Disabled American Veterans	166,308	166,308	216,308	216,308	216,308	.0	216,308	.0
GRF	756-501	Marine Corps League	85,972	85,972	115,972	115,972	115,972	.0	115,972	.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	246,615	246,615	246,615	.0	246,615	.0
TOTAL General Revenue Fund			**1,408,615**	**1,387,041**	**1,617,638**	**1,634,619**	**1,634,619**	**.0**	**1,634,619**	**.0**
TOTAL Veterans' Organizations			**1,408,615**	**1,387,041**	**1,617,638**	**1,634,619**	**1,634,619**	**.0**	**1,634,619**	**.0**

State Veterinary Medical Board

Role and Overview

The State Veterinary Medical Board (DVM) was established to ensure that those who are licensed by the board meet certain minimum education and training criteria to safely practice veterinary medicine in Ohio. The board then monitors those licensees to ensure compliance with the laws and rules which govern the profession. The board's annual budget of slightly more than $323,000 supports a staff of three in addition to the eight board members. DVM licenses approximately 3,500 veterinarians and nearly 1,700 veterinary technicians. Additional information regarding the Veterinary Medical Board is available at http://ovmlb.ohio.gov/.

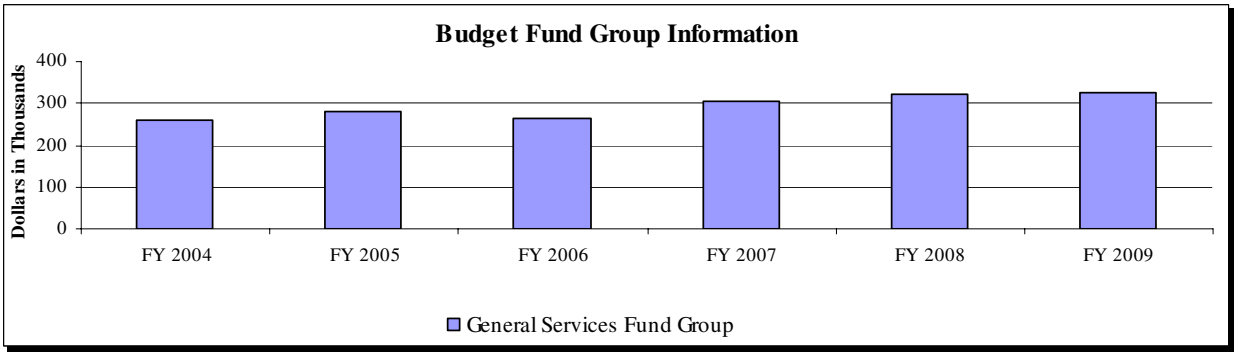
Turnaround Ohio Initiatives

- Develop a performance contract to set priorities in line with Turnaround Ohio strategies to fund results.
- Operate the board with a high level of transparency and accountability to Ohio citizens.

Agency Priorities

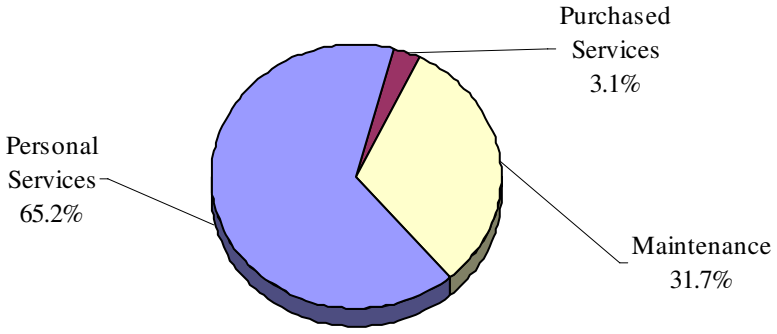
- Increase the use of technology to begin an on-line renewal process beginning with veterinarian renewals in 2008 and explore the development of an online application process.
- Regulate and enforce the provision of Chapter 4741 of the Ohio Revised Code to protect the public by improving the quality of veterinary care.
- Continue to develop and implement the Veterinary Student Loan Repayment program to encourage veterinary students to provide care in underserved areas.

Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Services Fund Group	261	279	262	307	17.0	323	5.1	327	1.4
TOTAL	**261**	**279**	**262**	**307**	**17.0**	**323**	**5.1**	**327**	**1.4**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	175	182	172	202	17.6	205	1.3	217	6.1
Purchased Services	8	7	12	10	(16.7)	10	(.9)	10	.0
Maintenance	76	83	78	93	19.1	108	16.5	97	(10.0)
Equipment	0	6	0	2	.0	0	(100.0)	3	.0
Transfer & Other	2	1	1	0	(37.5)	0	(100.0)	0	.0
TOTAL	**261**	**279**	**262**	**307**	**17.0**	**323**	**5.1**	**327**	**1.4**

PROGRAM SERIES 01: Regulation

This program series contributes to ensuring the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

Program 01.01: License/Registration/Enforcement

This program includes all operations of the State Veterinary Medical Board.

The Executive Recommendation will:

- Support licensing application and renewal of licensees;
- Allow the board to begin development of an online licensing renewal process and initial application; and
- Support response to and investigation of complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
GSF	4K9	888-609	Operating Expenses	322,740	327,312
TOTAL FOR PROGRAM				**322,740**	**327,312**

LINE ITEM SUMMARY - Veterinary Medical Board

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
4K9	888-609	Operating Expenses	261,198	279,360	262,431	307,000	322,740	5.1	327,312	1.4
TOTAL General Services Fund Group			**261,198**	**279,360**	**262,431**	**307,000**	**322,740**	**5.1**	**327,312**	**1.4**
TOTAL VETERINARY MEDICAL BOARD			**261,198**	**279,360**	**262,431**	**307,000**	**322,740**	**5.1**	**327,312**	**1.4**

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 manages all medical and lost-time claims, initiates coverage and determines premium rates and manual classifications. BWC also collects premiums from employers, determines the initial allowance or denial on claim applications, disburses money to pay compensation, and manages the state insurance fund.

The administrator oversees BWC's annual budget of approximately $324 million, supporting 2,800 employees. BWC operates 16 statewide customer service offices which house claims, medical, risk, fraud, legal, safety education, accident prevention, and information technology personnel.

More information regarding the Bureau of Workers' Compensation is available at http://www.ohiobwc.com/.

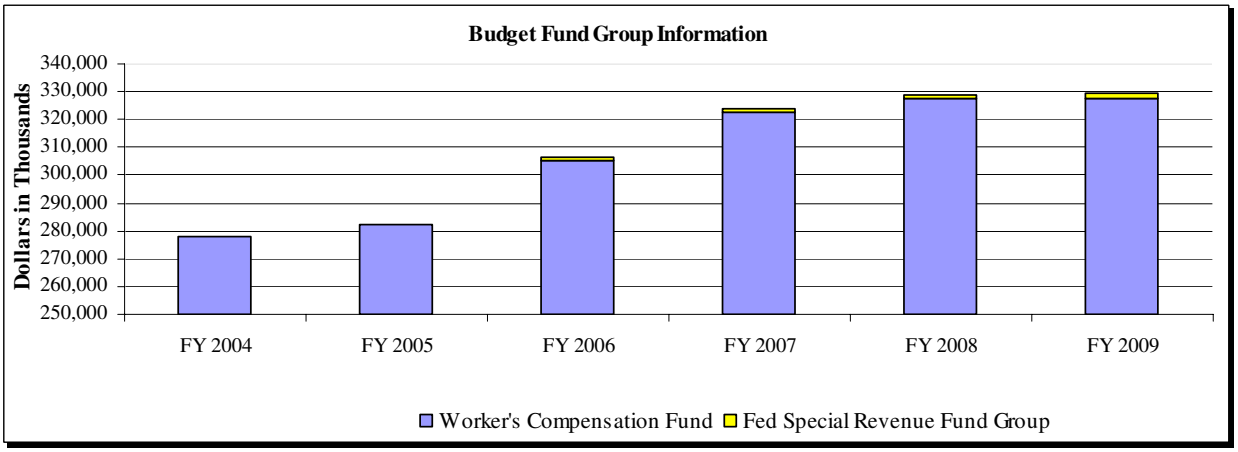
Turnaround Ohio Initiatives

- Restore transparency and accountability to the workers' compensation system.
- Assure the highest possible returns on investments through strong fiscal management.
- Increase integrity of the BWC operations by implementing rate-setting decisions based upon strong actuarial principles.

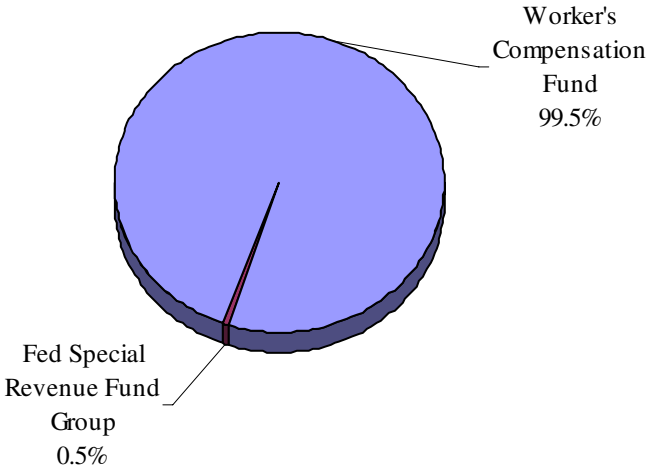
Agency Priorities

- Provide high-quality, cost-effective service to all customers and stakeholders;
- Maintain the financial integrity of Ohio's workers' compensation system;
- Refine the claims and medical management processes;
- Deliver innovative risk management and safety services; and
- Employ the best available, effective business-oriented technologies.

Summary of Budget History and Recommendations

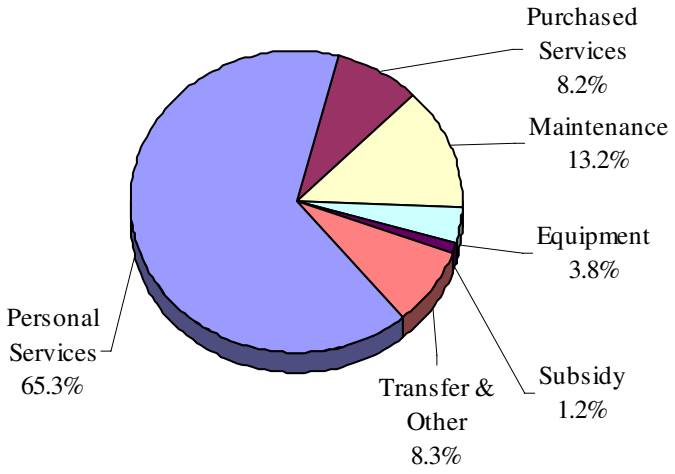


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
Workers' Compensation Fund Group	277,998	282,392	305,113	322,423	5.7	327,352	1.5	327,606	.1
Fed Special Revenue Fund Group	0	0	1,295	1,604	23.9	1,604	.0	1,604	.0
TOTAL	**277,998**	**282,392**	**306,408**	**324,028**	**5.8**	**328,956**	**1.5**	**329,210**	**.1**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	189,451	186,128	194,171	203,256	4.7	210,065	3.3	219,971	4.7
Purchased Services	19,088	19,663	24,501	25,456	3.9	27,964	9.9	26,189	(6.3)
Maintenance	48,243	44,791	47,357	50,568	6.8	44,019	(12.9)	42,660	(3.1)
Equipment	9,190	11,488	11,827	12,713	7.5	15,872	24.8	9,104	(42.6)
Subsidy	3,873	4,410	4,566	5,430	18.9	4,000	(26.3)	4,000	.0
Transfer & Other	8,153	15,911	23,986	26,605	10.9	27,036	1.6	27,288	.9
TOTAL	**277,998**	**282,392**	**306,408**	**324,028**	**5.8**	**328,956**	**1.5**	**329,210**	**.1**

PROGRAM SERIES 01: Injury Management

This 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 Office Service 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.

The Executive Recommendation will:

- Investigate 185,000 new injury claims;
- Manage over 570,000 injury claims;
- Pay over $1.6 billion in benefits to injured workers for health care and lost wages; and
- Settle 18,000 injury claims.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	FY 2009
WCF	023	855-407	Claims, Risk, & Medical Management	96,640,056	96,640,056
TOTAL FOR PROGRAM				**96,640,056**	**96,640,056**

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 and provides development assistance to the healthcare community, develops and provides internal and external training on issues impacting medical policy, and ensures injured workers have access to quality, cost-effective healthcare.

The Executive Recommendation will:

- Develop and implement payment methodologies that result in medical costs savings; and
- Hear 12,000 disputes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-407	Claims, Risk, & Medical Management	19,313,405	19,313,405
TOTAL FOR PROGRAM				**19,313,405**	**19,313,405**

PROGRAM SERIES 02: Employer Management

This program series provides a link between Ohio's employers and BWC. This series includes services directed toward large, financially stable employers who retain the financial risk for their companies' workers' compensation claims (self-insured employer services). This series also includes 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.

The Executive Recommendation will:

- Provide funding for 178 employees who provide underwriting and technical support to help employers lower workplace accidents and illnesses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-407	Claims, Risk, & Medical Management .	14,572,758	14,572,758
TOTAL FOR PROGRAM				**14,572,758**	**14,572,758**

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, managing claims for bankrupt self-insuring employers, and auditing self-insuring employers for compliance with state and federal rules and laws.

The Executive Recommendation will:

- Provide for the audit of 1,130 employer self insured programs to ensure compliance with state and federal rules and laws.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-407	Claims, Risk, & Medical Management .	4,125,350	4,125,350
TOTAL FOR PROGRAM				**4,125,350**	**4,125,350**

Program 02.03: Safety Violations Investigative Staff

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.

The Executive Recommendation will:

- Fund ten investigators who investigate and prepare reports for the Industrial Commission on all safety violation allegations concerning workers' compensation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-409	Administrative Services	680,861	680,861
TOTAL FOR PROGRAM				**680,861**	**680,861**

PROGRAM SERIES 03: Fraud and Special Investigations

This program series proactively prevents 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 financial losses to the workers' compensation system by deterring, detecting, investigating, and prosecuting fraudulent behavior. The goal is to ensure that only those who are entitled to workers' compensation benefits receive them and employers who are required to contribute to the system are doing so.

The Executive Recommendation will:

- Fund 137 employees who prevent more than $90 million in fraudulent claims; and
- Generate $7.80 in fraud savings per every $1 invested.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-408	Fraud Prevention	11,356,411	11,356,411
TOTAL FOR PROGRAM				**11,356,411**	**11,356,411**

Program 03.02: Internal Affairs

This program series serves both the BWC and the Industrial Commission (OIC) by investigating all allegations of criminal violation, abuse of office, or misconduct on the part of the BWC or OIC employees.

The Executive Recommendation will:

- Fund four investigators who investigate allegations of criminal abuse or misconduct by BWC or OIC employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-408	Fraud Prevention	416,140	416,140
TOTAL FOR PROGRAM				**416,140**	**416,140**

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 helps ensure Ohio's employees have a safe work environment through the investigation and prevention of industrial accidents and disease.

The Executive Recommendation will:

- Fund 206 employees who investigate and help prevent industrial accidents and disease;
- Provide $4 million per year for the Safety Grant Program, which provides grants to help businesses implement safety programs; and
- Fund the Long-Term Care Loan Fund Program which provides interest-free loans to nursing homes to assist in purchasing no-lift equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	826	855-609	Safety & Hygiene Operating	20,734,750	20,734,750
WCF	826	855-610	Safety Grants Program	4,000,000	4,000,000
WCF	829	855-604	Long Term Care Loan Program	2,000,000	2,000,000
FED	349	855-601	OSHA Enforcement	1,604,140	1,604,140
TOTAL FOR PROGRAM				**28,338,890**	**28,338,890**

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. These funds provide cash benefits to workers who are permanently and totally disabled.

Program 05.01: Special Benefits Funds

BWC administers the programs associated with providing supplemental cost-of-living benefits to over 20,000 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.

The Executive Recommendation will:

- Provide benefits to over 27,000 permanently and totally disabled persons.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
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	488,282	492,500
TOTAL FOR PROGRAM				**634,128**	**638,346**

PROGRAM SERIES 06: Customer Service

This program series serves the customer service needs 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, and benefit option information to customers on BWC processes, law, policies, and procedures. This program also helps new employers obtain BWC coverage, issues certificates of coverage, and helps established employers with policy account information.

The Executive Recommendation will:

- Fund 87 employees who handle over 56,500 information inquires from the public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-407	Claims, Risk, & Medical Management	5,176,850	5,176,850
TOTAL FOR PROGRAM				**5,176,850**	**5,176,850**

Program 06.02: Corporate Affairs, Government, Media Relations

This program ensures that internal and external customers receive appropriate, timely, and accurate information about BWC programs, services, and initiatives.

The Executive Recommendation will:

- Fund Workers' Compensation University, public employer summits, and other special events.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-409	Administrative Services	3,941,527	3,941,527
TOTAL FOR PROGRAM				**3,941,527**	**3,941,527**

Program 06.03: Ombudsman

The Ombudsman Program assists injured workers and employers in matters 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.

The Executive Recommendation will:

- Provide funding for seven employees will handle more than 9,600 general inquiries and process over 2,900 complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
WCF	023	855-407	Claims, Risk, & Medical Management	539,300	539,300
TOTAL FOR PROGRAM				**539,300**	**539,300**

PROGRAM SERIES 07: Program Management

This program series contains the various administrative support services necessary to support the workers' compensation program. Support services needed include finance, human resources, legal, information technology, internal audit, and investment.

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 in the areas of equal employment opportunity, employee/labor relations, payroll benefits and personnel. The Legal Division provides advice and assistance to BWC management regarding claims procedures, policies, and appeals lodged on behalf of the State Insurance Fund. 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. Investment develops and executes investment management strategies consistent with the bureau's investment policy.

The Executive Recommendation will:

- Fund 581 employees who provide administrative support for BWC's programs;
- Fund William Green debt payments; and
- Fund payments made to the Attorney General's office for legal services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
WCF	023	855-401	William Greene Lease Payments	20,436,600	20,686,500
WCF	023	855-409	Administrative Services	118,340,000	118,340,000
WCF	023	855-410	Attorney General Payments	4,444,085	4,444,085
TOTAL FOR PROGRAM				**143,220,685**	**143,470,585**

LINE ITEM SUMMARY - Workers' Compensation

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
023	855-401	William Greene Lease Payments	6,160,704	11,835,185	19,552,046	20,125,900	20,436,600	1.5	20,686,500	1.2
023	855-407	Claims, Risk, & Medical Mgt.	128,601,926	126,856,521	130,447,314	140,052,103	140,367,719	.2	140,367,719	.0
023	855-408	Fraud Prevention	10,095,250	10,471,627	10,918,394	11,713,797	11,772,551	.5	11,772,551	.0
023	855-409	Administrative Services	107,523,483	107,687,346	115,941,444	119,246,554	122,962,388	3.1	122,962,388	.0
023	855-410	Attorney General Payments	3,872,666	3,985,666	4,058,101	4,314,644	4,444,085	3.0	4,444,085	.0
822	855-606	Coal Workers Fund	81,251	83,157	84,838	91,894	91,894	.0	91,894	.0
823	855-608	Marine Industry	51,456	52,476	53,186	53,952	53,952	.0	53,952	.0
825	855-605	Disabled Workers Relief Fund	547,459	478,695	514,993	693,764	488,282	(29.6)	492,500	.9
826	855-609	Safety & Hygiene Operating	17,600,253	17,012,152	19,818,015	20,130,820	20,734,750	3.0	20,734,750	.0
826	855-610	Safety Grants Program	3,463,855	3,928,941	3,724,967	4,000,000	4,000,000	.0	4,000,000	.0
829	855-604	Long Term Care Loan Program	0	0	0	2,000,000	2,000,000	.0	2,000,000	.0
TOTAL Workers' Compensation Fund Group			**277,998,303**	**282,391,766**	**305,113,298**	**322,423,428**	**327,352,221**	**1.5**	**327,606,339**	**.1**
349	855-601	OSHA Enforcement	0	0	1,294,708	1,604,140	1,604,140	.0	1,604,140	.0
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**1,294,708**	**1,604,140**	**1,604,140**	**.0**	**1,604,140**	**.0**
TOTAL Bureau of Workers' Comp			**277,998,303**	**282,391,766**	**306,408,006**	**324,027,568**	**328,956,361**	**1.5**	**329,210,479**	**.1**

Role and Overview

The Ohio Department of Youth Services (DYS) enhances public safety through the confinement of serious juvenile offenders and provision of 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 $294 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 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. Research indicates that low and moderate risk offenders should be kept in the community and served by RECLAIM programs rather than CCFs or DYS facilities (Evaluation of Ohio's RECLAIM Funded Programs, Community Corrections Facilities, and DYS Facilities: University of Cincinnati, August 2005). 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 regarding the Department of Youth Services is available at http://www.dys.ohio.gov/.

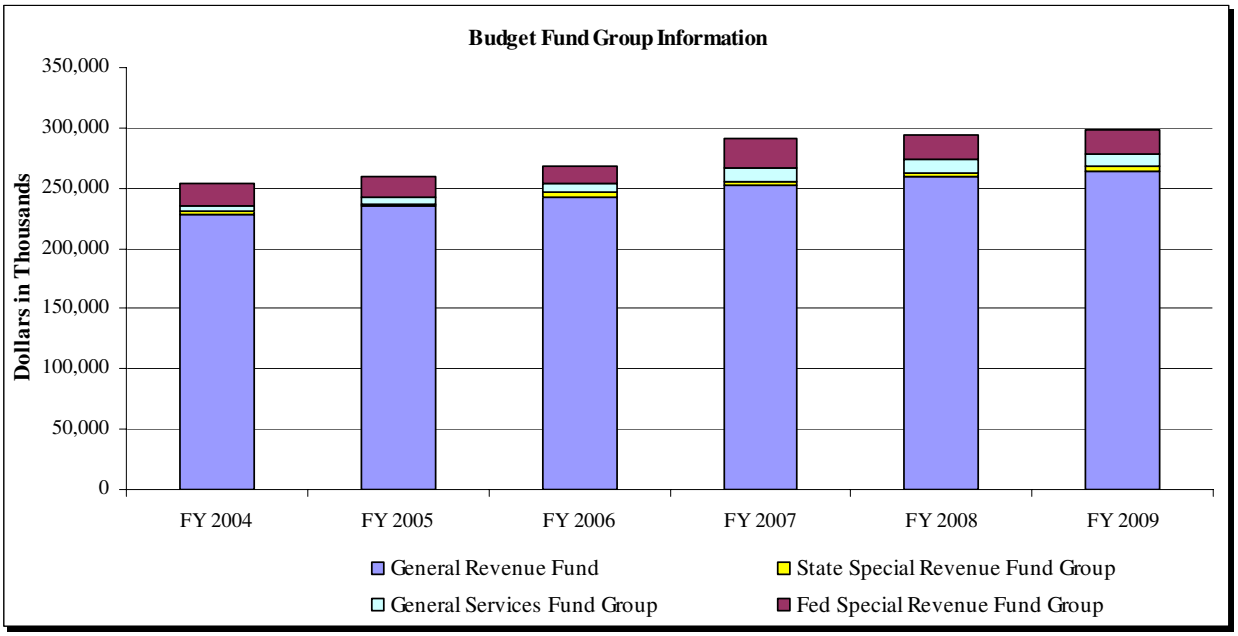
Turnaround Ohio Initiatives

- Fully implement the Performance-Based Standards process within all areas of DYS to ensure measurements of progress and results in agency operations.
- Continue the implementation of the DYS Community Saturation Initiative to increase transparency and community involvement in the agency.
- Invest in evidence-based programs and other methodologies that have been proven by research to work with youth.

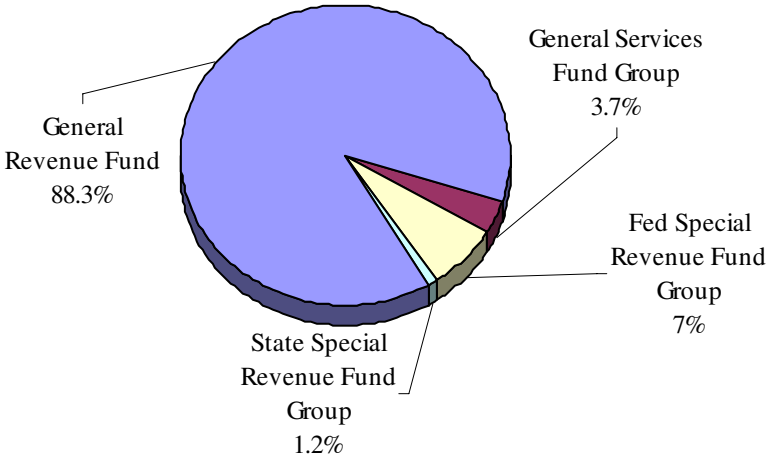
Agency Priorities

- Provide opportunities for rehabilitation and education in a safe, secure, and humane environment.
- Support community-based programs, interventions, and collaborations such as RECLAIM Ohio, the Access to Better Care initiative (ABC), and Family and Children First Councils.
- Provide essential services and supervision required to reintegrate released youth into the community through Parole Services and Reentry planning.

Summary of Budget History and Recommendations

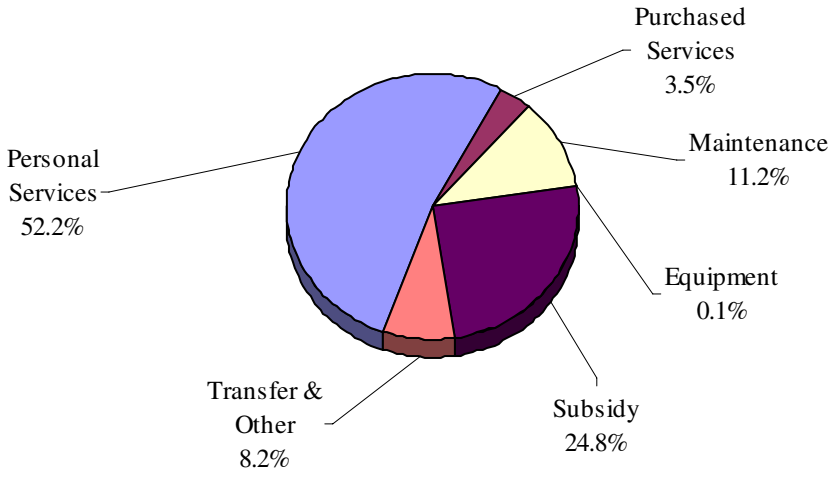


FY 2008-09 Biennial Appropriation by Budget Fund Group



(In thousands) BUDGET FUND GROUP	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	228,414	235,415	242,929	252,293	3.9	259,216	2.7	263,886	1.8
General Services Fund Group	4,759	5,817	7,668	10,891	42.0	10,801	(.8)	11,368	5.2
Fed Special Revenue Fund Group	19,338	16,449	13,859	24,580	77.4	20,037	(18.5)	20,172	.7
State Special Revenue Fund Group	1,919	1,893	3,120	3,510	12.5	3,575	1.8	3,642	1.9
TOTAL	**254,430**	**259,574**	**267,577**	**291,274**	**8.9**	**293,629**	**.8**	**299,067**	**1.9**

FY 2008-09 Biennial Appropriation by Expense Category



(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2004	FY 2005	FY 2006	ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	127,529	128,746	135,903	148,171	9.0	153,135	3.4	156,484	2.2
Purchased Services	8,095	9,072	10,735	13,213	23.1	10,313	(22.0)	10,430	1.1
Maintenance	19,667	22,894	23,464	32,645	39.1	32,051	(1.8)	34,050	6.2
Equipment	2,271	4,561	4,182	1,362	(67.4)	407	(70.1)	368	(9.5)
Subsidy	76,031	72,117	71,902	72,755	1.2	73,476	1.0	73,486	.0
Transfer & Other	20,824	22,185	21,391	23,128	8.1	24,248	4.8	24,249	.0
TOTAL	**254,430**	**259,574**	**267,577**	**291,274**	**8.9**	**293,629**	**.8**	**299,067**	**1.9**

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).

The Executive Recommendation will:

- Provide mental health, substance abuse, and sex offender assessments for all youth at reception;
- Fund mental health, substance abuse, and sex offender services and programming at all facilities; and
- Provide suicide assessment, prevention, and response, group and individual therapy/counseling, psychiatric care, treatment planning, and crisis intervention services.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	4,427,868	4,487,198
TOTAL FOR PROGRAM				**4,427,868**	**4,487,198**

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, preventive 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.

The Executive Recommendation will:

- Provide 24 hour nursing services and necessary health care services;
- Fund on-site medical, dental, optometry, and psychiatric care through contracts with local providers;
- Provide a continuum of care from admission to the agency to the youth transition back into the community; and
- Provide immunizations to all youth upon their arrival to the department.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	12,394,086	12,492,988
TOTAL FOR PROGRAM				**12,394,086**	**12,492,988**

Program 01.03: Security/Unit Management

This program ensures that the eight correctional facilities are fenced facilities, 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.

The Executive Recommendation will:

- Ensure safe and secure juvenile correctional facilities;
- Promote the secure delivery of youth services and programming;
- Provide continuous monitoring of security, quality of life, and conditions of confinement; and
- Provide basic supervision, care and control of youth, including holding youthful offenders accountable for their behaviors.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	56,873,009	57,719,379
TOTAL FOR PROGRAM				**56,873,009**	**57,719,379**

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 participate in remediation classes and intervention services for youth with 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 provided to middle- and high-school students ages 12 to 21.

The Executive Recommendation will:

- Operate 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;
- Fund special education programming for all students in need of special education services; and
- Provide 24 secondary and one adult program providing vocational training in ten program areas to eligible youth.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	5,925,747	6,014,633
GSF	175	470-613	Education Programs	8,881,457	9,383,510
FED	321	470-601	Education	5,016,813	5,276,641
SSR	147	470-612	Vocational Education	2,074,710	2,141,823
TOTAL FOR PROGRAM				**21,898,727**	**22,816,607**

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 $4.27 per day.

The Executive Recommendation will:

- Provide 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
- Ensure 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				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	6,844,029	6,910,914
GSF	479	470-609	Employee Food Service	137,666	137,666
FED	321	470-606	Nutrition	2,908,369	2,981,078
TOTAL FOR PROGRAM				**9,890,064**	**10,029,658**

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.

The Executive Recommendation will:

- Maintain safe and secure juvenile correctional facilities;
- Continue to maintain American Correctional Association standards; and
- Provide for timely reviews and repairs of the systems and structure of eight DYS facilities and twelve juvenile community correctional facilities.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	10,608,722	10,612,092
TOTAL FOR PROGRAM				**10,608,722**	**10,612,092**

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.

The Executive Recommendation will:

- Provide management oversight and administrative supervision to ensure the safe and effective delivery of programs and services within a secure and structured environment at all eight state run institutions; and
- Ensure 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 2008	RECOMMENDED FY 2009
GRF	GRF	470-401	RECLAIM Ohio	8,241,053	8,343,805
TOTAL FOR PROGRAM				**8,241,053**	**8,343,805**

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 reentry into the community.

The Executive Recommendation will:

- Provide appropriate reception assessments for all juveniles entering a DYS institution;
- Provide 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;
- Fund 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; and
- Provide recreational services for daily exercise and age appropriate leisure time activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	470-401	RECLAIM Ohio	12,444,359	12,629,504
TOTAL FOR PROGRAM				**12,444,359**	**12,629,504**

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.

The Executive Recommendation will:

- Provide storeroom services such as clothing, laundry, supplies for the units, classrooms, and food;
- Fund training services for staff members to provide current training to new and existing employees;
- Fund fiscal operations that monitor revenue and expenditures, asset and records management, and telecommunications;
- Maintain records of youth and employees; and
- Provide and manage a continuum of human resource and personnel services at each site.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	470-401	RECLAIM Ohio	10,848,051	10,952,076
TOTAL FOR PROGRAM				**10,848,051**	**10,952,076**

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. This program also provides funding for a contract for 10 and 11 year olds committed to the department's care.

The Executive Recommendation will:

- Fund the current contract with LYC-PC providing placements for 50 felony level 1 and 2 male offenders.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	2,713,161	2,794,556
TOTAL FOR PROGRAM				**2,713,161**	**2,794,556**

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.

The Executive Recommendation will:

- Fund operations of the six regional parole offices in Ohio; and
- Fund the supervision of juvenile offenders who are released from state correctional facilities, and/or brought in through an Interstate Compact Agreement.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	472-321	Parole Operations	13,312,628	13,654,298
TOTAL FOR PROGRAM				**13,312,628**	**13,654,298**

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 are provided to enhance continued rehabilitation and to promote public safety. 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.

The Executive Recommendation will:

- Fund services to assist youth transitioning from an institution back into the community, such as sex-offender programming, a wide range of mental health services, and substance abuse services;
- Fund community-based counseling for youth released from a DYS institution; and

- Fund residential placements for youth not able to be returned home due to such factors as family dynamics, violent offender status, or victim issues.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	472-321	Parole Operations	2,044,276	2,110,431
FED	321	470-614	Federal Program Services	219,610	225,101
TOTAL FOR PROGRAM				**2,263,886**	**2,335,532**

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.

The Executive Recommendation will:

- Provide grant funding to all 88 Ohio counties for county juvenile court operations; and
- Provide funding for county juvenile courts to create local prevention and diversion programming.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-510	Youth Services	18,558,587	18,558,587
TOTAL FOR PROGRAM				**18,558,587**	**18,558,587**

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.

The Executive Recommendation will:

- Provide grant funding to Ohio counties that provide an incentive for county juvenile courts to purchase and develop programs as an alternative to sending juvenile offenders to a DYS facility.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	470-401	RECLAIM Ohio	30,600,000	30,600,000
TOTAL FOR PROGRAM				**30,600,000**	**30,600,000**

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 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.

The Executive Recommendation will:

- Provide grant funding for operations of the 12 juvenile community correctional facilities in Ohio; and
- Fund programming for education, treatment, medical, mental health, and community services within all juvenile community correctional facilities in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
GRF	GRF	470-401	RECLAIM Ohio	19,215,291	19,589,092
TOTAL FOR PROGRAM				**19,215,291**	**19,589,092**

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.

The Executive Recommendation will:

- Provide grant funding to units of local government and private agencies to provide prevention and intervention programs and services for youth; and
- Provide for the administration of AmeriCorps, JABG, Title II, and Title V block grants.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2008	RECOMMENDED FY 2009
FED	3BH	470-630	Federal Juvenile Programs FFY 06	100,000	50,000
FED	3BT	470-634	Federal Juvenile Programs	300,000	50,000
FED	3BY	470-635	Federal Juvenile Programs FFY 07	753,350	200,000
FED	3BZ	470-636	Federal Juvenile Programs FFY 08	0	653,350
FED	3V5	470-604	Juvenile Justice/Delinquency Prev.	2,500,000	2,500,000
FED	3Z9	470-626	Federal Juvenile Programs FFY 05	142,253	0
FED	321	470-603	Juvenile Justice Prevention	51,000	30,000
FED	321	470-617	Americorps Programs	380,246	380,246
TOTAL FOR PROGRAM				**4,226,849**	**3,863,596**

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, Treatment and Rehabilitation Programs, Substance Abuse, Mental Health, Community-Based Programs, Reentry and Faith-based Programs, Parole, Management Information Systems (MIS), General Counsel, Chief Inspector, Office of Internal Audits, Office of Construction, Renovation and Maintenance, and Finance.

The Executive Recommendation will:

- Fund administrative operations that oversee all agency functions;
- Provide leadership and direction to a juvenile correctional system employing approximately 2,200 employees, and housing a population of over 1,800 juvenile offenders; and
- Provide direction and oversight to the community corrections programs.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-401	RECLAIM Ohio	5,202,921	7,452,894
GRF	GRF	477-321	Administrative Operations	14,754,420	14,754,419
GSF	175	470-613	Education Programs	1,103,578	1,167,215
GSF	4A2	470-602	Child Support	328,657	328,657
GSF	4G6	470-605	General Operational Funds	49,713	50,955
GSF	4G6	470-631	SCALE Program	100,000	100,000
GSF	5BN	470-629	E-RATE Program	200,000	200,000
FED	3BY	470-635	Federal Juvenile Programs FFY 07	150,000	150,000
FED	3V5	470-604	Juvenile Justice/Delinquency Prev.	250,000	250,000
FED	321	470-601	Education	185,347	196,468
FED	321	470-610	Rehabilitation Programs	36,000	36,000
FED	321	470-614	Federal Program Services	5,943,060	6,091,636
FED	321	470-617	Americorps Programs	83,454	83,454
FED	321	470-633	Project Re-entry	1,017,843	1,017,843
SSR	5BH	470-628	Partnerships for Success	1,500,000	1,500,000
TOTAL FOR PROGRAM				**30,904,993**	**33,379,541**

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.

The Executive Recommendation will:

- Fund all debt obligations for capital expenditures for the biennium.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	470-412	Lease Rental Payments	24,207,700	24,208,700
TOTAL FOR PROGRAM				**24,207,700**	**24,208,700**

LINE ITEM SUMMARY - Youth Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	470-401	RECLAIM Ohio	160,617,332	167,928,345	175,472,788	182,134,588	186,338,297	2.3	190,599,131	2.3
GRF	470-412	Lease Rental Payments	19,315,849	19,862,281	19,797,581	21,882,700	24,207,700	10.6	24,208,700	.0
GRF	470-510	Youth Services	18,608,587	18,608,587	18,558,588	18,558,587	18,558,587	.0	18,558,587	.0
GRF	472-321	Parole Operations	15,196,963	14,842,527	14,704,450	14,962,871	15,356,904	2.6	15,764,729	2.7
GRF	477-321	Adminstrative Operations	14,675,026	14,173,385	14,395,852	14,754,419	14,754,420	.0	14,754,419	.0
TOTAL General Revenue Fund			**228,413,757**	**235,415,125**	**242,929,259**	**252,293,165**	**259,215,908**	**2.7**	**263,885,566**	**1.8**
175	470-613	Education Programs	4,402,816	5,477,163	7,250,868	9,981,099	9,985,035	.0	10,550,725	5.7
4A2	470-602	Child Support	245,039	257,515	197,707	328,657	328,657	.0	328,657	.0
4G6	470-605	General Operational Funds	24,509	782	6,459	48,500	49,713	2.5	50,955	2.5
4G6	470-631	SCALE Program	0	0	0	195,043	100,000	(48.7)	100,000	.0
479	470-609	Employee Food Service	86,929	81,394	170,135	137,666	137,666	.0	137,666	.0
5BN	470-629	E-Rate Program	0	0	43,169	200,000	200,000	.0	200,000	.0
TOTAL General Services Fund Group			**4,759,293**	**5,816,854**	**7,668,338**	**10,890,965**	**10,801,071**	**(.8)**	**11,368,003**	**5.2**
3BH	470-630	Federal Juvenile Programs FFY 06	0	0	378,301	1,071,041	100,000	(90.7)	50,000	(50.0)
3BT	470-634	Federal Juvenile Programs	0	0	0	1,000,037	300,000	(70.0)	50,000	(83.3)
3BY	470-635	Federal Juvenile Programs FFY 07	0	0	0	0	903,350	.0	350,000	(61.3)
3BZ	470-636	Federal Juvenile Programs FFY 08	0	0	0	0	0	.0	653,350	.0
3V5	470-604	Juvenile Justice/Delinquency Prev.	4,596,852	3,509,393	3,297,783	3,216,365	2,750,000	(14.5)	2,750,000	.0
3V9	470-608	Federal Juvenile Programs FFY 01	1,269,736	574,379	0	0	0	.0	0	.0
3W0	470-611	Federal Juvenile Programs FFY 02	3,878,757	612,144	353,618	0	0	.0	0	.0
3Z8	470-625	Federal Juvenile Programs FFY 04	1,328,510	3,175,855	402,975	275,466	0	(100.0)	0	.0
3Z9	470-626	Federal Juvenile Programs FFY 05	0	297,597	1,084,994	200,000	142,253	(28.9)	0	(100.0)
321	470-601	Education	1,701,912	1,648,821	1,641,418	4,945,600	5,202,160	5.2	5,473,109	5.2
321	470-603	Juvenile Justice Prevention	1,760,526	1,492,980	1,123,126	2,006,504	51,000	(97.5)	30,000	(41.2)
321	470-606	Nutrition	2,296,245	2,507,232	2,691,972	2,837,433	2,908,369	2.5	2,981,078	2.5
321	470-610	Rehabilitation Programs	195,904	36,000	36,000	36,000	36,000	.0	36,000	.0
321	470-614	Federal Program Services	2,133,014	2,482,374	2,606,763	6,012,361	6,162,670	2.5	6,316,737	2.5
321	470-617	Americorps Programs	176,595	111,809	241,616	463,700	463,700	.0	463,700	.0
321	470-632	Juvenile Sexual Assault & PREA Init	0	0	0	1,497,470	0	(100.0)	0	.0
321	470-633	Project Re-entry	0	0	0	1,017,843	1,017,843	.0	1,017,843	.0
TOTAL Fed Special Revenue Fund Group			**19,338,051**	**16,448,584**	**13,858,566**	**24,579,820**	**20,037,345**	**(18.5)**	**20,171,817**	**.7**
147	470-612	Vocational Education	1,911,243	1,590,188	1,866,668	2,009,866	2,074,710	3.2	2,141,823	3.2
4W3	470-618	Help Me Grow	7,509	3,194	538	0	0	.0	0	.0

LINE ITEM SUMMARY - Youth Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
5BH	470-628	Partnerships for Success	0	0	1,253,250	1,500,000	1,500,000	.0	1,500,000	.0
5J7	470-623	Residential Treatment Services	0	299,939	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**1,918,752**	**1,893,321**	**3,120,456**	**3,509,866**	**3,574,710**	**1.8**	**3,641,823**	**1.9**
TOTAL Dept of Youth Services			**254,429,853**	**259,573,884**	**267,576,619**	**291,273,816**	**293,629,034**	**.8**	**299,067,209**	**1.9**

Former State Agencies/Commissions (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.

Criminal Justice Services

In an effort to streamline state government and achieve administrative efficiencies, the Department of Criminal Justice Services was merged with the Department of Public Safety on July 1, 2006. The Office of Criminal Justice Services within the Department of Public Safety is the lead criminal justice planning agency for the state.

SchoolNet Commission and Educational Telecommunications Network Commission

To reduce overhead expenses and use state resources more efficiently, the SchoolNet Commission merged with the Educational Telecommunications Network Commission effective July 1, 2006. This new entity is known as the eTech Ohio Commission. The intent of the merger is for the new agency to focus on its core responsibility to promote educational achievement through the use of technology, both through K-12 initiatives and public broadcasting.

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LINE ITEM SUMMARY - Criminal Justice Services

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	196-401	Criminal Justice Info System	471,446	419,752	0	0	0	.0	0	.0
GRF	196-403	Center for Violence Prevention	20,179	18,800	0	0	0	.0	0	.0
GRF	196-405	Violence Prevention Subsidy	762,229	647,161	0	0	0	.0	0	.0
GRF	196-424	Operating Expenses	1,352,863	1,336,200	0	0	0	.0	0	.0
GRF	196-502	Mandate Assistance	124,977	54,107	0	0	0	.0	0	.0
GRF	196-505	SOCF Judicial & Defense Costs	36,428	14,834	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**2,768,122**	**2,490,854**	**0**	**0**	**0**	**.0**	**0**	**.0**
4P6	196-601	General Services	93,707	52,238	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**93,707**	**52,238**	**0**	**0**	**0**	**.0**	**0**	**.0**
3L5	196-604	Justice Programs	33,922,433	30,036,143	0	0	0	.0	0	.0
3U1	196-602	Criminal Justice Federal Programs	905,891	0	0	0	0	.0	0	.0
3V8	196-605	Federal Program Purposes FFY01	254,439	0	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**35,082,763**	**30,036,143**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Off of Criminal Justice Svcs			**37,944,592**	**32,579,235**	**0**	**0**	**0**	**.0**	**0**	**.0**

LINE ITEM SUMMARY - SchoolNet Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	228-404	Operating Expenses	5,494,103	4,992,967	0	0	0	.0	0	.0
GRF	228-406	Tech. & Instruc. Prof. Dev.	7,333,511	6,797,094	0	0	0	.0	0	.0
GRF	228-539	Education Technology	6,680,166	6,210,896	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**19,507,780**	**18,000,957**	**0**	**0**	**0**	**.0**	**0**	**.0**
5D4	228-640	Conference/Special Purpose Exp	284,393	886,311	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**284,393**	**886,311**	**0**	**0**	**0**	**.0**	**0**	**.0**
3S3	228-606	Enhancing Education Technology	309,703	431,804	0	0	0	.0	0	.0
3X8	228-604	Individuals W/Disabilities Edu Act	490,364	109,706	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**800,067**	**541,510**	**0**	**0**	**0**	**.0**	**0**	**.0**
4W9	228-630	Ohio Schoolnet Telecommunity	386,861	318,649	0	0	0	.0	0	.0
4X1	228-634	Distance Learning	1,532,655	990,799	0	0	0	.0	0	.0
5T3	228-605	Gates Foundation Grants	990,015	907,746	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**2,909,531**	**2,217,194**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL SchoolNet Commission			**23,501,771**	**21,645,972**	**0**	**0**	**0**	**.0**	**0**	**.0**

LINE ITEM SUMMARY - Educational Telecommunications Network

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	374-100	Personal Services	1,297,799	1,262,964	0	0	0	.0	0	.0
GRF	374-200	Maintenance	784,092	825,969	0	0	0	.0	0	.0
GRF	374-300	Equipment	67,756	115,062	0	0	0	.0	0	.0
GRF	374-401	Statehouse News Bureau	249,600	244,400	0	0	0	.0	0	.0
GRF	374-402	Ohio Government Telecomm Studio	731,660	716,417	0	0	0	.0	0	.0
GRF	374-403	Ohio SONET	1,176,687	2,329,568	0	0	0	.0	0	.0
GRF	374-404	Telecom. Operating Subsidy	3,761,015	3,630,838	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**8,068,609**	**9,125,218**	**0**	**0**	**0**	**.0**	**0**	**.0**
4F3	374-603	Affiliate Services	1,327,901	576,710	0	0	0	.0	0	.0
4T2	374-605	Govt Television/Telecomm Oper	150,000	250,000	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**1,477,901**	**826,710**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Ed Telecom Network Commission			**9,546,510**	**9,951,928**	**0**	**0**	**0**	**.0**	**0**	**.0**

Executive Budget for Fiscal Years 2008 and 2009

Last Update: March 21, 2007

The following provides a summary of corrections made to the Executive Budget for fiscal years 2008 and 2009 that was published online, Thursday, March 15, 2007.

Executive Budget Briefing Document:

Table 6, the federal grants deposited in the GRF numbers reflect the corrected estimated deposits for fiscal years 2008 and 2009.

Table 9, Estimated General Revenue Fund Balances, the $136.1 million net estimated unreserved, undesignated balance has been changed to the correct fiscal year of 2009.

Page 33 and 34 reflect the correct fiscal year increases in local government and library funds appropriations.

Page 27 under the Workforce Guarantee program reflects corrected fiscal year information.

Page 27 under the Ohio Investment in Training Program reflects corrected Economic Development Regional Office budget recommendations.

Introduction:

No Changes.

Section A Reader's Guide:

No Changes.

Section B Economic Forecast:

Table B-25, Temporary Transfers-in to GRF, fiscal years 2008 and 2009 forecasts reflect corrected estimates of transfers.

Section C Budget Overview:

No Changes.

Section D Special Analyses:

Page D-1, under the heading "Provide every child a fair start through access to high quality early care and education", the fiscal year 2007 enrollment number for the Early Childhood Program reflects the current estimate.

Section E Agency Budget Recommendations:

The Budget History and Recommendations tables for the Senate reflect corrected fiscal year 2007 estimates and fiscal years 2008 and 2009 request numbers.

The Line Item Summary table for the Department of Taxation reflects updated fiscal years 2008 and 2009 recommendations.

The Board of Regents line item notes reflect updated information for line item 235-435, Teacher Improvement Initiatives.

The Department of Education's program description for program 02.03 Certification and Licensure, reflects updated funding notes.

Book Two – Tax Expenditure Report:

No Changes.

Executive Budget for Fiscal Years 2008 and 2009

In the Executive Budget for fiscal years 2008 and 2009 that was posted to the Ohio Office of Budget and Management website on Thursday, March 15, 2007, three web addresses were erroneously linked. The budget narrative for the Department of Youth Services was correctly posted at 11:37 a.m. on Thursday, March 15. The eTech Commission narrative was correctly posted at 2:00 p.m. and the Department of Administrative Services was correctly posted at 2:11 p.m. on Friday, March 16. There were also corrections made at 9:06 a.m. on Thursday, March 15 to pages C-5 and C-23 due to pagination errors. The result of these changes was a net loss of 15 pages.

All 123 links that make up the Executive Budget web page have been checked and a process has been implemented to ensure continuity and full disclosure of any and all future corrections.

State of Ohio

Executive Budget

Fiscal Years 2008 and 2009

Book Two
Tax Expenditure Report

Prepared by the Department of Taxation
and Submitted to the 127th General Assembly
By Governor Ted Strickland
March 2007

Ohio Department of TAXATION

Office of the Tax Commissioner
30 East Broad St., 22nd Floor
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(614) 466-2166 Fax (614) 466-6401
www.state.oh.us/tax

February 23, 2007

It is my pleasure to present the *Tax Expenditure Report*, a responsibility assigned to the Tax Commissioner by the Ohio Revised Code (Sections 107.03 and 5703.48). This report makes possible an ongoing review of state tax expenditures. It is a companion piece to the Governor's Executive Budget.

This report includes analysis of 146 tax expenditures allowed in current law. It estimates the state revenue that would be produced in fiscal years 2008 and 2009 from the repeal of each expenditure, but does not address whether those exemptions are appropriate or effective. The responsibility of evaluating the public policy merits of tax expenditures belongs jointly to Governor Ted Strickland and the General Assembly. The information does, however, lend itself to a better understanding of the current tax system. As such, this report stands as an important resource for those making decisions about Ohio's tax policy.

If you have questions or comments about the report, please direct them to:

Ohio Department of Taxation
Tax Analysis Division
PO Box 530
Columbus, Ohio 43266-0030
(614) 466-3960

Sincerely,

Richard A. Levin

Richard A. Levin
Tax Commissioner

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The Tax Expenditure Concept

Tax expenditures are tax dollars that are foregone through deductions, exemptions, credits, and other provisions in tax laws. These laws are designed to encourage certain activities or to provide relief to taxpayers in designated circumstances. These provisions in the law result in a loss of tax revenue to state government, thereby reducing the funds available for other government programs. As such, a tax expenditure has the same fiscal impact as a direct government expenditure.

Both tax expenditures and direct expenditures incur a cost to the state in order to accomplish public policy goals. Unlike direct expenditures, tax expenditures are not analyzed and reviewed as part of the budget appropriation process. They may remain in effect indefinitely, with little or no scrutiny by policy makers. If it were not for this report, the fiscal impact of an existing provision would not be routinely estimated unless a proposal were made to change or repeal it.

The Purpose of the Tax Expenditure Report

The purpose of a tax expenditure report is to help provide a clearer picture of the total range of government spending. The report provides the estimated dollar value of tax expenditures but offers no conclusions about the validity of any particular expenditure. The responsibility of evaluating the expenditure's merit with regard to public policy belongs jointly to the General Assembly and the Governor.

Sections 5703.48 and 107.03(F) of the Ohio Revised Code, enacted in 1987, require the submittal of a tax expenditure report as a supplement to the governor's biennial budget. The report shows the impact of tax expenditures on the state General Revenue Fund and other funds. The report includes the legal citation, year of enactment, a description of the tax expenditure, and estimates of the revenue impact from repealing the tax expenditure for fiscal years 2008 and 2009.

Defining Tax Expenditures

To produce this report it was necessary to address the question of what exactly constitutes a "tax expenditure." A tax expenditure can generally be understood as any tax provision that exempts (either in whole or in part) certain persons, income, goods, services, or property from the effect of taxes established by law, including (but not limited to) tax deductions, exemptions, deferrals, exclusions, allowances, credits, reimbursements, and preferential tax rates. Such a definition follows the idea that a tax expenditure is any item that precludes the

imposition of a theoretically-derived "optimal" tax base. Such a tax base would be at least partially predicated on the findings of public finance research and analysis.

Unfortunately, the optimal model of the tax base would be quite difficult to develop and put into practice. The most significant impediment is that a theoretical model does not address the many technical features of tax law that may or may not constitute tax expenditures. For example, with the optimal tax base approach it is not clear whether the various federal deductions and adjustments that pass through to the state income and state corporate franchise taxes (because Ohio uses federal taxable income as the corporate franchise tax "starting point" and federal adjusted gross income as the "starting point" for the income tax) would be defined as tax expenditures. As a further example, under the optimal tax base approach one would have to determine whether Ohio's method of allowing corporations to file a combined corporate franchise tax report for purposes of determining taxable income constitutes a tax expenditure, simply because this method is not as inclusive as the approach used in states that require combined filing for "unitary" groups of corporations.

This report avoids the complications associated with the optimal tax base concept. Instead, it uses a specific operating definition of tax expenditures that requires the presence of all four of the following characteristics.

1) The item reduces, or has the potential to reduce, one of the state's General Revenue Fund taxes.

By law, the tax expenditure report includes only those taxes that contribute to the General Revenue Fund (GRF). These taxes comprise 96 percent of GRF revenues, excluding federal reimbursements. Several GRF taxes — for example, liquor gallonage and dealers in intangibles — do not have tax expenditures. There are other state taxes that do not provide revenue to the state's GRF and thus are excluded from the report. These taxes include the motor vehicle license tax, motor vehicle fuel tax, horse racing tax, and severance taxes.

The new commercial activity tax (CAT), which was enacted by Am. Sub. HB 66 of the 126th General Assembly, is included in this report. While it does not currently contribute revenue to the GRF, the GRF is responsible for covering shortfalls to other funds should CAT revenues be insufficient. Thus, if any CAT tax expenditure were repealed, the GRF would benefit. Therefore, we determined that the CAT should be included in this report.

2) The item would have been part of the defined tax base.

In order for a provision to be a tax expenditure it must specifically exempt from taxation an item that otherwise would have been part of the tax base. Without the provision, the item would have been taxable. There are some items specifically exempted by the Ohio Revised Code that do not happen to be part of the tax base. These items are not included as tax expenditures in this

report. For example, the Ohio Revised Code excludes from the sales tax the sale of items that are then resold in their same form (typically, sales made by wholesalers to retailers). Such sales are not considered part of the sales tax base, and are not included as a tax expenditure, because only the final sale of a given product is considered to be part of the tax base (any preceding sales of that product *in its same form* are not considered to be part of the tax base).

3) The item is not subject to an alternative tax.

Items that are subject to alternative taxes are not considered tax expenditures. For instance, many public utilities are exempted from the corporate franchise tax by the Ohio Revised Code but this exemption is not considered a tax expenditure because such public utilities are taxed under the public utility excise tax.

4) The item is subject to change by state legislative action. Thus, this item must take the form of an exemption, deduction, or credit existing in the Ohio Revised Code.

Those items that can only be changed by a state constitutional amendment, a federal law change, or a federal constitutional amendment are not considered tax expenditures.

Projected Fiscal Year 2008 - 2009 Revenue From Repeal of Tax Expenditures

The 2008-2009 biennium tax expenditure report identifies the estimated revenue that would be generated for the state general revenue fund and other funds (primarily local government funds) if the tax expenditure was repealed as of July 1, 2007.[1]

The revenue impact figures reflect cash flow considerations that affect fiscal year 2008 as a result of the assumed July 1, 2007 effective date. Because tax increases can not be imposed retroactively, the fiscal year 2008 revenue impact figure of most of the tax expenditures reflects less than a “full-year” revenue gain.[2]

[1] The local government funds are three separate "revenue sharing" program funds wherein each fund's proceeds are allocated to local governments based on a statutory formula. These funds are: the local government fund (LGF); the local government revenue assistance fund (LGRAF); and the library and local government support fund (LLGSF). Each fund receives a designated share of revenues from major state tax sources. The LLGSF receives 5.7 percent of income tax revenues while the LGF and LGRAF receive 4.2 percent and 0.6 percent, respectively, of income tax, sales and use tax, corporate franchise tax, public utility excise tax, and kilowatt hour tax revenues.

[2] In the case of the income and corporate franchise taxes, those taxpayers with taxable years ending prior to July 1, 2007 are assumed not to be affected by the repeal of the tax expenditure in taxable year 2007 (fiscal year 2008). In the case of consumption taxes - such as the sales tax - only transactions/sales made on or after July 1, 2007 would be affected. Only estates with dates of death on or after July 1, 2007 are assumed to be affected by tax expenditure repeal. The estate tax cash flow lag is quite dramatic; the built-in estate tax cash flow assumptions are explained in the Estate Tax section of the report.

There are other important factors reflected in the revenue impact figures. Potential taxpayer behavioral responses to the repealed tax expenditure were factored into the revenue estimates. This includes (primarily short-term) non-compliance by certain taxpayers in response to the repealed tax expenditure, diluting the potential revenue gain. In addition, the presence of possible "overlapping" tax expenditures was factored into the revenue impact figures. That is, another provision of tax law may exist that exempts from taxation some of the activity pertaining to the repealed tax expenditure. The existence of an overlapping exemption dampens the possible revenue yield generated from the repeal of a tax expenditure. (Each tax expenditure revenue impact estimate assumes that only that particular tax expenditure is being repealed, and that any overlapping tax expenditures would remain in effect.)

It should be noted that two sets of estimates are provided for each tax expenditure. The estimated "value" of each tax expenditure has been provided within a small box. The value of a tax expenditure is intended to measure the amount "spent" through the tax system on that one provision, and is not the same as the amount of revenue that would be gained by repeal. The tax expenditure value concept ignores such effects as overlapping tax exemptions and cash flow lag that would impact (reduce) revenue collections upon repeal of the expenditure. The tax expenditure value also does not reflect changes in taxpayer behavior that would occur if the tax expenditure were repealed.

It was judged that the revenue impact of each tax expenditure, rather than the value of each tax expenditure, would provide greater utility to users of the tax expenditure report, especially in the context of budgetary analysis and policy deliberation. Hence, the primary figures used in this report are those indicating the revenue gain from tax expenditure repeal; the values of tax expenditures are less prominently displayed.

Data Sources for Tax Expenditure Estimates

The accuracy of the estimates varies with the source of data and applicability of the data to the tax expenditure provision. In some instances, the Department of Taxation relies on external sources of data that may not be as reliable as those offered within the agency. A data reference code has been devised to identify the source for individual tax expenditures, as follows:

Data Source Code (A): Data emanating from tax returns filed with the Department of Taxation, as well as other information generated by the Department of Taxation.

Data Source Code (B): Data produced by government agencies other than the Department of Taxation, such as other State of Ohio agencies, the Federal government (e.g., the IRS and U.S. Census Bureau), other state governments, and Ohio's local governments.

Data Source Code (C): All other data, including (but not limited to) information from business information service providers, academic research, and non-profit research organizations.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

CORPORATE FRANCHISE TAX	GRF & Local Funds Revenue Impact	
	FY 2008	FY 2009
1. Real estate investment trust, regulated investment company and real estate mortgage investment conduit	$19.9	$14.9
2. Holding company net worth exemption	1.7	1.3
3. $150,000 maximum net worth tax liability	44.2	31.5
4. Land devoted to agricultural use	minimal	minimal
5. Goodwill, appreciation and abandoned property of financial institutions	71.0	112.0
6. Specified dividends from other corporations	2.8	2.0
7. Certain capital gains from the sale of business assets	minimal	minimal
8. Payroll for federal "work opportunity credit"	minimal	minimal
9. Ohio net operating loss deduction	44.4	31.7
10. Contributions to individual development accounts[1]	minimal	minimal
11. Pollution control property excluded from property apportionment factor	minimal	minimal
12. Enterprise zone property excluded from property factor	minimal	minimal
13. Enterprise zone payroll excluded from payroll apportionment factor	minimal	minimal
14. Qualified research property and payroll excluded from apportionment factors	minimal	minimal
15. Receipts from public utilities, insurance companies, and financial institutions excluded from sales factor	minimal	minimal
16. Litter control donation credit	minimal	minimal
17. Enterprise zone day care/training credit[1]	minimal	minimal
18. State chartered savings & loan credit	1.4	2.0
19. Job creation credit[1]	0.0	0.0
20. Credit for property used to produce grapes[1]	minimal	minimal
21. Enterprise zone employee credit	minimal	minimal
22. Credit for qualifying affiliated groups	0.0	minimal
23. Credit for increased research and development expenses	3.0	0.0
24. Credit for job training expenses[2]	8.0	0.0
25. Credit for grade crossing devices	minimal	minimal
26. Credit for electric plants using Ohio coal	5.2	minimal

(1) This deduction or credit is also available under the income tax. The figures shown represent the combined effect of removing the deduction or credit from both taxes.

(2) The credit is also available under the income tax, dealers in intangibles tax, and insurance tax. The figures shown represent the combined effect of removing the credit from all these taxes.

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

TAX EXPENDITURE	GRF & Local Funds Revenue Impact	
	FY 2008	FY 2009
27. Credit for taxes paid by a pass-through entity	minimal	minimal
28. Credit for financial institution investment in a dealer in intangibles	18.8	20.0
29. Job retention tax credit[1]	1.0	0.0
30. Research and development loan program credit	minimal	0.0
31. Small telephone company credit	minimal	minimal
32. Credit for non-recurring 9-1-1 service expenses	minimal	minimal
33. Credit for programs to aid the communicatively impaired	7.0	0.0
34. Historic structure rehabilitation credit[2]	7.5	30.0
Total Corporate Franchise Tax	**$235.9**	**$245.4**
ALCOHOLIC BEVERAGES TAX		
35. Advanced payment credit/discount	$1.4	$1.4
36. Sacramental wine exemption	minimal	minimal
37. Small brewer's credit	minimal	minimal
38. Small wine producer's exemption	minimal	minimal
Total Alcoholic Beverage Tax	**$1.4**	**$1.4**
CIGARETTES & OTHER TOBACCO PRODUCTS TAX		
39. Discount for cigarette tax stamps	$16.4	$16.1
40. Discount for timely payment of other tobacco products tax	minimal	minimal
41. $300 monthly cigarette importation exemption	25.0	25.0
Total Cigarettes and Other Tobacco Products Tax	**$41.4**	**$41.1**

(1) These credits are also available under the income tax. The figures shown represent the combined effect of removing the credits from both taxes.

(2) The credit is also available under the income tax, dealers in intangibles tax, and insurance tax. The figures shown represent the combined effect of removing the credit from all these taxes.

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

PUBLIC UTILITY EXCISE TAX	GRF & Local Funds Revenue Impact	
TAX EXPENDITURE	**FY 2008**	**FY 2009**
42. Municipal utilities and non-profit (water works) utilities are exempt	$60.4	$60.4
43. $25,000 deduction from gross receipts for each company	minimal	minimal
44. Sales to other public utilities for resale	minimal	minimal
45. Credit for certain natural gas companies	8.6	8.6
Total Public Utility Excise Tax	**$69.0**	**$69.0**
KILOWATT HOUR TAX		
46. Exemption for qualified end-users	$4.9	$5.3
Total Kilowatt Hour Tax	**$4.9**	**$5.3**
INDIVIDUAL INCOME TAX		
47. Social security & railroad retirement benefits	$240.0	$254.4
48. Personal exemption deduction	558.8	557.5
49. Deduction for college savings programs	8.7	8.6
50. Disability income	32.8	33.1
51. Medical savings accounts	1.2	1.3
52. Deduction for excess medical expenses	17.3	18.2
53. Deduction for taxpayers ineligible for employer sponsored medical plan	44.3	44.6
54. Long-term care medical insurance	9.1	9.6
55. Pre-1972 trust exemption	13.5	18.0
56. Exemption for active duty military income	20.7	19.8
57. Credit for income below $10,000	13.0	11.5
58. $20 personal exemption credit	162.8	163.7
59. $50 senior citizen credit	26.6	26.9
60. Retirement income credit	127.9	132.0
61. Resident credit for income taxed by another state	107.8	106.5
62. Joint filer credit	247.6	242.2
63. Dependent care credit	9.4	9.8
64. Lump sum retirement income credit	2.2	2.3

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

TAX EXPENDITURE	GRF & Local Funds Revenue Impact	
	FY 2008	FY 2009
65. Lump sum distribution credit	minimal	minimal
66. Displaced worker job training credit	1.5	1.5
67. Campaign contribution credit	5.6	6.0
68. Credit for adoption related expenses	1.0	1.0
69. Ethanol plant investment credit[3]	0.0	0.0
70. Technology investment tax credit	3.1	3.1
Total Individual Income Tax	**$1,654.9**	**$1,671.6**
SALES AND USE TAX		
71. Copyrighted motion pictures	$7.8	$8.5
72. Value of motor vehicle trade-ins	142.8	159.9
73. Refundable deposits on beverage containers	minimal	minimal
74. Tangible personal property used or consumed in commercial fishing	minimal	minimal
75. Tangible personal property used directly in agriculture and mining production	151.9	183.9
76. Tangible personal property used directly in providing public utility services	75.3	79.1
77. Tangible personal property used to produce printed materials	22.0	23.8
78. Qualified tangible personal property used in making retail sales	26.5	30.0
79. Sales to the state, its political subdivisions and certain other states	142.9	156.5
80. Food sold to students on school premises	19.8	21.8
81. Newspapers	19.1	21.4
82. Magazine subscriptions	18.5	20.8
83. Casual sales	34.4	37.7
84. Sales by churches and certain types of non-profit organizations	19.7	22.2
85. Transportation of persons or property	162.9	175.7
86. Sales to churches and certain other types of non-profit organizations	236.9	266.5

(3) The credit is also available under the corporate franchise tax. The figure shown reflects the combined effect of removing the credit from both taxes.

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

TAX EXPENDITURE	GRF & Local Funds Revenue Impact	
	FY 2008	FY 2009
87. Building and construction materials used in certain structures	$201.1	$235.7
88. Ships and rail rolling stock used in interstate or foreign commerce	minimal	minimal
89. Packaging and packaging equipment	314.7	350.9
90. Emergency and fire protection vehicles and equipment	1.0	1.1
91. Sales of property for use in production of presentations in music, dramatics, the arts, and related fields	minimal	minimal
92. Motor vehicles sold in Ohio for use outside the state	51.0	53.9
93. Agricultural property (use on use)	minimal	minimal
94. Property for use in retail business outside of Ohio	minimal	minimal
95. Sales to non-commercial, educational broadcast stations	minimal	minimal
96. Sales of animals by non-profit animal shelters	minimal	minimal
97. Items used in serving and preparing food	13.7	17.0
98. Property used in air, noise, or water pollution control	2.4	2.5
99. Bulk water for residential use	minimal	minimal
100. Property used in energy or waste conversion facilities	minimal	minimal
101. 0.75% discount for vendors	48.6	52.8
102. Agricultural land tile and portable grain bins	minimal	minimal
103. Prescription drugs and medical supplies	444.1	518.6
104. Artificial limbs, prostheses, wheelchairs and other medical equipment	8.3	10.2
105. Property used in preparing eggs for sale	1.7	1.9
106. Sales to veterans' headquarters	minimal	minimal
107. Property and services sold to providers of tele-communication services	41.8	41.4
108. Property used primarily in manufacturing tangible personal property	1,670.1	1,896.1
109. Value of watercraft trade-ins	3.9	4.1
110. Sales to facilities financed with public hospital bonds	minimal	minimal
111. TPP used in research and development	41.4	45.1
112. Property used in highway transportation for hire	17.6	20.3
113. Property used to fulfill a warranty or service contract	51.7	55.5
114. Equipment used in private warehouses and distribution centers with inventory to be shipped out of state	$5.4	$6.4

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

TAX EXPENDITURE	GRF & Local Funds Revenue Impact	
	FY 2008	FY 2009
115. 25% refund for electronic information provider's purchases of qualified tangible personal property	minimal	minimal
116. Sales of computers and computer equipment to certified teachers	minimal	minimal
117. Sales of qualified tangible personal property to qualified motor racing teams	minimal	minimal
118. Drugs distributed to physicians as free samples	5.7	6.3
119. Qualified used manufactured and mobile homes	2.0	2.0
120. Sales of tangible personal property and services to electricity providers	251.0	276.3
121. Sales of tangible personal property and services for maintenance and repair qualified fractionally-owned aircraft	minimal	minimal
122. $800 tax cap on qualified fractionally-owned aircraft	minimal	1.0
123. Qualified call center exemption	14.7	15.9
Total Sales and Use Tax	**$4,272.4**	**$4,822.8**
INSURANCE PREMIUMS TAX		
124. Ohio Life and Health Guaranty Association contribution credit	minimal	minimal
125. Deduction for premiums received from qualified small business alliances	$8.0	$8.0
126. Credit for small insurers	3.5	3.5
Total Insurance Premiums Tax	**$11.5**	**$11.5**

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

FY 2008 - 2009
Tax Expenditure
Revenue Impact Summary
(in millions)

TAX EXPENDITURE	GRF & Local Funds Revenue Impact	
	FY 2008	FY 2009
ESTATE TAX		
127. Credit for each estate	$0.0	$27.0
128. Marital deduction	0.0	9.4
129. Bequests to charitable, religious, etc., organizations	0.0	2.2
130. Funeral and administration expenses and debts against the estate	0.0	2.9
Total Estate Tax	**$0.0**	**$41.5**
COMMERCIAL ACTIVITY TAX		
131. Pre-1972 trust exemption	minimal	minimal
132. Exclusion of first $1 million in taxable gross receipts	80.0	149.0
133. Professional employer organization exclusion	1.0	1.9
134. Motor vehicle transfer exemption	minimal	1.3
135. Exclusion of certain services provided to financial institutions	minimal	minimal
136. Real estate brokerage fee	1.0	2.0
137. Anti-neoplastic drug exclusion	minimal	minimal
138. Qualifying distribution center receipts	3.4	6.0
139. State and federal fuel excise tax exclusion	15.4	27.4
140. State and federal cigarette excise tax exclusion	2.6	4.5
141. State and federal alcoholic beverage excise tax exclusion	1.0	1.8
142. Horse racing taxes and purse exclusion	minimal	minimal
143. Job creation credit	0.0	4.9
144. Credit for increased research and development	0.0	10.0
145. Research and development loan program credit	0.0	3.6
146. Job retention tax credit	0.0	1.5
Total Commercial Activity Tax	**$104.4**	**$213.9**
GRAND TOTAL	**$6,395.8**	**$7,123.5**

NOTE: Minimal is defined as below $1,000,000 per year revenue impact.

Corporate Franchise Tax

The corporate franchise tax was originally levied, in 1902, on the value of capital stock located in Ohio. A second tax base, net income, was added in 1971. In tax year 2005, 72 percent of corporate franchise tax liability was based on net income.

Tax Base

The corporate franchise tax has two alternative tax bases:

Ohio net worth (assets less net carrying value of liabilities) of the corporation.

Ohio net income (profits) of the corporation.

Tax Rate

The tax is the greater of:

4.00 mills on net worth with a maximum $150,000 liability; or

5.1 percent on the first $50,000 of net income plus 8.5 percent on net income in excess of $50,000.

The minimum tax is $50 for small taxpayers and $1,000 for large taxpayers.

Financial institutions are subject to a 13 mill tax on net worth, with a minimum tax of $50.

Additional Rates: The rate for all corporations except financial institutions and "litter stream corporations"* is the greater of:

0.14 mill on net worth; or
0.11 percent on the first $50,000 of net income plus 0.22 percent on net income in excess of $50,000.
(Maximum tax charged by these rates is limited to $5,000.)

The rate for "litter stream corporations"* is the greater of:

0.28 mill on net worth; or
0.11 percent on the first $50,000 of net income plus 0.44 percent on net income in excess of $50,000.
(Maximum tax charged by these rates is limited to $10,000.)

* litter stream corporations include corporations manufacturing or selling alcoholic beverages, soft drinks, containers, and other litter stream products.

Significant Changes Enacted by the 126th General Assembly

Lawmakers enacted landmark changes to the corporate franchise tax during the 126th General Assembly. In the process of making sweeping changes to Ohio business taxes, Am. Sub. House Bill 66 (the fiscal year 2006-2007 state operating budget bill) provided for the eventual elimination of the corporate franchise tax for most corporate taxpayers. Financial institutions and the affiliates of financial institutions and insurance companies are to remain subject to the corporate franchise tax. For other corporations the tax is to be phased out over a five-year period beginning in tax year 2006 and ending in tax year 2010. The tax will phase out in annual 20 percentage-point increments. Therefore, in tax year 2006 for most corporate franchise taxpayers the tax due is 80% of the full liability,[1] in tax year 2007 the tax due is 60% of the full liability, and so on until the tax is eliminated in tax year 2010. Beginning in tax year 2010, only financial institutions and the affiliates of financial institutions and insurance companies will remain subject to the full corporate franchise tax.

Because the corporate franchise tax is not to be entirely eliminated, most of the existing tax expenditures will remain in effect. (Repealed expenditures are listed at the end of this introduction.) However, the phase-down of the corporate franchise tax will greatly reduce the value of most of these tax expenditures. Specifically, the fiscal year 2008 revenue impacts provided in this report reflect tax year 2008, when only 40% of the full corporate franchise tax is in effect for most taxpayers. The fiscal year 2009 revenue impacts in this report reflect tax year 2009, when only 20% of the full corporate franchise tax is in effect. This means that only 40% of a "full-force" tax expenditure revenue impact is shown for fiscal year 2008, and only 20% of a "full-force" impact is shown for fiscal year 2009. (A notation accompanies each tax expenditure item indicating whether or not it is subject to the corporate franchise tax phase-down during the years covered by this report.)

A limited number of provisions are not appreciably affected by the corporate franchise tax phase out. Hence, the tax expenditures related to these provisions do not reflect the corporate franchise tax phase-out percentages. These tax expenditures can be placed into two groups. The first group consists of refundable tax credits that do not phase down but either disappear by the time the tax is eliminated in tax year 2010 (i.e., the credit for costs to provide telecommunications services to the communicatively disabled) or convert to a credit against the commercial activity tax beginning in fiscal year 2009 (i.e., the job creation tax credit).

The second group consists of those tax credits, exclusions or deductions that exclusively pertain to financial institutions and the affiliates of financial institutions and insurance companies. Such expenditures will not reflect the phase-out and some of these may continue to show a significant revenue impact.

[1] Full liability includes the additional liability for litter programs.

The two groups of tax expenditures NOT subject to the corporate franchise tax phase-down consist of the following:

- Exclusion for goodwill, appreciation and abandoned property of financial institutions (pertains to financial institutions)
- State-chartered savings and loan credit (pertains to financial institutions)
- Job creation tax credit (converts to a commercial activity tax credit in 2009)
- Credit for taxes paid by a qualifying pass-through entity[2]
- Credit for financial institution investment in a dealer in intangibles (pertains to financial institutions)
- Credit for programs to aid the communicatively disabled
- Historic structure rehabilitation credit

Since financial institutions and the affiliates of financial institutions and insurance companies will remain subject to the corporate franchise tax after it has been eliminated for other companies, they can continue to claim most of the credits, deductions and exclusions they claimed prior to the enactment of Am. Sub. HB 66. For example, the net worth exclusion for land devoted to agricultural purposes would continue to be fully available to financial institutions, their affiliates, and insurance company affiliates. For the majority of tax expenditures that may be claimed both by taxpayers subject to the franchise tax phase-out and those that are not subject to the phase-out, the revenue estimates reflect a substantial decline in fiscal years 2008 and 2009; this is because those expenditures are overwhelmingly used by taxpayers subject to the franchise tax phase-out.

Finally, three nonrefundable corporate franchise tax credits begin to phase-down from tax year 2006 through tax year 2008 but are converted to a credit against the commercial activity tax beginning in 2009 (and are no longer subject to a phase-down percentage). The following tax credits are in this category:

- Job retention credit
- Credit for increased research and development expenses
- Research and development loan program tax credit

In summary, the three above tax credits appear in the corporate franchise tax section of this report for fiscal year 2008 but at a significantly dampened level due to the corporate franchise tax phase-down. The credits appear in the commercial activity tax section of the report for fiscal year 2009 at their full value since they will no longer be subject to a phase-down.

[2] The credit itself does not officially phase-out. However, Am. Sub. HB 66 does phase-out the tax that a pass-through entity must pay on its Ohio income passing-through to those qualifying investors that are subject to the franchise tax phase-out (i.e., corporate investors in pass-through entities other than financial institutions, their affliates and insurance company affiliates). This has the same effect as a credit phase-out.

Several of the corporate franchise tax expenditures contained in the FY 2006-2007 edition of the Report have been excluded from the FY 2008–2009 edition. They are:

Exemption for credit unions. This is not a true tax expenditure. Credit unions are non-profit organizations and thus would not be subject to the corporate franchise tax even if this exemption were repealed.

Exemption for "S" corporations. This is not a tax expenditure for the fiscal years 2008 and 2009 because the corporate franchise tax phase-out diminished the value of the exemption to the point at which it is no longer a source of tax revenue loss, and therefore no longer an expenditure. (That is, by tax year 2008 the effective corporate franchise income tax rate will actually be below the effective individual income tax rate thus no longer providing a net tax reduction and concomitant state revenue loss.)

Net worth exemption for high technology start up companies. Under current law this exemption is scheduled to end after tax year 2007.

7.5%/13.5% manufacturing investment credit. Am. Sub. HB 66 converted this former credit to a grant. As a result it no longer meets the definition of a tax expenditure.

Net worth exclusion for certified energy and solid waste conversion facilities, Income from coal conversion facilities, and Coal conversion facility excluded from apportionment factors. These three exclusions were repealed by Am. Sub. HB 95 (125th General Assembly) and therefore do not appear in this report.

Also excluded from this report is a tax credit to defray the losses of lenders to the venture capital program enacted by the 124th General Assembly (Am. Sub. Senate Bill 180). While the credit may have fiscal impact in fiscal year 2009, the Department has no data to estimate the possible value of that credit.

One new tax expenditure has been added. At the end of the 126th General Assembly, the legislature enacted Sub. HB 149, which created a refundable *tax credit for historic rehabilitation expenses*. The credit may be claimed against the corporate franchise tax, the individual income tax, or the dealers in intangibles tax. It is unique in that the legislation provides for corporations to file corporate franchise tax returns after they are no longer subject to the tax for the sole purpose of claiming the refundable credit.

Corporate Franchise Tax Expenditure Estimates

The estimates shown below reflect the estimated revenue gain to all state funds – specifically, the general revenue fund, the local government fund, and the local government revenue assistance fund - if the tax expenditures were to be repealed as of July 1, 2007. It is assumed that the repeal of a tax expenditure would have no effect in tax year 2008 on those corporations whose taxable year ends prior to July 1, 2007. Therefore, in most cases the state would not receive a full year's amount of tax revenue in fiscal year 2008 if the tax expenditure were repealed on July 1, 2007.

In addition, the estimates incorporate other factors that would impact revenues if the tax expenditures were repealed.[2] Because certain taxpayers may not comply (at least initially) with repeal of the tax credit, exclusion or exemption, we have attempted to factor compliance issues into the estimated revenue yield. We have also attempted to reflect the impact of possible "overlapping" provisions (i.e., other credits, exclusions or exemptions available to the taxpayer) that would also dampen the potential revenue gain of the repealed tax expenditure.

Various data sources were used to derive the tax expenditure estimates. Most of the tax expenditure estimates were based on information taken from tax years 2004 and 2005 corporate franchise tax returns filed with the Department of Taxation. However, some of the estimates were derived from non-Departmental data sources, such as the Internal Revenue Service Statistics of Income unit; other federal agencies, such as the U.S. Census Bureau and the Bureau of Economic Analysis; other state agencies such as the Department of Development; taxation and other public finance research published by academic, public, and not-for-profit organizations; and business information services. It should be recognized that the dependability of the figures below vary based on the amount and quality of information available on the tax expenditure.

NOTE: See page 4 for description of data source codes.

1. Exemption for real estate investment trusts, regulated investment companies and real estate mortgage investment conduits
Ohio Revised Code 5733.09(C), originally enacted 1971 (REITs and RICs), 1990 (REMICs)

Real estate investment trusts (REITs), regulated investment companies (RICs) and real estate mortgage investment conduits (REMICs) as defined by the Internal Revenue Code are exempt from the corporate franchise tax.

Note: This estimate assumes that Ohio law would recognize the federal deduction for distributions made to REIT, RIC or REMIC shareholders, which would severely restrict the net income franchise tax liability of such companies.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$19.9 million
FY 2009	$14.9 million

Data Source Code: (A),(B)

The value of this tax expenditure in fiscal year 2008 is estimated at $28.4 million. In fiscal year 2009, the value is estimated at $14.9 million.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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[2] These estimates reflect only the direct taxpayer behavioral effects on that revenue source if the tax expenditure were repealed. The estimates do not reflect potential "secondary" revenue impacts on other revenue sources that may stem from the economic changes engendered by the repealed tax expenditure.

Exemptions and Exclusions from Net Worth

2. Net worth tax exemption for qualifying holding companies
Ohio Revised Code 5733.04(L) and 5733.05 (C)(1), originally enacted 1999

Entities meeting the definition of a "qualifying holding company" are exempt from the net worth basis of the corporate franchise tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.7 million
FY 2009	$1.3 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.9 million. In fiscal year 2009, the value is estimated at $1.5 million.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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3. $150,000 maximum net worth tax liability
Ohio Revised Code 5733.06(G), originally enacted 1999

The net worth liability cannot exceed $150,000.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$44.2 million
FY 2009	$31.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $63.1 million. In fiscal year 2009, the value is estimated at $31.5 million.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

Minimal is defined as below $1,000,000 per year revenue impact.

4. Land devoted exclusively to agricultural use

Ohio Revised Code 5733.05(C)(1), originally enacted 2000

The book value of land devoted exclusively to agricultural use (land qualified for current agricultural use valuation for property tax purposes) is excluded from net worth for corporate franchise tax purposes.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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5. Goodwill, appreciation and abandoned property of financial institutions

Ohio Revised Code 5733.056(B)(4), originally enacted 1933

The value of goodwill, appreciation and abandoned property is excluded from the net worth tax base of financial institutions.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$71.0 million
FY 2009	$112.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $118.5 million. In fiscal year 2009, the value is estimated at $124.4 million.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

Minimal is defined as below $1,000,000 per year revenue impact.

6. Specified dividends from other corporations

Ohio Revised Code 5733.04(I)(4),(7) and (8), originally enacted 1971

Corporations are allowed to use the dividends received deduction provided by Section 243 of the Internal Revenue Code to calculate Ohio taxable income. Section 243 allows a 70 percent deduction of dividends received from less-than-20 percent-owned domestic corporations, an 80 percent deduction for dividends received from less-than-20 percent-or-more-owned domestic corporations, and a 100 percent deduction for dividends received by small business investment companies and by certain affiliated corporations from the members of the affiliated group. To the extent not otherwise allowed, dividends received from a public utility (excluding an electric company and for tax years 2005 and thereafter, a telephone company) or an insurance company may be deducted if the taxpayer has at least 80 percent ownership of the utility or insurance company.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$2.8 million
FY 2009	$2.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $4.0 million. In fiscal year 2009, the value is estimated at $2.0 million.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

7. Certain capital gains occurring prior to the first year the franchise tax was computed on net income

Ohio Revised Code 5733.04(I)(3), originally enacted 1971

Corporations are to deduct any gain (and add any loss) resulting from the sale or other disposal of a capital asset, or an asset described in section 1231 of the Internal Revenue Code, to the extent such gain (or loss) occurred prior to the corporation's taxable year which ended on or after December 20, 1971.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

Minimal is defined as below $1,000,000 per year revenue impact.

8. Payroll for federal "work opportunity credit"

Ohio Revised Code 5733.04(I)(10), originally enacted 1980

Corporations are allowed to take a federal income tax credit equal to a portion of the first-year wages paid to eligible employees. However, when computing federal taxable income, corporations must reduce the wage-expense deduction by the amount of the credit received, thereby increasing taxable income. Such wage expenses not deducted for federal tax purposes are to be deducted for purposes of computing Ohio taxable income.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

9. Net operating loss deduction

Ohio Revised Code 5733.04(I)(1), originally enacted 1971

In calculating Ohio taxable income under the net income tax basis, corporations may deduct an Ohio net operating loss carried forward from previous years. Any unused loss incurred in a taxable year ending between January 1, 1982 and August 5, 1997 may be carried forward for fifteen consecutive years; any unused loss incurred in a taxable year ending on or after August 6, 1997 may be carried forward for twenty consecutive years. (Qualifying taxpayers electing to claim the commercial activity tax credit for unused net operating losses may not take the corporate franchise tax net operating loss deduction.)

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$44.4 million
FY 2009	$31.7 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $70.4 million. In fiscal year 2009, the value is estimated at $35.2 million.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

Minimal is defined as below $1,000,000 per year revenue impact.

10. Contributions to individual development accounts*

Ohio Revised Code 5733.04(I)(15) and 5747.01(A)(17), originally enacted 1997

Corporations that contribute matching funds to an individual development account program established by a county department of human services for low-income individuals may deduct such funds from net income.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

Apportionment Formula Exclusions

11. Certified pollution control property excluded from property apportionment factor*

Ohio Revised Code 5733.05(B)(2)(a), 5709.20 to 5709.27 originally enacted 1971

The value of property for pollution control, energy conversion, or thermal efficiency improvement that has been certified as exempt property under ORC section 5709.21 is excluded from both the numerator and denominator of the property factor.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

*This deduction is also available to qualifying individual income taxpayers. The estimated value of deductions taken against the income tax are reflected in these figures.

Minimal is defined as below $1,000,000 per year revenue impact.

12. Enterprise zone property excluded from property factor*

Ohio Revised Code 5709.65 (A)(2), originally enacted 1982

Companies that have been issued a tax incentive qualification certificate under ORC section 5709.64 can deduct the value of improvements to an approved enterprise zone facility from the numerator of the property factor.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

13. Enterprise zone payroll excluded from payroll apportionment factor*

Ohio Revised Code 5709.65(A)(3), originally enacted 1982

Companies that have been issued a tax incentive qualification certificate under ORC section 5709.64 can deduct from the numerator of the payroll factor the compensation paid to qualified employees at an approved enterprise zone facility.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 etimate reflects approximately 20% of a "full-strength" revnue estimate.

* This exclusion is also available to qualifying individual income taxpayers. The estimated income tax is included in these figures.

Minimal is defined as below $1,000,000 per year revenue impact.

14. Qualified research property and payroll excluded from apportionment factors

Ohio Revised Code 5733.05(B)(2), originally enacted 1987

Corporations may exclude from the numerator and denominator of the property factor the value of facilities used exclusively for qualified research. In addition, the total compensation paid in this state to employees who are primarily engaged in qualified research may be excluded from the numerator and denominator of the payroll factor.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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15. Receipts from public utilities, insurance companies, and financial institutions excluded from sales factor

Ohio Revised Code 5733.05(B)(2)(c), originally enacted 2003

Corporations that have at least 80 percent ownership interest in a public utility or insurance company, and corporations that have at least 25 percent ownership interest in a financial institution, may exclude receipts from those companies from the numerator and denominator of the sales factor.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

Minimal is defined as below $1,000,000 per year revenue impact.

Credits

16. Litter control donation credit

Ohio Revised Code 5733.064, originally enacted 1981

Taxpayers may take a nonrefundable credit for cash donations made to municipalities, counties, townships, park districts, and boards of education that have received litter control and recycling grants from the division of recycling and litter prevention, or cash donations made to Ohio nonprofit corporations organized prior to January 1, 1987 whose sole purpose is to promote and encourage recycling. The credit equals the lesser of 50 percent of the amount of the cash donation or 50 percent of the sum of the tier one and tier two litter taxes.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

17. Enterprise zone day care/training credit*

Ohio Revised Code 5709.65, originally enacted 1982

Qualified corporations located in an enterprise zone may receive a tax incentive qualification certificate from the director of development for the following nonrefundable credits:

(1) the amount reimbursed to eligible new employees for the cost of day care services up to a maximum of $300 per child;

(2) the amount paid or reimbursed to eligible new employees for training program costs up to a maximum of $1,000 per employee.

The credit is available for a maximum four consecutive tax years.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

* This credit is also available under the income tax, dealer in intangibles tax, and insurance tax. The figures shown represent the combined effect of removing the credit from all of these taxes.

Minimal is defined as below $1,000,000 per year revenue impact.

18. State-chartered savings and loan credit

Ohio Revised Code 5733.063, originally enacted 1983

A credit is allowed equal to the difference between the assessment paid by state-chartered savings and loan associations to the Division of Savings and Loans and the amount paid in supervisory fees to the Federal Savings and Loan Insurance Corporation.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.4 million
FY 2009	$2.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.0 million. In fiscal year 2009, the value is $2.0 million.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

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19. Job creation credit*

Ohio Revised Code 122.17, 5733.0610 and 5747.058, originally enacted 1993

Businesses that create jobs within Ohio may be eligible for a refundable credit. The credit is a designated percentage of the amount of new income tax revenue (i.e., Ohio income tax withheld from "new employees", as defined in ORC 122.17) that is generated pursuant to an agreement between the business and the Ohio Tax Credit Authority.

Note: The revenue impact figures reflect the estimated amount of corporate franchise tax and individual income tax that would be received by the general revenue fund if no further job creation tax credit agreements are reached beginning July 1, 2007. Credits associated with prior agreements would remain in effect.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$0.0

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $47.2 million. In fiscal year 2009, the value is $0.0.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

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* Through fiscal year 2008, this credit is also available to qualifying individual income taxpayers. The estimated increase in income tax revenue from repeal of the tax expenditure is included in these figures. Beginning in fiscal year 2009, the credit is available only against the commercial acitvity tax.

20. Credit for property used to produce grapes*

Ohio Revised Code 5733.32 and 5747.28, originally enacted 1995

Taxpayers engaged in the business of producing grapes may take a nonrefundable corporate franchise tax credit equal to ten percent of the cost of qualified property used to produce grapes.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

21. Enterprise zone employee credit*

Ohio Revised Code 5709.66, originally enacted 1994

Taxpayers located in an eligible enterprise zone may take a maximum $1,000 nonrefundable credit for each employee who, at the time the employee was hired, was a participant in the Ohio Works program under ORC Chapter 5107 or the prevention, retention and contingency program under ORC Chapter 5108, or was a recipient of general assistance under former ORC Chapter 5113.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

*This deduction is also available to qualifying individual income taxpayers. The estimated value of of this credit attributable to the income tax is included in this estimate.

Minimal is defined as below $1,000,000 per year revenue impact.

22. Credit for qualifying affiliated groups

Ohio Revised Code 5733.068, originally enacted 1992

Affiliated groups that pay over $3.5 million additional franchise tax due to the related entity and related member adjustments are eligible for a nonrefundable credit equal to the difference between the additional tax and $3.5 million. The credit may not exceed $1.5 million for the affiliated group.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.4 million. In fiscal year 2009, the value is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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23. Credit for increased research and development expenses*

Ohio Revised Code 5733.351, originally enacted 2002

Corporation may take a nonrefundable credit equal to seven percent of the increased qualified research expenses incurred in Ohio.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$3.0 million
FY 2009	$0.0

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $4.0 million. In fiscal year 2009, the value is estimated at $0.0.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate.

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*Beginning in fiscal year 2009, the credit is available only against the commercial activity tax.

Minimal is defined as below $1,000,000 per year revenue impact.

24. Credit for job training expenses*

Ohio Revised Code 5725.31, 5729.07, 5733.42, 5747.39, originally enacted 2001

Business may be granted a nonrefundable credit equal to 50 percent of the average costs paid or incurred during a designated three-year period for training eligible Ohio employees. The credit may not exceed $1,000 per trained employee. This credit is available through 12/31/2007.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$8.0 million
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $11.9 million. In fiscal year 2009, the value is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

25. Credit for grade crossing devices

Ohio Revised Code 5733.43, originally enacted 1999

Railroad companies may take a nonrefundable credit equal to ten percent of the annual maintenance expenditures for active grade crossing warning devices. The credit shall not exceed $200 for each device.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

* This credit is also available to qualifying individual income taxpayers. The estimated amount of this credit attributable to the income tax is included in this estimate.

Minimal is defined as below $1,000,000 per year revenue impact.

26. Credit for qualified electric plants using Ohio coal

Ohio Revised Code 5733.39, originally enacted 2002

A nonrefundable tax credit is allowed for Ohio coal used in coal-fired electric generating units, under certain conditions. The credit equals three dollars per ton of Ohio coal used between May 1, 2001 and December 31, 2004 in qualifying facilities and one dollar per ton used between January 1, 2005 and December 31, 2007.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$5.2 million
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $5.2 million. In fiscal year 2009, the value is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

27. Credit for taxes paid by a qualifying pass-through entity

Ohio Revised Code 5733.0611, originally enacted 1999

A corporation that is a qualifying investor in a qualifying pass-through entity may claim a credit equal to the corporation's proportionate share of the tax paid by the qualifying pass-through entity.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

Minimal is defined as below $1,000,000 per year revenue impact.

28. Credit for financial institution investment in a dealer in intangibles

Ohio Revised Code 5733.45, originally enacted 2001

Financial institutions are allowed a nonrefundable credit equal to the lesser of **(a)** the amount of tax paid by a qualifying dealer in intangibles under ORC chapter 5707 or **(b)** the cost of the financial institution's ownership interest in a qualifying dealer in intangibles multiplied by the dealer's Ohio ratio computed under ORC section 5725.15 multiplied by eight mills.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$18.8 million
FY 2009	$20.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $18.8 million. In fiscal year 2009, the value is estimated at $20.0 million.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

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29. Job retention tax credit*

Ohio Revised Code 122.16, originally enacted 2001

A qualifying business that, over a three-year period, makes at least $200 million in capital investments at a manufacturing project site and has an average of at least 1,000 full-time employees at the site, may be granted a nonrefundable credit equal to a designated percentage of the employees' state personal income withholding tax (not to exceed 75 percent) over a period of 15 years. A credit may also be granted to a qualifying business meeting the following requirements: at least $100 million in capital investments at the project site over a three-year period; engaged primarily as a manufacturer or in providing significant corporate administrative functions at the site; employs at least 1,000 full-time employees at the site; and provides an average wage of all employees at the site in excess of 400 percent of the federal minimum wage.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.0 million
FY 2009	$0.0

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.9 million. In fiscal year 2009, the value is estimated at $0.0.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate.

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*This credit is also available to qualifying individual income taxpayers. The estimated amount of this credit attributable to the income tax is included in this estimate. Beginning in fiscal year 2009, this credit is available only against the commercial activity tax.

Minimal is defined as below $1,000,000 per year revenue impact.

30. Research and development loan program tax credit*

Ohio Revised Code 122.171, originally enacted 2001

Borrowers from the Research and Development Loan Fund Program are eligible for nonrefundable and transferable credits against the corporation franchise and income taxes for qualified payments made on loans issued from the fund.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	$0.0

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $0.9 million. In fiscal year 2009, the value is $0.0.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate.

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31. Small telephone company credit

Ohio Revised Code 5733.57, originally enacted 2003

During tax years 2005-2009, small telephone local exchange carrier companies may take a nonrefundable credit for the excess of corporate franchise tax paid over the amount of public utility excise tax that would have been paid. The full credit is available in tax year 2005 but declines thereafter; it is eliminated beginning in tax year 2010.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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*Through fiscal year 2008, this credit is available to qualifying corporate franchise and individual income taxpayers. Beginning in fiscal year 2009, the credit is available only against the commercial activity tax.

Minimal is defined as below $1,000,000 per year revenue impact.

32. Credit for non-recurring 911 service expenses

Ohio Revised Code 5733.55, originally enacted 2003

Telephone companies are allowed a credit against their corporate franchise tax for approved non-recurring 9-1-1 emergency expenses.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A), (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

The value and revenue impact of this tax expenditure are estimated to decline in tandem with the phase-out of the corporate franchise tax for most taxpayers. Accordingly, the fiscal year 2008 estimate reflects approximately 40% of a "full-strength" revenue estimate and the fiscal year 2009 estimate reflects approximately 20% of a "full-strength" revenue estimate.

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33. Credit for programs to aid the communicatively impaired

Ohio Revised Code 5733.56, originally enacted 1991

A telephone company that provides any telephone service program to aid the communicatively impaired is allowed a credit against their corporation franchise tax liability equal to the cost of providing such a program. The credit expires after tax year 2008.

	Projected Revenue Gain from the Repeal of Tax Expenditure
FY 2008	$7.0 million
FY 2009	$0.0

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $7.0 million. In fiscal year 2009, the value is estimated at $0.0.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

Minimal is defined as below $1,000,000 per year revenue impact.

34. Historic structure rehabilitation credit

Ohio Revised Code 149.311(A), originally enacted 2006

A refundable tax credit equal to 25% of qualified rehabilitation expenditures is available to owners of historic structures.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$7.5 million
FY 2009	$30.0 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $7.5 million. In fiscal year 2009, the value is estimated at $30.0 million.

The value and revenue impact of this tax expenditure are unaffected by the phase-out of the corporate franchise tax for most taxpayers.

Minimal is defined as below $1,000,000 per year revenue impact.

Alcoholic Beverage Tax

In 1933, the year prohibition was repealed, the Department of Liquor Control was created and the General Assembly enacted tax levies on beer, wine, and other non-spirituous beverages. A liquor gallonage tax was added a year later. As of July 1, 1997, the Department of Liquor Control was changed to a division and was transferred to the Department of Commerce. The Division of Liquor Control administers the liquor gallonage tax. The Department of Taxation administers the tax on all other alcoholic beverages.

Tax Base

Sales by volume of the following non-spirituous beverages: beer, cider, malt liquor, wine, mixed beverages and malt.

Tax Rates

Beer	
Barrel (31 gallons)	$5.58
Containers (over 12 oz.) per 6 ounces	0.84 cent
Containers (12 oz. or less) per ounce	0.14 cent
Wine	
Less than 14% alcohol by volume	32 cents per gallon
14% to 21% alcohol by volume	$1.00 per gallon
Vermouth	$1.10 per gallon
Sparkling Wine, Champagne	$1.50 per gallon
Mixed Beverages	$1.20 per gallon
Cider	24 cents per gallon

Alcoholic Beverage Tax Expenditures

The estimates shown below reflect the estimated revenue gain to the state general revenue fund if the tax expenditures were repealed as of July 1, 2007.

Various data sources were used to derive the tax expenditure estimates. Most of the tax expenditure estimates were based on information taken from returns filed with the Department of Taxation.

NOTE: See page 4 for description of data source codes.

35. Advanced payment credit/discount

Ohio Revised Code 4303.33, originally enacted 1963

Beer and malt beverage permit holders are eligible to receive a three percent credit on advance payments made on or before the 18th of the covered month. In addition, beer and malt beverage permit holders can receive a discount equal to the lesser of three percent of the payment remaining after deducting the advanced payment, or three-percent of the advanced payment, as long as the full monthly payment is received on or before the 10th of the month for the previous month's liability. Wine and mixed beverage permit holders are eligible to receive a three-percent credit on payments made on or before the 18th of the previous month's tax liability.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.4 million
FY 2009	$1.4 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.4 million. In fiscal year 2009, the value is estimated at $1.4 million.

36. Sacramental wine exemption

Ohio Revised Code 4301.43, originally enacted 1964

Sacramental wine used in religious rites is exempt from the alcoholic beverage tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

37. Small brewer's credit

Ohio Revised Code 4303.332, originally enacted 1982

Licensed Ohio beer producers whose total production of beer, regardless of production location, is less than 31 million gallons per year are eligible for a credit (or refund) against the alcoholic beverage tax. The amount of the credit is equal to the excise tax paid on beer distributed in Ohio with a maximum credit equal to the tax on 9.3 million gallons. The taxpayer receives the credit in the year following payment of the alcoholic beverage tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Data Source Code: (A)

38. Small wine producer's exemption

Ohio Revised Code 4303.333, originally enacted 1982

Licensed Ohio wine producers whose total production does not exceed 500,000 gallons a calendar year are eligible for an exemption from the alcoholic beverage tax. The amount of the exemption is equal to the entire excise tax payment minus two cents per gallon. The taxpayer receives the exemption in the year following payment of the alcoholic beverage tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Data Source Code: (A), (B), (C)

Minimal is defined as below $1,000,000 per year revenue impact.

The excise tax on cigarettes was first levied in 1931. The tax rate ranged from its original 2 cents per pack to 15 cents in 1971. The rate was reduced to 14 cents per pack in 1981 and cigarette sales became subject to the sales tax. The rate was increased to 24 cents per pack in January, 1993. It was increased to 55 cents per pack on July 1, 2002. The current rate of $1.25 per pack became effective July 1, 2005.

The excise tax on other tobacco products was levied beginning February, 1993. The current rate is 17 percent of wholesale price.

Tax Base

The sale, use, consumption, or storage of cigarettes in Ohio. The receipt or import of other tobacco products for resale.

Tax Rate

6.25 cents per cigarette (125 cents per package of 20 cigarettes). 17 percent on the wholesale price of other tobacco products.

Cigarette and Other Tobacco Products Tax Expenditure Estimates

The estimates shown below reflect the estimated revenue gain to the state general revenue fund if the tax expenditures were repealed as of July 1, 2007.

NOTE: See page 4 for description of data source codes.

39. Discount for tax stamps

Ohio Revised Code 5743.05, originally enacted 1934

Cigarette excise taxpayers are eligible to receive a discount when purchasing cigarette excise tax stamps or meter impressions as a commission for affixing and canceling the stamps or meter impressions. The value of this discount is not less than 1.8 percent or more than 10 percent of the face value of the tax stamps and meter impressions. The current rate of this discount is 1.8 percent. Cigarette excise taxpayers shall not receive this tax stamp discount when payments are made when filing a monthly or semi-monthly return.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$16.4 million
FY 2009	$16.1 million

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 is estimated at $16.4 million. In fiscal year 2009, the value is estimated at $16.1 million.

40. Discount for timely payment of other tobacco products' excise tax

Ohio Revised Code 5743.52, originally enacted 1993

Wholesalers and retailers of other tobacco products (i.e., cigars, snuff, chewing tobacco, rolling tobacco, etc.) are eligible for a 2.5% percent discount for the timely payment of their other tobacco products excise tax liability.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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41. $300 monthly cigarette importation exemption

Ohio Revised Code 5743.331, 5741.02(C)(9), originally enacted 2005

Each month, persons in this state may use, store or consume cigarettes with up to $300 in wholesale value without being liable for unpaid Ohio use taxes, as long as the cigarettes are not resold.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$25.0 million
FY 2009	$25.0 million

Data Source Code: (C)

The value of this tax expenditure for fiscal year 2008 is estimated at $25.0 million. In fiscal year 2009, the value is estimated at $25.0 million.

Minimal is defined as below $1,000,000 per year revenue impact.

The public utility excise tax is levied on companies classified by statute as public utilities. Originally enacted in 1894, the present tax structure was established in 1911. Historically, electric, natural gas and local telephone companies have accounted for the bulk of total public utility excise tax revenue collections. However, in 2001, electric and rural electric companies became subject to the kilowatt hour tax and electric companies also became subject to the corporate franchise tax (Am. Sub. Senate Bill 3, 123rd General Assembly), and these entities were no longer subject to the public utility excise tax. Also in 2001, natural gas companies began to pay their public utility excise tax on a different schedule (Am. Sub. Senate Bill 215, 123rd General Assembly) and became subject to the natural gas consumption tax (Am. Sub. Senate Bill 287, 123rd General Assembly). In 2005, telephone companies became subject to the corporate franchise tax (Am. Sub. House Bill 95, 125th General Assembly).

Tax Base

Gross receipts for all utilities. There is a minimum tax of $50 for each tax year.

Tax Rates

All utilities pay a rate of 4.75 percent, except pipeline companies pay 6.75 percent.

Public Utility Excise Tax Expenditures

The estimates shown below reflect the estimated revenue gain to all state funds - specifically the general revenue fund, the local government fund, and the local government revenue assistance fund - if the tax expenditure were repealed as of July 1, 2007. It is assumed that the repeal of a tax expenditure would have a full year's revenue effect in FY 2008 due to the payment method of the public utilities involved.

Data are primarily from public utility tax returns and other sources from the Ohio Department of Taxation. Data from the U.S. Census Bureau were also used.

42. Exemption for municipal utilities and non-profit waterworks

Ohio Revised Code 5727.05, originally enacted 1896

Municipal utilities and non-profit corporations that are engaged exclusively in the treatment, distribution, and sale of water to consumers are exempt from the public utility excise tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$60.4 million
FY 2009	$60.4 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $60.4 million. In fiscal year 2009, the value is estimated at $60.4 million.

43. $25,000 exemption from gross receipts for each public utility company

Ohio Revised Code 5727.33, originally enacted 1934

Each public utility company receives an exemption for the first $25,000 of gross receipts for the purposes of the public utility excise tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

44. Deduction for sales to other public utilities for resale

Ohio Revised Code 5727.33(B)(4), originally enacted 1961

Public utilities are allowed to deduct sales to other public utilities when the services are to be resold by that public utility.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

45. Credit for certain natural gas companies

Ohio Revised Code 5727.29, originally enacted 2000

Natural gas companies that pay the public utility excise tax on a current-quarter system are granted a tax credit for the transition costs from the previous tax schedule.

	Projected Revenue Gain from the Repeal of Tax Expenditure
FY 2008	$8.6 million
FY 2009	$8.6 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $8.6 million. In fiscal year 2009, the value is estimated at $8.6 million.

Kilowatt Hour Tax

Am. Sub. Senate Bill 3 (123rd General Assembly) re-structured the electric industry in Ohio. Prior to this bill, electric companies had been subject to the public utility excise tax, and they were subject to higher assessment rates on their tangible personal property than general business taxpayers. Restructuring removed electric companies from the public utility excise tax and subjected them to the corporate franchise tax. It also lowered the assessment rate on much of their tangible personal property. To replace the revenue loss caused by shifting from the utility excise tax to the corporate franchise tax and the reduced property taxes, SB 3 created the kilowatt hour tax. This tax is levied on the electric distribution company and is based upon the end user's consumption of electricity, measured in kilowatt hours. Certain large consumers of electricity may choose to self-assess the tax partially based upon consumption and partially based on price. The kilowatt hour tax (and the self-assessor option) began in May 2001, with the tax first payable to the state in June 2001. Am. Sub. Senate Bill 287 (123rd General Assembly) allowed more taxpayers to self-assess because it lowered the qualifying threshold and capped the taxable consumption portion of the self assessors tax. This bill also expanded the tax exemption to include electricity distributed to qualified regenerators.

Tax Base

Kilowatt Hour Tax Base: Amount of kilowatt hours distributed to the end consumer.

Self-Assessor Option Base: Combination of price and consumption measured in kilowatt hours, on the first 504 million kilowatt hours.

Tax Rates

Kilowatt Hour Tax:

Kilowatt Hours Distributed to the End Users per month	Rates per Kilowatt Hour
0 - 2,000 Kilowatts	$0.00465
2,001 - 15,000 Kilowatts	$0.00419
Over 15,000 Kilowatts	$0.00363

Self-Assessor Option Tax:

The sum of 4 percent of price plus 0.75 mills ($0.00075) per kilowatt hour consumed on the first 504 million kilowatt hours of annual consumption.

Kilowatt Hour Tax Expenditure Estimate

The estimate shown below reflects the estimated revenue gain to all state funds - the general revenue fund, the local government fund, the local government revenue assistance fund, the school district property tax replacement fund, and the local government property tax replacement fund - if the tax expenditures were repealed on July 1, 2007. Due to the monthly remittance of kilowatt hour tax, it is assumed that the repeal of a tax expenditure would produce only eleven months' revenue gain for fiscal year 2008.

Data used to estimate the expenditure were primarily from tax return filings and contact with industry, although information from the Energy Information Agency (U.S. Department of Energy) was also used.

NOTE: See page 4 for description of data source codes.

46. Exempts certain end users from the kilowatt hour tax
Ohio Revised Code 5727.81(D), originally enacted 2000

Exempts from the kilowatt hour and the self-assessor option tax the distribution of any kilowatt hours of electricity to certain end users that meet certain requirements in the Ohio Revised Code.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$4.9 million
FY 2009	$5.3 million

Data Source Code: (A),(C)

The value of this tax expenditure in fiscal year 2008 is estimated at $5.3 million. In fiscal year 2009, the value is estimated at $5.3 million.

Individual Income Tax

Ohio was first authorized to levy an income tax in 1912 by a constitutional amendment. However, it was 60 years later before the first state individual income tax was enacted in 1972. The income tax was designed to be closely based on federal law to facilitate compliance by the taxpayer and ease of administration by the state.

Tax Base

The amount reported as federal adjusted gross income to the U.S. Internal Revenue Service plus or minus adjustments according to Ohio income tax law.

Tax Rate

Ohio has a graduated income tax with nine rate classes, ranging from under $5,000 to over $200,000. In tax year (TY) 2004 the rate in the bottom class was 0.743 percent and the rate in the top class was 7.5 percent. However, Am. Sub. House Bill 66 of the 126th General Assembly provided for a 21 percent reduction in personal income tax rates over a five year period starting in TY 2005. The rates are to be reduced by approximately 4.2 percent per year until TY 2009, at which time the tax rate on the bottom tier of income will be 0.587 percent and the rate on the top tier will be 5.925 percent. Thus for TY 2007 (fiscal year 2008) the tax expenditures estimates assume a nine-tiered rate structure with a rate of 0.649 percent on income below $5,000 and a rate of 6.555 percent on income above $200,000. The corresponding rates for TY 2008 (fiscal year 2009) are 0.618 percent and 6.240 percent, respectively.

H.B. 66 made some additional changes to the individual income tax. First, it postponed the indexing of the individual brackets, which had been due to begin in TY 2005, pursuant to Am. Sub. Senate Bill 261 of the 124th General Assembly. The indexing is now scheduled to begin in TY 2010.

Significant Changes Enacted by the 126th General Assembly

H.B. 66 also created a new tax credit for low-income taxpayers. The credit essentially exempts from the personal income tax those taxpayers whose Ohio taxable income (that is, Ohio adjusted gross income less personal exemptions) is less than $10,000. This provision is included as a new tax expenditure in this report.

H.B. 66 also eliminated the tax deduction for qualified tuition and fees. The deduction was available for certain tuition expenses and fees paid to a state institution or other post-secondary institution located in Ohio. TY 2005 was the last year that this deduction was available; thus it has been eliminated from the tax expenditure report.

Other changes to the personal income tax made by the 126th General Assembly include the exemption of certain qualifying (pre-1972) trusts from the income tax, the exclusion of certain military income from the income tax, and a change in the definition of domicile. The pre-1972 trust exemption was enacted by Am. Sub. House Bill 530 and is included as a tax expenditure in this report. The other two changes were enacted by Sub. House Bill 73. The exclusion for certain military income is included as

a new tax expenditure in this report. The change in the definition of domicile is considered a change in the conceptualization of the tax base, and therefore it is not considered a tax expenditure.

Individual Income Tax Expenditures

The estimates shown below reflect the estimated revenue gain to all state funds - specifically, the general revenue fund, the local government fund, the local government revenue assistance fund, and the library and local government support fund - if the tax expenditures were repealed as of July 1, 2007. It is assumed that the repeal of a tax expenditure would have no effect in tax year 2007 on those taxpayers whose tax year ends prior to July 1, 2007. Thus, in some cases, the state would not receive a full year's amount of tax revenue in fiscal year 2008 if the tax expenditure were repealed on July 1, 2007.

However, for the most part, it is assumed that personal income taxpayers have a calendar year fiscal year, so that the repeal of a tax expenditure effective July 1, 2007 would have a full fiscal year impact in FY 2008.

In addition, we have attempted to reflect the impact of possible "overlapping" provisions (i.e., other credits, exclusions or exemptions available to the taxpayer) that would also dampen the potential revenue gain of the repealed tax expenditure.

Various data sources were used to derive the tax expenditure estimates. Most of the tax expenditure estimates were based on information taken from personal income tax returns filed with the Department of Taxation for tax years 2003 and 2004. However, some of the estimates were derived from secondary data sources, such as the Internal Revenue Service, other state agencies and published public finance research.

NOTE: See page 4 for description of data source codes.

Exclusions and Deductions from Income

47. Exemption for social security and railroad retirement benefits
Ohio Revised Code 5747.01(A)(5), originally enacted 1972

All social security and railroad retirement benefits included in federal adjusted gross income may be excluded from the calculation of Ohio adjusted gross income.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$240.0 million
FY 2009	$254.4 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $245.8 million. In fiscal year 2009, the value is estimated at $260.6 million.

48. Deduction for personal exemption

Ohio Revised Code 5747.025, originally enacted 1972

A deduction of $1,450 may be claimed for the taxpayer, taxpayer's spouse, and each dependent in tax year 2007. This deduction will increase to $1,500 in 2008.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$558.8 million
FY 2009	$557.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $579.2 million. In fiscal year 2009, the value is estimated at $577.1 million.

49. Deduction for college savings programs

Ohio Revised Code 5747.01(A)(10) and 5747.70, originally enacted 1999

A taxpayer may receive a deduction, limited to $2,000 per beneficiary, for contributions to either the prepaid tuition or variable college savings programs.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$8.7 million
FY 2009	$8.6 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $8.9 million. In fiscal year 2009, the value is estimated at $8.8 million.

50. Exemption for disability income

Ohio Revised Code 5747.01(A)(4),originally enacted 1972

Disability income included in federal adjusted gross income is excluded from the calculation of Ohio adjusted gross income.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$32.8 million
FY 2009	$33.1 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $33.9 million. In fiscal year 2009, the value is estimated at $34.2 million.

51. Deduction for contributions to medical savings accounts

Ohio Revised Code 5747.01(A)(14), originally enacted 1996

A taxpayer may receive a deduction for contributions to and interest earned by a medical savings account.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.2 million
FY 2009	$1.3 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.3 million. In fiscal year 2009, the value is estimated at $1.3 million.

52. Deduction for excess medical expenses

Ohio Revised Code 5747.01(A)(11), originally enacted 1999

Qualifying taxpayers may claim a deduction for excess medical expenses above 7.5% of their federal adjusted gross income.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$17.3 million
FY 2009	$18.2 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $18.6 million. In fiscal year 2009, the value is estimated at $19.6 million.

53. Deduction for taxpayers ineligible for employer-sponsored medical plans

Ohio Revised Code 5747.01(A), originally enacted 1999

Qualifying taxpayers ineligible to participate in an employer-sponsored medical plan may deduct any amounts paid for medical care insurance.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$44.3 million
FY 2009	$44.6 million

Data Source Code: (A),(B)

The value of this tax expenditure in fiscal year 2008 is estimated at $49.2 million. In fiscal year 2009, the value is estimated at $49.5 million.

Minimal is defined as below $1,000,000 per year revenue impact.

54. Deduction for long-term care insurance premiums

Ohio Revised Code 5747.01(A), originally enacted 1999

A taxpayer may deduct the full amount of long-term health care (LTC) premiums.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$9.1 million
FY 2009	$9.6 million

Data Source Code: (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $10.1 million. In fiscal year 2009, the value is estimated at $10.6 million.

55. Pre-1972 trusts

Ohio Revised Code 5747.01(FF) and 5751.01(E)(11), originally enacted 2006

Qualifying trusts created before 1972 that elect to be subject to the commercial activity tax (CAT) are exempt from the personal income tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$13.5 million
FY 2009	$18.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $18.0 million. In fiscal year 2009, the value is estimated at $18.0 million.

56. Exemption for active duty military income

Ohio Revised Code 5747.01(A)(24), originally enacted 2006

Military income included in federal adjusted gross income may be excluded from the calculation of Ohio adjusted gross income if the pay is received for active duty service in military, military reserve or national guard outside the state.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$20.7 million
FY 2009	$19.8 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $28.7 million. In fiscal year 2009, the value is estimated at $29.3 million.

Credits

57. Low income credit

Ohio Revised Code 5747.056, originally enacted 2005

Taxpayers having Ohio adjusted gross income less exemptions of $10,000 or less may receive a credit that would eliminate their tax liability.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$13.0 million
FY 2009	$11.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $30.6 million. In fiscal year 2009, the value is estimated at $27.8 million.

58. $20 personal exemption credit

Ohio Revised Code 5747.022, originally enacted 1983

Taxpayer may claim a $20 credit for each personal exemption claimed.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$162.8 million
FY 2009	$163.7 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $194.8 million. In fiscal year 2009, the value is estimated at $194.6 million.

59. $50 senior citizen credit

Ohio Revised Code 5747.05(C), originally enacted 1972

Senior citizens receive a $50 tax credit per return.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$26.6 million
FY 2009	$26.9 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $34.7 million. In fiscal year 2009, the value is estimated at $35.2 million.

60. Retirement income credit

Ohio Revised Code 5747.055, originally enacted 1983

Taxpayers with qualified retirement income included in Ohio adjusted gross income receive a tax credit up to $200.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$127.9 million
FY 2009	$132.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $143.1 million. In fiscal year 2009, the value is estimated at $148.8 million.

61. Resident credit for income taxed by another state

Ohio Revised Code 5747.05, originally enacted 1972

Ohio residents may claim a credit for taxes paid to another state.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$107.8 million
FY 2009	$106.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $107.8 million. In fiscal year 2009, the value is estimated at $106.5 million.

62. Joint filer credit

Ohio Revised Code 5747.05(G), originally enacted 1973

Taxpayers using married filing joint status may claim a joint filing credit if each spouse has at least $500 in earned income.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$247.6 million
FY 2009	$242.2 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $265.3 million. In fiscal year 2009, the value is estimated at $259.3 million.

63. Dependent care credit

Ohio Revised Code 5747.054, originally enacted 1988

Taxpayers with qualifying child and dependent care expenses and income below $40,000 can claim a credit based on the federal dependent care credit.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$9.4 million
FY 2009	$9.8 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $17.3 million. In fiscal year 2009, the value is estimated at $18.4 million.

64. Lump sum retirement income credit

Ohio Revised Code 5747.055(C) through (E), originally enacted 1972

Lump sum distributions received on account of retirement from a qualified retirement plan may be given special tax treatment. The entire balance in the account must be received during one year.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$2.2 million
FY 2009	$2.3 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $17.3 million. In fiscal year 2009, the value is estimated at $18.5 million.

65. Lump sum distribution credit

Ohio Revised Code 5747.05(D), originally enacted 1972

A taxpayer aged 65 or over who receives a lump-sum distribution from a pension, retirement, or profit-sharing plan on account of retirement or separation from employment is eligible for a credit of $50 multiplied by the number of expected remaining life years.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $3.0 million. In fiscal year 2009, the value is estimated at $3.3 million.

Minimal is defined as below $1,000,000 per year revenue impact.

66. Displaced worker job training credit

Ohio Revised Code 5747.27 originally enacted 1994

A taxpayer who pays for his or her own job training within 12 months of losing his or her job due to a plant closing may claim a tax credit for the cost of the training. The credit is the lesser of $500 or 50 percent of the cost of training.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.5 million
FY 2009	$1.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.8 million. In fiscal year 2009, the value is estimated at $1.9 million.

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67. Campaign contribution credit

Ohio Revised Code 5747.29, originally enacted 1995

Taxpayers may receive a credit of up to $50 ($100 for a joint return) for campaign contributions to candidates running for statewide office, state representative, or state senator.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$5.6 million
FY 2009	$6.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $5.7 million. In fiscal year 2009, the value is estimated at $6.0 million.

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68. Credit for adoption related expenses

Ohio Revised Code 5747.37, originally enacted 1999

Taxpayers participating in a legal adoption can receive a personal income tax credit of $500 per child for adoption related expenses.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.0 million
FY 2009	$1.0 million

Data Source Code: (A), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.3 million. In fiscal year 2009, the value is estimated at $1.3 million.

Minimal is defined as below $1,000,000 per year revenue impact.

69. Ethanol plant investment credit*

Ohio Revised Code 5733.46 and 5747.75, originally enacted 2002

Investors in a certified Ohio ethanol production plant may take a nonrefundable credit equal to the lesser of 50 percent of the funds invested in the facility or $5,000.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$0.0

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $0.0.
In fiscal year 2009, the value is estimated at $0.0.

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70. Technology Investment Tax Credit ("Edison Center" Tax Credit)**

Ohio Revised Code 5747.33, 5733.35, 5727.41,5707.05, originally enacted 1996

A tax credit is available for investors who provide capital for small, Ohio-based research and development and technology transfer companies.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$3.1 million
FY 2009	$3.1 million

Data Source Code: (A),(B)

The value of this tax expenditure in fiscal year 2008 is estimated at $3.1 million.
In fiscal year 2009, the value is estimated at $3.1 million.

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* This credit is also available to qualifying corporate franchise taxpayers. The estimated amount of this credit attributable to the franchise tax is included in this estimate.

** This credit is also available to qualifying corporate franchise taxpayers, public utilities and dealers in intangibles. This estimate includes the estimated credit amount attributable to those taxpayers, as well.

Minimal is defined as below $1,000,000 per year revenue impact.

Sales and Use Tax

The sales and use tax was enacted in 1934 at a rate of three percent and went into effect on January 27, 1935. In 1967 the rate was increased to four percent. After a temporary five percent sales tax rate was imposed during the period of January through June 1981, a permanent five percent rate was adopted in November 1981. Until 1981 the sales and use tax was restricted to the sale or rental of tangible personal property. In November 1981 the tax base was extended to selected services. Since then, additional services have been made subject to sales and use tax. Authority to levy a permissive sales tax was given to counties in 1967 and to transit authorities in 1974.

Am. Sub. HB 95 (125th General Assembly; FY 2004-FY 2005 biennial budget bill) temporarily increased the state sales tax rate from five percent to six percent. This temporary increase was imposed for the period of July 1, 2003 through June 30, 2005 (the FY 2004-FY 2005 biennium). The rate was decreased to five and one-half percent effective July 1, 2005.

Tax Base

The sale and rental of tangible personal property and selected services.

Tax Rate

Five and one-half percent. Permissive sales tax may be imposed in any county at a rate between 0.25 percent and 3.0 percent; such taxes are not reflected in the figures provided in this report.

Significant Changes Enacted by the 126th General Assembly

Am. Sub. HB 66 (126th General Assembly) made several changes to sales and use tax expenditures. Although the vendor's discount for timely remittance of sales tax was temporarily increased (from 0.75 percent to 0.90 percent of collections) during the FY 2004-2005 and FY 2006-2007 biennia, the discount rate is scheduled to revert to the 0.75 percent rate on July 1, 2007. A provision within HB 66 also repealed the sales and use tax exemption for purchases of investment coins and bullion.

Am. Sub. HB 699 specifically extended to air carriers the exemption for tangible personal property purchased by public utilities. Air carriers and other holders of certificates of convenience have previously been covered by this exemption through precedent and case law, but this is the first time the exemption has been explicitly provided by statute.

Sales and Use Tax Expenditure Estimates

The estimates shown below reflect the estimated gain to all state funds - specifically the state's General Revenue Fund, the Local Government Fund and the Local Government Revenue Assistance Fund - if the tax expenditures were repealed as of July 1, 2007. The sales tax expenditures assume 96 percent of a full year's revenue gain would be realized from the repeal of a tax expenditure in FY 2008 due to cash flow considerations.

In addition, the estimates incorporate other factors potentially affecting each tax expenditure's revenue yield. We have attempted to reflect the impact of taxpayer behavior if the tax expenditure were to be repealed.[1] Because certain taxpayers may not comply (at least initially) with repeal of the tax credit, exclusion or exemption, we have attempted to factor compliance issues into the estimated revenue yield. We have also attempted to reflect the impact of possible "overlapping" provisions (i.e., other credits, exclusions or exemptions available to the taxpayer) that could dampen the potential revenue gain of the repealed tax expenditure.

Numerous data sources were used for these tax expenditure estimates. Estimates generally relied upon secondary sources including 1997 and 2002 census data (U.S. Census Bureau), statistical data published by other federal agencies, industry data sources and information produced by academic, public, and not-for-profit research institutes.

NOTE: See page 4 for description of data source codes.

[1] These estimates reflect only the direct taxpayer behavioral effects on that revenue source if the tax expenditure were repealed. The estimates do not reflect potential "secondary" revenue impacts on other revenue sources that may stem from the economic change engendered by the repealed tax expenditure.

71. Copyrighted motion pictures and films

Ohio Revised Code 5739.01(B)(5), originally enacted 1945

Rental or sale of copyrighted motion pictures for exhibition purposes, unless solely used for advertising, is exempt from the sales and use tax. Rentals of videotaped motion pictures, DVDs, or similar items for private home use are taxable.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$7.8 million
FY 2009	$8.5 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $10.8 million. In fiscal year 2009, the value is estimated at $11.3 million

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72. Value of motor vehicle trade-ins

Ohio Revised Code 5739.01(H)(2), originally enacted 1981

The value of vehicles traded-in on the purchase of new motor vehicles is exempt from sales and use tax and may be deducted from the taxable base of the new motor vehicle.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$142.8 million
FY 2009	$159.9 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $161.1 million. In fiscal year 2009, the value is estimated at $172.9 million

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73. Refundable deposits on beverage containers

Ohio Revised Code 5739.01(H)(1), originally enacted 1979

Refundable deposits on beverage containers are exempt from sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.2 million. In fiscal year 2009, the value is estimated at $1.2 million

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Minimal is defined as below $1,000,000 per year revenue impact.

74. Tangible personal property used or consumed in commercial fishing

Ohio Revised Code 5739.02(B)(42), originally enacted 1945

Purchases of tangible personal property used or consumed in commercial fishing are exempt from sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 and 2009 is minimal.

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75. Tangible personal property used or consumed in agriculture and mining

Ohio Revised Code 5739.02(B)(42), originally enacted 1935

Purchases of tangible personal property used or consumed directly in producing a product sold by mining, farming, agricultural, horticultural, or floricultural operations or in the production of crude oil, mining, or natural gas are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$151.9 million
FY 2009	$183.9 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $226.7 million. In fiscal year 2009, the value is estimated at $234.0 million.

Minimal is defined as below $1,000,000 per year revenue impact.

76. Tangible personal property used directly in providing public utility services

Ohio Revised Code 5739.02(B)(42), originally enacted 1935

Property and fuel used in the production, transportation, or distribution of a public utility service or used in the repair and maintenance of machinery and equipment used directly in providing a public utility service is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$75.3 million
FY 2009	$79.1 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $85.3 million. In fiscal year 2009, the value is estimated at $85.9 million.

77. Tangible personal property used to produce printed materials

Ohio Revised Code 5739.02(B)(42), originally enacted 1973

Machinery, equipment, and material used in the production for sale of printed, lithographic, photostatic, or other graphic productions or re-productions, and of magazines distributed as controlled circulation publications are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$22.0 million
FY 2009	$23.8 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $111.3 million. In fiscal year 2009, the value is estimated at $109.1 million.

78. Qualified tangible personal property used in making retail sales

Ohio Revised Code 5739.02(B)(42), originally enacted 1935

Sales of advertising material or catalogs used or consumed in making retail sales that price and describe property, and sales to direct marketing vendors of materials that will be primarily used in printing advertising material and of equipment primarily used to accept orders for direct marketing retail sales, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$26.5 million
FY 2009	$30.0 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $33.6 million. In fiscal year 2009, the value is estimated at $34.4 million.

79. Sales to the state, any of its political subdivisions and to certain other states

Ohio Revised Code 5739.02(B)(1), originally enacted 1935

Sales of supplies, equipment, or any other normally taxable item to the State of Ohio, to any of its political subdivisions, or to any state and its subdivisions that exempt from taxation sales to this state and its subdivisions are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$142.9 million
FY 2009	$156.5 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $159.2 million. In fiscal year 2009, the value is estimated at $167.3 million.

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80. Food sold to students on school premises

Ohio Revised Code 5739.02(B)(3), originally enacted 1937

Sales of food to students in a cafeteria, dormitory, fraternity, or sorority maintained in a private, public, or parochial school, college, or university are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$19.8 million
FY 2009	$21.8 million

Data Source Code: (B),(C)

The value of this tax expenditure in fiscal year 2008 is estimated at $24.9 million. In fiscal year 2009, the value is estimated at $26.3 million.

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81. Newspapers

Ohio Revised Code 5739.02(B)(4), originally enacted 1935

Newspapers purchased at places of business, vending machines, or through subscription and published at least bi-weekly are exempt from sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$19.1 million
FY 2009	$21.4 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $23.4 million. In fiscal year 2009, the value is estimated at $23.8 million.

Minimal is defined as below $1,000,000 per year revenue impact.

82. Magazine subscriptions

Ohio Revised Code 5739.02(B)(4), originally enacted 1935

Magazine subscriptions and company newsletters, organizational magazines, or other controlled circulation material are exempt from the sales and use tax. Individual magazine purchases of magazines are taxable.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$18.5 million
FY 2009	$20.8 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $22.7 million. In fiscal year 2009, the value is estimated at $23.1 million.

83. Casual sales

Ohio Revised Code 5739.02(B)(8), originally enacted 1935

Sales of used items by persons not engaged in business, except for motor vehicles, watercraft, outboard motors, snowmobiles, and all purpose vehicles are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$34.4 million
FY 2009	$37.7 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $389.5 million. In fiscal year 2009, the value is estimated at $408.7 million.

84. Sales by churches and certain non-profit organizations

Ohio Revised Code 5739.02(B)(9), originally enacted 1961

Sales by churches, 501(c)(3) organizations, and to certain other non-profit organizations are exempt from the sales and use tax, if the number of days on which sales are made does not exceed six in any calendar year.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$19.7 million
FY 2009	$22.2 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $28.3 million. In fiscal year 2009, the value is estimated at $30.4 million.

85. Transportation of persons or property

Ohio Revised Code 5739.02(B)(11), originally enacted 1935

Transportation of property and most transportation of persons is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$162.9 million
FY 2009	$175.7 million

Data Source Code: (A)(B)

The value of this tax expenditure in fiscal year 2008 is estimated at $202.7 million. In fiscal year 2009, the value is estimated at $209.7 million.

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86. Sales to churches and certain other types of non-profit organizations

Ohio Revised Code 5739.02(B)(12), originally enacted 1935

Sales to churches, 501(C)(3) organizations, and certain other types of non-profit organizations are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$236.9 million
FY 2009	$266.5 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $283.9 million. In fiscal year 2009, the value is estimated at $289.6 million.

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87. Building and construction materials used in tax exempt structures

Ohio Revised Code 5739.02(B)(13), originally enacted 1959

Building and construction material sold to contractors for incorporation into real property constructed for federal, state, and local governments; religious institutions; non-profit organizations; horticultural and livestock industries; and certain other organizations are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$201.1 million
FY 2009	$235.7 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $287.6 million. In fiscal year 2009, the value is estimated at $306.3 million.

Minimal is defined as below $1,000,000 per year revenue impact.

88. Ships and rail rolling stock used in interstate and foreign commerce

Ohio Revised Code 5739.02(B)(14), originally enacted 1938

Sales of ships, vessels, and rail rolling stock used principally in interstate or foreign commerce, and repairs, alterations, fuel, and lubricants for such ships, vessels, and rail rolling stock are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (C)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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89. Packaging and packaging equipment

Ohio Revised Code 5739.02(B)(15), originally enacted 1961

Packaging materials and packaging equipment, including labeling materials and labeling equipment, sold to manufacturers and other qualified businesses are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$314.7 million
FY 2009	$350.9 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $395.7 million. In fiscal year 2009, the value is estimated at $400.8 million.

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90. Emergency and fire protection vehicles

Ohio Revised Code 5739.02(B)(20), originally enacted 1965

Sales of emergency and fire protection vehicles and equipment to non-profit organizations for use solely in providing fire protection and emergency services, including trauma care and emergency medical services, to political subdivisions are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.0 million
FY 2009	$1.1 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.1 million. In fiscal year 2009, the value is estimated at $1.2 million.

Minimal is defined as below $1,000,000 per year revenue impact.

91. Sales of property used in non-profit presentations of music, dramatics, the arts, and related fields

Ohio Revised Code 5739.02(B)(12), originally enacted 1982

Tangible personal property used by non-profit community centers that produce or make presentations in music, dramatics, the arts, and related fields to foster public interest and education therein are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.4 million. In fiscal year 2009, the value is estimated at $2.5 million.

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92. Motor vehicles sold in Ohio for use outside the state

Ohio Revised Code 5739.02(B)(23), originally enacted 1971

Motor vehicles sold in Ohio to non-residents, when the vehicles are immediately removed from Ohio and registered outside of Ohio, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$51.0 million
FY 2009	$53.9 million

Data Source Code: (B),(C)

The value of this tax expenditure in fiscal year 2008 is estimated at $79.1 million. In fiscal year 2009, the value is estimated at $80.0 million.

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93. Agricultural property (use on use)

Ohio Revised Code 5739.02(B)(17), originally enacted 1961

Sales to persons engaged in farming, agriculture, horticulture, or floriculture of property that is used directly in the production of property that, in turn, is used directly in the production of a product for sale are exempt from sales and use tax ("use on use").

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

94. Property for use in a retail business outside of Ohio

Ohio Revised Code 5739.02(B)(21), originally enacted 1968

Property manufactured in Ohio and sold to a retailer for use in the retailer's business outside of Ohio is exempt from the sales and use tax if possession of the property is taken in Ohio and immediately removed from the state in a vehicle owned by the purchaser.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

95. Sales to non-commercial educational broadcast stations

Ohio Revised Code 5739.02(B)(12), originally enacted 1981

Sales to non-commercial educational radio or television broadcasting stations are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B), (C)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

96. Sales of animals by non-profit animal shelters

Ohio Revised Code 5739.02(B)(28), originally enacted 1981

Sales of animals by non-profit animal shelters and county humane societies are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (C)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

97. Tangible personal property used in storing, preparing, and serving food
Ohio Revised Code 5739.02(B)(27), originally enacted 1981

Tangible personal property used in preparing, storing, or serving food in a commercial food establishment, and used to clean or maintain such items is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$13.7 million
FY 2009	$17.0 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $36.8 million. In fiscal year 2009, the value is estimated at $39.0 million.

98. Property used in air, noise, or water pollution control
Ohio Revised Code 5709.20, 5709.25, originally enacted 1965

Tangible personal property used in industrial air, noise, or water pollution control facilities by holders of pollution control certificates is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$2.4 million
FY 2009	$2.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.5 million. In fiscal year 2009, the value is estimated at $2.5 million.

99. Bulk water for residential use
Ohio Revised Code 5739.02(B)(25), originally enacted 1978

Sales of water (mainly delivered by truck to rural areas) for residential use, except for sales of bottled, mineral, or carbonated water, or of ice, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

100. Property used in energy or waste conversion facilities

Ohio Revised Code 5709.20, 5709.25, originally enacted 1978

Tangible personal property used in energy conversion, solid waste conversion, or thermal efficiency improvement facilities by holders of energy conversion or thermal efficiency improvement certificates is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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101. 0.75 percent discount for vendors

Ohio Revised Code 5739.12, 5741.12, originally enacted 1981

A 0.75 percent discount on sales tax collected by vendors and use tax collected by out-of-state registered sellers is granted if the tax due is remitted by the due date of tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$48.6 million
FY 2009	$52.8 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $52.0 million. In fiscal year 2009, the value is estimated at $54.2 million.

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102. Agricultural land tile and portable grain bins

Ohio Revised Code 5739.02(B)(30) and (31), originally enacted 1985

Land tile for drainage purposes on land used for farming and agriculture, and portable grain bins used by a person engaged in farming or agriculture, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

103. Prescription drugs and selected medical supplies

Ohio Revised Code 5739.02(B)(18), originally enacted 1961

Sales of prescription drugs; insulin, urine, blood testing equipment, and hypodermic needles and syringes used by diabetics; epoetin alfa when used for individuals with end-stage renal disease; and hospital beds, oxygen, and respiratory equipment used by individuals for medical purposes are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$444.1 million
FY 2009	$518.6 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $726.4 million. In fiscal year 2009, the value is estimated at $813.6 million.

104. Artificial limbs, prostheses, wheelchairs, and other durable medical equipment

Ohio Revised Code Section 5739.02(B)(19), originally enacted 1973

Sales of prosthetic devices, durable medical equipment, for home use, or mobility enhancing equipment when made pursuant to a prescription and when such devices or equipment are for use by a human being are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$8.3 million
FY 2009	$10.2 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $22.2 million. In fiscal year 2009, the value is estimated at $23.3 million.

105. Property used in preparing eggs for sale

Ohio Revised Code Section 5739.02(B)(24),originally enacted 1974

Equipment and supplies used for the cleaning, sorting, preserving, handling, and packaging of eggs for sale are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.7 million
FY 2009	$1.9 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.3 million. In fiscal year 2009, the value is estimated at $2.3 million.

106. Sales to veterans' headquarters

Ohio Revised Code Section 5739.02(B)(33), originally enacted 1986

Sales to the state headquarters of any veteran organization chartered by Congress or recognized by the Department of Veterans Affairs are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A), (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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107. Property and services sold to providers of telecommunication services

Ohio Revised Code Section 5739.02(B)(34), originally enacted 1987

Sales to a telecommunications service provider of tangible personal property and services used primarily in the provision of such services are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$41.8 million
FY 2009	$41.4 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $47.1 million. In fiscal year 2009, the value is estimated at $44.7 million.

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108. Tangible property used primarily in manufacturing tangible personal property

Ohio Revised Code 5739.02(42), originally enacted 1935

Machinery, equipment, supplies, and fuel used primarily in a manufacturing operation to produce tangible personal property, and raw materials incorporated into tangible personal property by manufacturing, assembling, or processing for sale, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1,670.1 million
FY 2009	$1,896.1 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $4,580.9 million. In fiscal year 2009, the value is estimated at $4,725.1 million.

Minimal is defined as below $1,000,000 per year revenue impact.

109. Value of watercraft trade-ins

Ohio Revised Code 5739.01(H)(3), originally enacted 1990

The value of any watercraft, watercraft and trailer, or outboard motor traded-in on a new or used watercraft or outboard motor sold by a licensed watercraft dealer is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$3.9 million
FY 2009	$4.1 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $4.3 million. In fiscal year 2009, the value is estimated at $4.3 million.

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110. Sales to facilities financed with public hospital bonds

Ohio Revised Code 140.08, originally enacted 1971

Sales to homes for the aged or hospital facilities financed with public hospital bonds are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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111. Tangible personal property used in research and development

Ohio Revised Code 5739.02(B)(42)(i), originally enacted 1993

Qualified tangible personal property used in research and development equipment is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$41.4 million
FY 2009	$45.1 million

Data Source Code: (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $44.9 million. In fiscal year 2009, the value is estimated at $47.0 million.

Minimal is defined as below $1,000,000 per year revenue impact.

112. Property used in highway transportation for hire

Ohio Revised Code 5739.02(B)(32), originally enacted 1985

The sale, lease, repair, and maintenance of, parts for, and items attached to or incorporated in motor vehicles primarily used in transporting personal property by a person engaged in highway transportation for hire, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$17.6 million
FY 2009	$20.3 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $24.0 million. In fiscal year 2009, the value is estimated at $25.2 million.

113. Property used to fulfill a warranty or service contract

Ohio Revised Code 5739.02(B)(42)(h), originally enacted 1986

Parts and labor used to fulfill a warranty that is provided as part of the price of tangible personal property sold, or to fulfill a warranty, maintenance, or service contract in which the vendor of such warranty or contract agrees to repair or maintain the consumer's tangible personal property, are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$51.7 million
FY 2009	$55.5 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $53.9 million. In fiscal year 2009, the value is estimated at $55.5 million.

114. Equipment used in private warehouses and distribution centers with inventory to be shipped out of state

Ohio Revised Code 5739.02(B)(42)(j),originally enacted 1994

Equipment purchased to use primarily in storing, transporting, mailing, or otherwise handling purchased sales inventory in a warehouse, distribution center or similar facility when the inventory is primarily distributed outside this state either to the retail stores of the person who owns or controls the warehouse or distribution center or to customers when the warehouse is owned by a mail order business, is exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$5.4 million
FY 2009	$6.4 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $6.7 million. In fiscal year 2009, the value is estimated at $7.2 million.

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115. Twenty-five percent sales tax refund for purchases of qualified tangible personal property by electronic information service providers

Ohio Revised Code 5739.071, originally enacted 1993

Electronic information service providers are granted a 25 percent refund of the sales or use tax paid on purchases of computers, computer peripherals, software, telecommunications equipment, and related equipment. The property must be used primarily to acquire, process, or store information for business customers or disseminate information to such customers.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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116. Sales of computers and computer equipment to certified teachers

Ohio Revised Code 5739.02(B)(37), originally enacted 1997

Sales of personal computers, computer keyboards, computer monitors, modems, and other peripheral computer equipment purchased by a licensed or certified teacher in this state for use by that individual in the preparation for teaching primary or secondary school students are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

117. Sales of qualified tangible personal property to qualified motor racing teams

Ohio Revised Code 5739.02(B)(38), originally enacted 1997

Sales of motor racing vehicles, repair services for motor racing vehicles, and items of property that are attached to or incorporated in motor racing vehicles of professional racing teams are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

118. Drugs distributed to physicians as free samples

Ohio Revised Code 5741.02(C)(7), originally enacted 2001

Drugs distributed to physicians licensed to prescribe, dispense, and administer drugs to a person in the course of professional practice, and that by law to be dispensed only by or upon the order of that physician are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$5.7 million
FY 2009	$6.3 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $6.8 million. In fiscal year 2009, the value is estimated at $7.2 million.

Minimal is defined as below $1,000,000 per year revenue impact.

119. Qualified used manufactured and mobile homes

Ohio Revised Code 5739.02(B)(41),5741.02(C)(6), originally enacted 2000

Sales of qualified used manufactured and mobile homes are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$2.0 million
FY 2009	$2.0 million

Data Source Code: (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.2 million. In fiscal year 2009, the value is estimated at $2.2 million.

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120. Sales of tangible personal property and services to providers of electricity

Ohio Revised Code 5739.02(B)(42), originally enacted 2000

Sales of tangible personal property and services to a provider of electricity used or consumed primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become part of the consumer's production, transmission, or distribution system and that retains its classification of tangible personal property after incorporation; fuel or power used in the production, transmission, and distribution of electricity; and tangible personal property used in the repair and maintenance of the production, transmission, and distribution of electricity are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$251.0 million
FY 2009	$276.3 million

Data Source Code: (A),(B)

The value of this tax expenditure in fiscal year 2008 is estimated at $284.0 million. In fiscal year 2009, the value is estimated at $299.8 million.

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121. Sales of tangible personal property and services for maintenance and repair of qualified fractionally-owned aircraft

Ohio Revised Code 5739.02(B)(44), originally enacted 2003

Sales of services and replacement and modifying parts for engines, airframes, instruments, and interiors in, and paint for, aircraft in a qualified fractional aircraft ownership program are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $2.0 million. In fiscal year 2009, the value is estimated at $2.3 million.

Minimal is defined as below $1,000,000 per year revenue impact.

122. $800 tax cap on the sum of the shares on a qualified fractionally-owned aircraft

Ohio Revised Code 5739.025(G), originally enacted 2003

The sales tax on the sum of the shares of a qualified fractionally-owned aircraft shall be a maximum of $800 and be allocated to each fractional owner by the percentage of the sales the owner has in that fractionally-owned aircraft.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	$1.0 million

Data Source Code: (A), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $4.3 million. In fiscal year 2009, the value is estimated at $4.4 million.

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123. Sales of telecommunications services used primarily to perform the functions of a qualified call center

Ohio Revised Code 5739.02(B)(45), originally enacted 2003

The sales of telecommunications services that are used directly and primarily to perform the functions of a qualified call center are exempt from the sales and use tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$14.7 million
FY 2009	$15.9 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $17.6 million. In fiscal year 2009, the value is estimated at $17.6 million.

Minimal is defined as below $1,000,000 per year revenue impact.

The domestic insurance tax was created in 1830 with a 4.0 percent property tax on dividends paid by insurance companies. In 1933, the insurance companies' tax was changed to tax the lesser of 0.2 percent on capital and surplus or 1.67 percent of gross premiums. The franchise tax rate on gross premiums increased to 2.5 percent in 1971. The tax rate on capital and surplus increased to 0.6 percent in 1981.

The foreign insurance tax was created in 1830, with a 4.0 percent property tax on profits from premiums. In 1852, the value of gross premiums (rather than profits from premiums) was subject to the tax. In 1888, a supplemental tax was levied on gross premiums, and when added to the property tax it produced an effective tax rate of 2.5 percent on gross premiums. A direct 2.5 percent gross premiums tax was created in 1902.

Amended Substitute House Bill 215 of the 122nd General Assembly made numerous changes to the domestic and foreign insurance premium taxes, including changes to the rates and bases of the two taxes. These changes were fully phased in by tax year 2003, at which time the two taxes shared the same base (gross premiums) and tax rate (1.4 percent). The bill also established a small insurers' tax credit, along with a minimum tax of $250.

Tax Base

The domestic and foreign insurers' tax base is the gross amount of premiums covering risks in Ohio, less specified deductions.

Tax Rate

Domestic and foreign insurers are taxed at 1.4 percent of gross premiums.

Insurance Premium Tax Expenditure Estimates

Each figure shown below reflects the estimated revenue gain to the state general revenue fund if the tax expenditure were repealed as of July 1, 2007. Insurance companies use a calendar year measurement period for purposes of computing the insurance premium tax. As a result, it is assumed that each taxpayer would be affected by the repealed credits beginning with its fiscal year 2008 tax payments, and thus there would be no corresponding impact on tax revenue cash flow for fiscal year 2008.

Data for these tax expenditures are from special computer runs completed by the Ohio Department of Insurance and from data provided by the Ohio Life and Health Guaranty Association. Assistance was also provided by these organizations regarding the projected growth of these tax expenditures.

NOTE: See page 4 for description of data source codes.

124. Ohio Life and Health Guaranty Association contribution credit

Ohio Revised Code 3956.20, originally enacted 1989

Members of the Ohio Life and Health and Guaranty Association who make contributions to a repayment fund used to pay Ohioans holding insurance policies with bankrupt companies are able to use up to 20 percent of their assessments as a credit on the state franchise or premium tax return for a period of five years.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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125. Deduction for premiums received from qualified small business alliances

Ohio Revised Code 1731.07, originally enacted 1993

Premiums or other charges received from or on the behalf of an enrolled small employer and eligible employees and retirees under a health benefit plan provided by an insurer under a qualified alliance program may be deducted from insurer's gross premiums.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$8.0 million
FY 2009	$8.0 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $8.0 million. In fiscal year 2009, the value is estimated at $8.0 million.

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126. Credit for small insurers

Ohio Revised Code 5729.031, originally enacted 1999

A foreign or domestic insurance company or insurance company group, with less than $75 million in premiums sold in all states by the company or group, may take a tax credit of up to $200,000 against their foreign or domestic insurance premium tax liability.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$3.5 million
FY 2009	$3.5 million

Data Source Code: (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $3.5 million. In fiscal year 2009, the value is estimated at $3.5 million.

Minimal is defined as below $1,000,000 per year revenue impact.

The inheritance tax was enacted in 1893 and levied on individual successions to property within the estate. In 1968, this inheritance tax was repealed and an estate tax was levied, shifting the tax base from individual heirs to the decedent's estate.

For estates with dates of death on or after January 1, 2002, 80 percent of the tax liability is distributed to the municipal corporation or township in which the assets of the estate are located and 20 percent is distributed to the state.

Tax Base

The taxable estate is the market value of the gross estate less debts and expenses.

Tax Rates

Taxable Estate Value Brackets	Tax Rate Imposed
0 - $ 40,000	2% of Taxable Estate Value
$40,001 - 100,000	$800 + 3% of excess over $40,000
100,001 - 200,000	2,600 + 4% of excess over 100,000
200,001 - 300,000	6,600 + 5% of excess over 200,000
300,001 - 500,000	11,600 + 6% of excess over 300,000
500,001 and over	23,600 + 7% of excess over 500,000

Estates with taxable value at or below $338,333 are exempt from the estate tax due to the maximum $13,900 credit available to each estate.

Estate Tax Expenditure Estimates

Each figure shown below reflects the estimated revenue gain to the state general revenue fund if the tax expenditure were repealed as of July 1, 2007. Estates are required to file a return within nine months of the decedent's date of death, with each estate being granted an automatic extension of three months. The tax is collected at the county level, and then distributed to the state in semi-annual settlements. These two effects would delay any significant state revenue impact until fiscal year 2009; even the fiscal year 2009 impact would be less than full-year in nature.

Data for these estimates are based upon estate tax returns finalized during fiscal year 2006.

NOTE: See page 4 for description of data source codes.

127. $13,900 Credit for each estate

Ohio Revised Code 5731.02 (B), originally enacted 1983

Estates with dates of death on or after January 1, 2002 are allowed a credit equal to the lesser of $13,900 or the amount of the tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$27.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $63.4 million. In fiscal year 2009, the value is estimated at $69.2 million.

128. Marital deduction

Ohio Revised Code 5731.161, originally enacted 1983

The portion of the estate passed on to the surviving spouse may be deducted from the gross estate value.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$9.4 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $27.6 million. In fiscal year 2009, the value is estimated at $27.6 million.

129. Bequests to charitable, religious, etc. organizations

Ohio Revised Code 5731.17, originally enacted 1968

Qualified charitable contributions may be deducted from the gross estate value.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$2.2 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $9.3 million. In fiscal year 2009, the value is estimated at $9.3 million.

130. Funeral and administration expenses and debts claimed against the estate

Ohio Revised Code 5731.16, originally enacted 1968

Funeral and administration expenses and debts claimed against the estate may be deducted from the gross estate value.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$2.9 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $8.5 million. In fiscal year 2009, the value is estimated at $8.5 million.

Minimal is defined as below $1,000,000 per year revenue impact.

Commercial Activity Tax

Established by Am. Sub. House Bill 66 (126th General Assembly) and made effective on July 1, 2005, the commercial activity tax (CAT) is a broad-based, low rate business privilege tax measured by gross receipts on business activities in this state. The tax was a crucial element in the tax reform package enacted by HB 66. By the time the CAT is fully phased-in over a five-year period, it will serve as Ohio's primary business tax, replacing both the tangible personal property tax and the corporate franchise tax.

Taxpayers

The CAT applies to business entities with taxable gross receipts of more than $150,000 per calendar year. The tax applies to most businesses above the $150,000 threshold, regardless of organizational form: sole proprietorships, partnerships, LLCs, and for-profit corporations are subject to the tax. Although the tax applies to most kinds of business entities, there are some notable exemptions. Non-profit entities are exempt from the tax, as are a fairly limited number of other businesses, such as companies subject to the public utility excise tax, insurance companies, financial institutions, and the affiliates of insurance companies and financial institutions. The CAT applies whether the business is based in this state or is located outside of this state as long as that business has "substantial nexus" with this state.

The tax is paid on an annual or quarterly basis. Each May, taxpayers with annual taxable gross receipts of $1 million or below must file an annual return and pay a $150 annual tax. All other taxpayers report and pay the tax on a quarterly basis, with the return and payment due by the 10th day of the second month following the end of the calendar quarter (for example, taxes for the third quarter of 2007 are required to be paid by November 10, 2007).

Tax Base

The CAT is measured by taxable gross receipts on business activities within the state, defined as the total amount realized, without deduction for the cost of goods sold or other expenses incurred, from activities that contribute to the production of gross income. Certain types of receipts are excluded from the definition of taxable gross receipts, including (but not limited to) cash discounts, certain types of interest, dividend, and capital gains income, income in the form of repayment principal of a loan, and gifts or charitable contributions.

Tax Rate

The CAT is levied at a rate of 0.26% on annual taxable gross receipts in excess of $1 million. (Each taxpayer pays $150 on its first $1 million in annual taxable gross receipts.) The CAT is being phased-in over five years. The tax rate in fiscal year 2006 equals 23% of the 0.26% rate (resulting in a 0.06% tax rate), the tax rate in fiscal year 2007 is 40% of the 0.26% rate (resulting in a 0.104% tax rate), and the increases continue at 20 percentage point increments thereafter until the 0.26% rate is implemented in fiscal year 2010.[1]

[1] In reality, the fiscal year 2007-2010 tax rates take effect on taxable gross receipts realized during the quarter immediately preceding the beginning of the fiscal year. For example, the 0.10% rate took effect in April 2006 (the second quarter of calendar year 2006) and the associated tax was not paid until August 2006 (fiscal year 2007). Under this arrangement, tax payments made during a specific fiscal year will all be at the same tax rate (with the exception of payments from prior periods due to audits, etc.).

Definition of Commercial Activity Tax Expenditures

Because the CAT is a new tax, it was necessary to develop and use specific criteria to determine which of its features constitute tax expenditures. In some ways, though, it was easier to define what a tax expenditure is *not* than what it is. Distilled to its essence, we consider any feature that is integral to the CAT tax base to not be eligible as a tax expenditure. Ohio Revised Code (ORC) sections 5751.01 and 5751.011 define the CAT tax base. Hence, the exemptions in ORC 5751.01 for various types of business entities, and the gross receipts exclusions/deductions in ORC 5751.01 and 5751.011, are not considered tax expenditures - with the important exception of those exclusions deemed to benefit a fairly narrow band or class of taxpayers.

Now that we have discussed what a tax expenditure is not, how do we describe what *is* a tax expenditure for purposes of the CAT? We define a CAT tax expenditure as being: (1) any exclusion, deduction or credit *not* contained in ORC sections 5751.01 and 5751.011; and (2) any gross receipts exclusion or deduction contained in ORC sections 5751.01 or 5751.011 that benefits a specific class of taxpayers. In all cases, the exclusion, deduction, or credit must produce tax savings and an associated loss in state tax revenue in order to be considered a tax expenditure.

Several items deserve specific mention. Four tax credits originally available against the corporate franchise tax become credits against the CAT beginning in fiscal year 2009. Those credits are included in this section of the report showing only their estimated fiscal year 2009 impact (the fiscal year 2008 impact is provided in the corporate franchise tax section of this report). Furthermore, the CAT exclusion for gross receipts realized from the sale of motor fuel expires on July 1, 2007 and therefore is not shown as a tax expenditure in this report. Finally, the credit for unused corporate franchise tax net operating losses is not included in this report because it may not be claimed until fiscal year 2010.

Commercial Activity Tax Expenditure Estimates

The estimates shown below reflect the estimated revenue gain in state revenues if the tax expenditures were to be repealed as of July 1, 2007.[2] **(Note: Repealing any of these tax expenditures will have no impact on school districts and local governments since they are guaranteed to receive a designated amount of tangible personal property tax reimbursements, irrespective of the amount of CAT revenue generated.)** It is assumed that the repeal of a tax expenditure would first affect taxable gross receipts realized during the third quarter of calendar year 2007, and thus first affect tax revenues when the third quarter's taxes are paid in November 2007. Therefore, in most cases the state would receive 75 percent (three quarters) worth of a full year's amount of tax revenue in fiscal

[2] The General Revenue Fund (GRF) is not expected to receive any CAT revenues during the years covered by this report (fiscal years 2008 and 2009). All CAT revenues are scheduled to go the Local Government Tangible Property Tax Replacement Fund and the School District Tangible Property Tax Replacement Fund during those years. These two funds are for the exclusive purpose of reimbursing local governments and school districts, respectively, for the revenue foregone from the four-year phase-out of the general tangible personal property tax (and slightly longer phase-out of telephone property). In fact, transfers from the GRF are expected to be needed during fiscal year 2008 and 2009 to make the required reimbursement payments to local governments and school districts. To the extent any of the CAT tax expenditures are repealed, the concomitant revenue gain is expected to benefit the GRF (i.e., decrease or perhaps eliminate the GRF subsidy to the two local reimbursement funds) and have *no effect* on the two local funds and reimbursements from those funds.

year 2008 if the tax expenditure were repealed on July 1, 2007. This assumed one-time cash flow lag is reflected in the "Revenue Gain" estimates for fiscal year 2008 but not in the "Value of Tax Expenditure" estimates.

Because of the five-year CAT phase-in, the tax expenditure estimates for fiscal year 2008 reflect 60% of a "full-force" (0.26% tax rate) estimate and the estimates for fiscal year 2009 reflect 80% of a "full-force" estimate.[3] Therefore, the tax rates reflected in this report's CAT expenditure estimates are 0.156% for fiscal year 2008 and 0.208% for fiscal year 2009.

The estimates of these tax expenditures are based on various data sources. Some of the estimates use data reported to the Department of Taxation while other estimates were generated using secondary data sources, such as Economic Census data. We should note that most of the CAT expenditure estimates in this report are based on earlier estimates that were produced during the HB 66 legislative process.

NOTE: See page 4 for description of data source codes.

[3] Under ORC section 5751.032, if in September 2007 the Tax Commissioner determines that actual CAT collections for combined fiscal years 2006 and 2007 exceeded 110% or fell below 90% of prescribed tax collections for that period ($815 million), a commensurate CAT tax rate reduction or increase is to occur on January 1, 2008. This report assumes no such rate reduction or increase will occur, and that fiscal year 2008 tax collections will reflect that year's otherwise scheduled 0.156% tax rate.

131. Exemption for pre-1972 trusts

Ohio Revised Code 5751.01(E)(11), originally enacted 2006

The "pre-1972 trust", and any pass-through entity that the trust owns or controls, is exempt from the commercial activity tax if the trust did not make an election by April 15, 2006 to be exempt from Ohio individual income tax.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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132 Exclusion of first $1 million in taxable gross receipts

Ohio Revised Code 5751.03, originally enacted 2005

The first $1 million of each taxpayer's annual taxable gross receipts are not subject to the commercial activity tax rate. Instead, each taxpayer pays $150 on its first $1 million in annual taxable gross receipts.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$80.0 million
FY 2009	$149.9 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is estimated at $106.7 million. In fiscal year 2009, the value is estimated at $149.9 million.

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133. Professional employer organization exclusion

Ohio Revised Code 5751.01(F)(2)(x), originally enacted 2005

Property, money, and other amounts received by a professional employer organization from a client employer, in excess of the administrative fee charged by the professional employer organization to the client employer, is excluded from the taxable gross receipts of the professional employer organization.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.0 million
FY 2009	$1.9 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.3 million. In fiscal year 2009, the value is estimated at $1.9 million.

Minimal is defined as below $1,000,000 per year revenue impact.

134. Receipts from motor vehicles transferred between dealers to meet a customer preference

Ohio Revised Code 5751.01(F)(2)(t), originally enacted 2005

Receipts realized by a new or used motor vehicle dealer from the sale or transfer of a motor vehicle to another dealer when the sole purpose of the sale or transfer is to meet a specific customer's preference for a motor vehicle are excluded from taxable gross receipts of motor vehicle dealers.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	$1.3 million

Data Source Code: (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.0 million. In fiscal year 2009, the value is estimated at $1.3 million.

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135. Receipts from certain services provided to financial institutions

Ohio Revised Code 5751.01(F)(2)(u), originally enacted 2005

Receipts from a financial institution for certain services provided to the financial institution, as long as the financial institution and the entity providing those services share common ownership, are excluded from taxable gross receipts.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (C)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

136. Exclusion of real estate brokerage gross receipts which are not retained

Ohio Revised Code 5751.01(F)(3), originally enacted 2005

In the case of a taxpayer when acting as a real estate broker any fees not retained by the broker are not included in the broker's taxable gross receipts.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.0 million
FY 2009	$2.0 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.4 million. In fiscal year 2009, the value is estimated at $2.0 million.

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137. Anti-neoplastic drug exclusion

Ohio Revised Code 5751.01(F)(2)(v), originally enacted 2005

An amount equal to receipts realized from administering anti-neoplastic drug and other cancer chemotherapy, biologicals, therapeutic agents, and supportive drugs in a physician's office, to patients with cancer, is excluded from taxable gross receipts.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

Minimal is defined as below $1,000,000 per year revenue impact.

138. Qualifying distribution center receipts exclusion

Ohio Revised Code 5751.01(F)(2)(z), originally enacted 2006

Purchases made by a qualifying Ohio distribution center, and destined for a location outside of Ohio, are excluded from the supplier's taxable gross receipts. A qualifying Ohio distribution center is a facility in which the center's total sales exceed $500 million and more than 50% of the center's total sales are shipped to a location outside of Ohio.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$3.4 million
FY 2009	$6.0 million

Data Source Code: (B), (C)

The value of this tax expenditure in fiscal year 2008 is estimated at $36.9 million. In fiscal year 2009, the value is estimated at $49.2 million.

139. State and federal fuel excise tax exclusion

Ohio Revised Code 5751.01(F)(2)(r), originally enacted 2005

An amount equal to federal and state motor fuel excise taxes paid is excluded from the taxable gross receipts from the sale of motor fuel by a licensed motor fuel dealer, licensed retail dealer, or licensed permissive motor fuel dealer.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$15.4 million
FY 2009	$27.4 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $20.5 million. In fiscal year 2009, the value is estimated at $27.4 million.

140. State and federal cigarette excise tax exclusion

Ohio Revised Code 5751.01(F)(2)(q), originally enacted 2005

An amount equal to federal and state excise taxes paid for cigarette or tobacco products is excluded from the taxable gross receipts from the sale of such cigarette or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer or seller.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$2.6 million
FY 2009	$4.5 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $3.5 million. In fiscal year 2009, the value is estimated at $4.5 million.

141. State and federal alcoholic beverage excise tax exclusion

Ohio Revised Code 5751.01(F)(2)(s), originally enacted 2005

An amount equal to federal and state excise taxes paid for beer or intoxicating liquor is excluded from the taxable gross receipts from the sale of such beer or intoxicating liquor.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$1.0 million
FY 2009	$1.8 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is estimated at $1.3 million. In fiscal year 2009, the value is estimated at $1.8 million.

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142. Horse racing taxes paid and purse money exclusion

Ohio Revised Code 5751.01(F)(2)(y), originally enacted 2005

An amount equal to taxes paid on commissions according to the horse racing tax and an amount equal to purse money is excluded from the taxable gross receipts of horse racing permit holders.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	minimal
FY 2009	minimal

Data Source Code: (A), (B)

The value of this tax expenditure for fiscal year 2008 and 2009 is minimal.

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143. Job creation credit*

Ohio Revised Code 122.17 and 5751.50(A), originally enacted 1993

Business that creates jobs within Ohio may be eligible for a refundable credit. The credit is a designated percentage of the amount of new income tax revenue (i.e., Ohio income tax withheld from "new employees", as defined in ORC 122.17) that is generated pursuant to an agreement between the business and the Ohio Tax Credit Authority.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$4.9 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is $0.0. In fiscal year 2009, the value is estimated at $49.2 million.

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* For fiscal year 2008, this credit is available to corporate franchise taxpayers and individual income taxpayers. Beginning in fiscal year 2009, the credit is available only against the commercial activity tax.

Minimal is defined as below $1,000,000 per year revenue impact.

144. Credit for increased qualified research and development*

Ohio Revised Code 5751.51, originally enacted 2002

Corporations may take a nonrefundable credit equal to seven percent of the increased qualified research expenses incurred in Ohio.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$10.0 million

Data Source Code: (A)

The value of this tax expenditure in fiscal year 2008 is $0.0. In fiscal year 2009, the value is estimated at $10.5 million.

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145. Research and development loan program credit*

Ohio Revised Code 5751.52, originally enacted 2003

Borrowers in the Research and Development Loan Fund Program are eligible for nonrefundable and limited transferable tax credits for qualified payments made on loans issued from the fund by the Director of Development.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$3.6 million

Data Source Code: (A), (B)

The value of this tax expenditure in fiscal year 2008 is $0.0. In fiscal year 2009, the value is estimated at $3.6 million.

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* For fiscal year 2008, this credit is available to corporate franchise taxpayers. Beginning in fiscal year 2009, the credit is available only against the commercial activity tax.

146. Job retention tax credit*

Ohio Revised Code 122.171, originally enacted 2001

A qualifying business that, over a three-year period, makes at least $200 million in capital investments at a manufacturing project site and has an average of at least 1,000 full-time employees at the site, may be granted a nonrefundable credit equal to a designated percentage of the employees' state personal income withholding tax (not to exceed 75 percent) over a period of 15 years. A credit may also be granted to a qualifying business meeting the following requirements: at least $100 million in capital investments at the project site over a three-year period; engaged primarily as a manufacturer or in providing significant corporate administrative functions at the site; employs at least 1,000 full-time employees at the site; and provides an average wage of all employees at the site in excess of 400 percent of the federal minimum wage.

	Projected Revenue Gain from Repeal of Tax Expenditure
FY 2008	$0.0
FY 2009	$1.5 million

Data Source Code: (A),(B)

The value of this tax expenditure in fiscal year 2008 is estimated at $0.0. In fiscal year 2009, the value is estimated at $2.4 million.

* For fiscal year 2008, this credit is available to corporate franchise taxpayers. Beginning in fiscal year 2009, the credit is available only against the commercial activity tax.