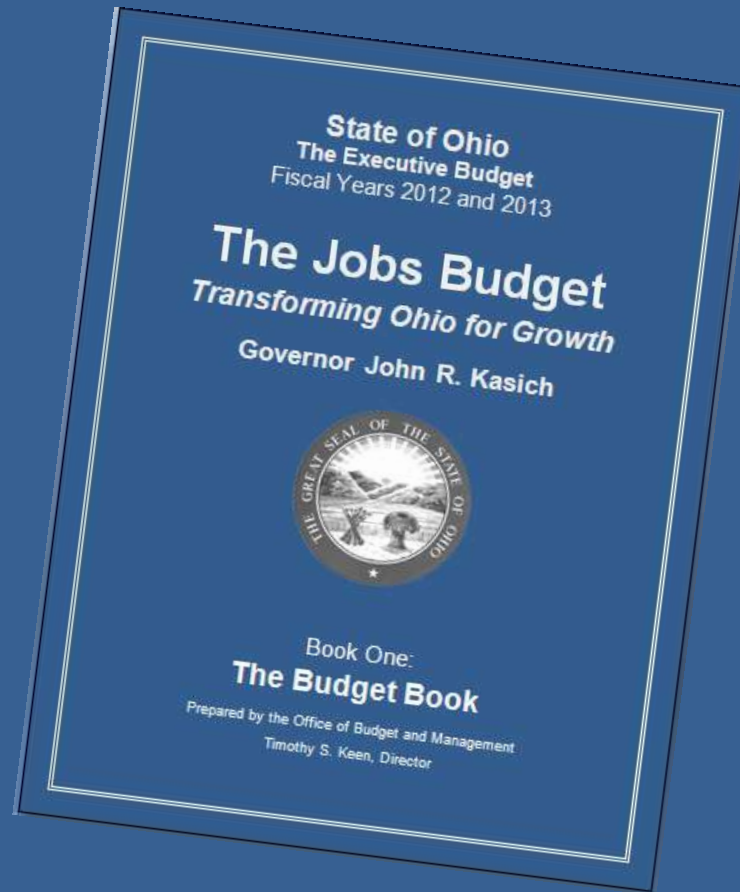


County Commissioners Association of Ohio



Timothy S. Keen
Office of Budget and Management
Director



O B M

O B M provides financial management and policy analysis to help ensure the responsible use of state resources



Budget Principles

- The budget is a means to an end—economic competitiveness and job growth
- Eliminate the structural imbalance and return Ohio to firm financial footing
- Review all spending
- Reform and restructure state government
- Preserve the social safety net for Ohio's most vulnerable citizens





Budget Highlights

- Closes structural imbalance without raising taxes
- Preserves the \$800 million income tax cut
- Increases basic state support for K-12 & higher education
- Reforms Medicaid and contains costs
- Thoughtfully allocates limited resources
- Provides significant reforms & cost relief for state and local government



One-Time Resources in FY10-11 Budget



Ohio School Facilities Commission Loan	\$ 250,000,000
Rotary Fund Transfers	\$ 45,000,000
Fund 4K90 Transfer	\$ 30,000,000
Human Resource Rotary Transfer	\$ 142,000,000
Human Resource Lapse in GRF	\$ 130,000,000
Tobacco Interest from Bond Fund	\$ 65,000,000
Public Library Fund Temporary Reduction	\$ 84,317,620
Delayed Portion of Income Tax Reduction (HB318)	\$ 844,000,000
Unclaimed Funds Transfer	\$ 335,000,000
ARRA State Fiscal Stabilization for Education	\$1,463,709,963
ARRA State Fiscal Stabilization for Govt. Services	\$ 325,666,520
eFMAP in GRF	\$ 488,764,741
eFMAP in non-GRF	\$1,890,000,000
Prior Fiscal Year Roll-Forward Balances	\$ 364,300,000
Assumed Spending Lapses	\$ 428,185,965
Medicare Part D Payment Reduction	\$ 151,000,000
Tobacco Funding Redirected for Human Services	\$ 257,600,000
Federal Match from Tobacco Funding for Human Services	\$ 369,000,000
eFMAP – August Extension	\$ 293,400,000
<u>Debt Restructuring</u>	<u>\$ 735,900,000</u>
TOTAL	\$8,692,444,809

Source: Budget Planning and Management Commission Report 11/30/10





Structural Imbalance and Closing the Gap

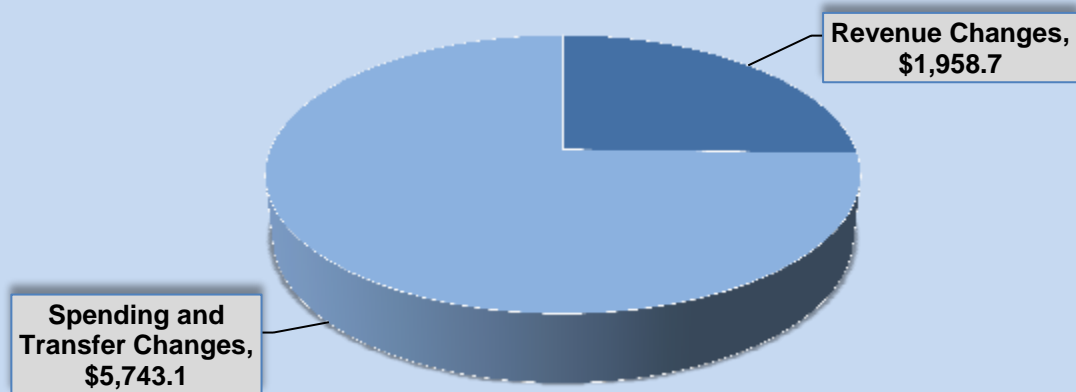


Note: Amounts in billions; Y-axis scaled to focus on variances rather than starting at \$0.





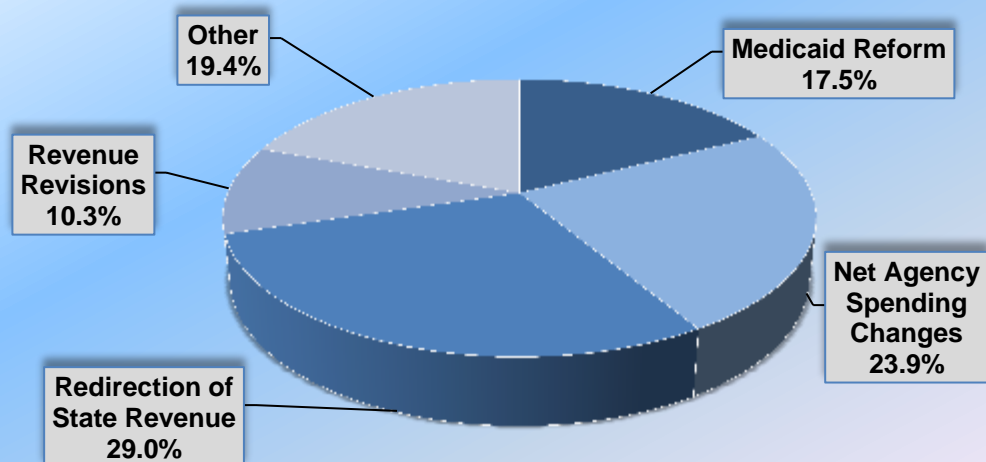
FY2012 and FY2013 Changes from Initial GRF Baseline to Executive Budget Proposal





FY2012 and FY2013

Changes from Initial GRF Baseline to Executive Budget Proposal



Changes to Initial Baseline (dollars in millions)

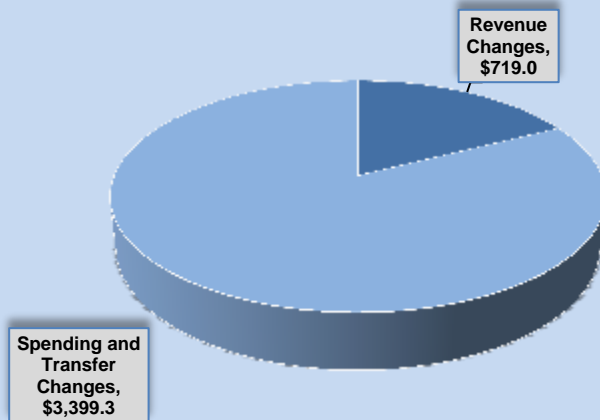
	FY2012	FY2013	Total
Medicaid Reform	(575.8)	(768.4)	(1,344.2)
Net Agency Spending Changes	(916.8)	(921.6)	(1,838.4)
Redirection of State Revenue	(873.0)	(1,361.0)	(2,234.0)
Revenue Revisions	(360.7)	(433.1)	(793.8)
Other	(1,391.9)	(99.5)	(1,491.4)
Total	(4,118.3)	(3,583.5)	(7,701.8)





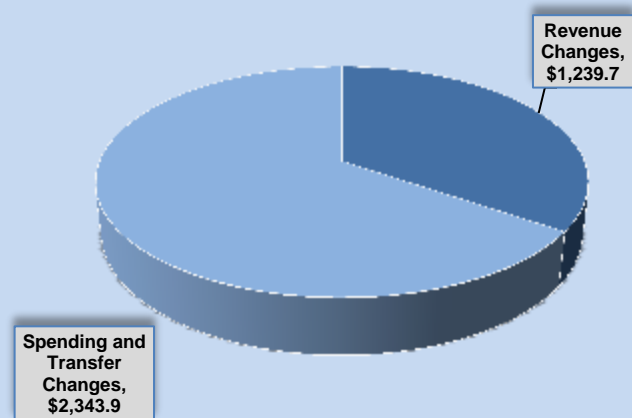
Fiscal Year 2012

Changes from Initial GRF Baseline to Executive Budget Proposal



Fiscal Year 2013

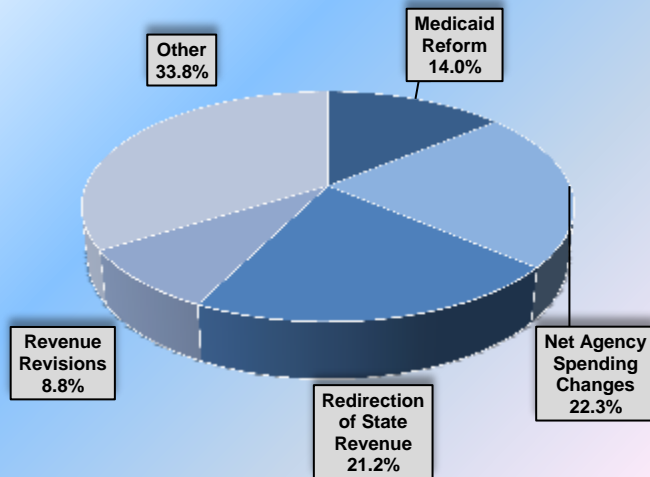
Changes from Initial GRF Baseline to Executive Budget Proposal





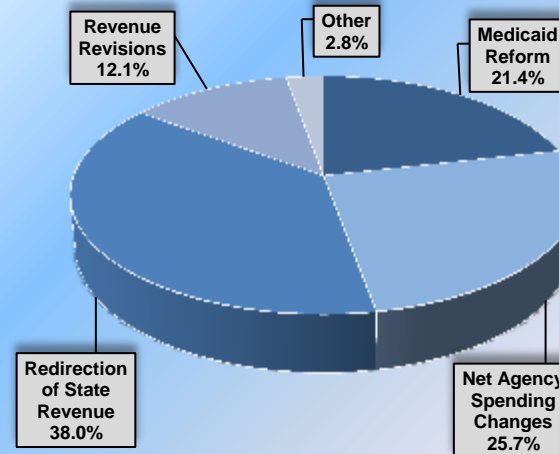
Fiscal Year 2012

Changes from Initial GRF Baseline to Executive Budget Proposal



Fiscal Year 2013

Changes from Initial GRF Baseline to Executive Budget Proposal



Changes to Initial Baseline (dollars in millions)

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	(4,118.3)	(3,583.5)	(7,701.8)





	FY2012	FY2013
Medicaid Related Change from Initial Baseline (State and Federal)	(1,133.89)	(1,090.36)
Change in Federal Medicaid Reimbursement	611.02	416.82
Tax Receipts-Expansion of Medicaid Managed Care Program	(52.93)	(94.82)
Medicaid Reform Total	(575.79)	(768.36)
Net Spending Changes from Initial Baseline	(916.84)	(921.61)
Net Spending Change Total	(916.84)	(921.61)
Medicaid Reform and Spending Change Total	(1,492.63)	(1,689.97)
Local Government Fund Change	(180.00)	(399.00)
Public Library Fund Change	(62.00)	(65.00)
CAT-Phase Out Hold Harmless	(289.70)	(589.20)
CAT Hold Harmless GRF Subsidy Reduction	(235.90)	(187.60)
Kilowatt Hour Tax Phase Out Hold Harmless	(105.40)	(120.20)
Redirection of State Revenue Total	(873.00)	(1,361.00)
Revenue Revision Tax Sources (change in base)	(381.80)	(440.20)
Revenue Revision Policy Changes	12.20	13.50
Non-Tax Revenue Revisions	8.90	(6.35)
In-Process Revenue Revisions Total	(360.70)	(433.05)
Debt Restructuring	(440.00)	-
Debt Baseline Change	(33.37)	(6.41)
FY11 Payment of Assumed Lapses	(567.08)	-
Loss of Federal Revenue on Assumed Lapses	280.28	-
Non-GRF Payment of Unemployment Compensation Interest	(110.00)	(193.00)
Net Changes in Transfers	(41.28)	(39.08)
Liquor Enterprise Income	(500.00)	-
Prison Sale Income (GRF only)	(50.00)	-
Liquor Profit Phase Out	69.50	139.00
Other Total	(1,391.95)	(99.48)
Grand Total	(4,118.28)	(3,583.50)
Total Biennium Change	(7,701.78)	





Significant Reforms

- **Medicaid**
- **Local government relief**
- **K-12 and higher education**
- **Prison and sentencing reform**
- **JobsOhio**



Transforming for Job Growth



- **Balancing the budget without raising taxes**
- **Creating a jobs-friendly climate: preserving the income tax cut**
- **Dedicating resources for job creation**
- **Helping local governments reduce costs**



The Bottom Line



Governor Kasich has delivered a balanced budget that returns the state to fiscal stability and preserves the income tax cut. He transforms state and local government to allow Ohio to regain its economic competitiveness and become a place where businesses can thrive and jobs can grow.

