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## Summaries of Budget Information

# Revenue Summaries

This section summarizes the revenue that is estimated to be received by the state in fiscal years 2004 and 2005. It is important to note that because all revenue that the state anticipates receiving in fiscal years 2004 and 2005 is summarized in this section, the revenue summaries include anticipated revenue that is not proposed for spending in this Executive Budget. Some of the revenue included in this section will be proposed for spending in the state's capital improvements budget for fiscal years 2005 and 2006 and the state's tobacco revenue budget for fiscal years 2005 and 2006.

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

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

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

Figure B-2, State-Only GRF Revenue Pie Chart: The federal revenue deposited in the GRF is substantial. It's estimated to be \$10.8 billion during the fiscal year 2004-2005 biennium. But the inclusion of this federal revenue in the GRF 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 GRF revenues. To make this clear, this pie chart (the one labeled "State-Only GRF") shows GRF revenue by major revenue source excluding the federal reimbursements for GRF spending that the state deposits into the GRF. Ninety-seven percent of the state's non-federal GRF revenue is from tax receipts.

Figure B-3, All Funds Revenue: The "all funds" pie chart illustrates how all operating budget, capital budget, and tobacco budget revenue is split among the different types of state funds. The GRF provides about 48.4% of revenue used for all purposes. In order to create this pie chart the state's 43 budget fund groups have been grouped into the following fund types:

### General Funds

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

### Special Revenue Funds

Federal Special Revenue Fund Group  
Highway Operating Fund Group  
State Highway Safety Fund Group  
Revenue Distribution Fund Group  
Tobacco Settlement Fund Group  
State Special Revenue Fund Group  
Waterways Safety Fund Group  
Wildlife Fund Group

Coal Research & Development Fund  
Facilities Establishment Fund Group  
School Building Assistance Fund Group  
Lottery Profits Education Fund Group  
Local Transportation Improvement Program Fund

### Internal Service Funds

Intragovernmental Service Fund Group

### Debt Service Funds

Debt Service Fund Group

### Enterprise Funds

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

### Agency Funds

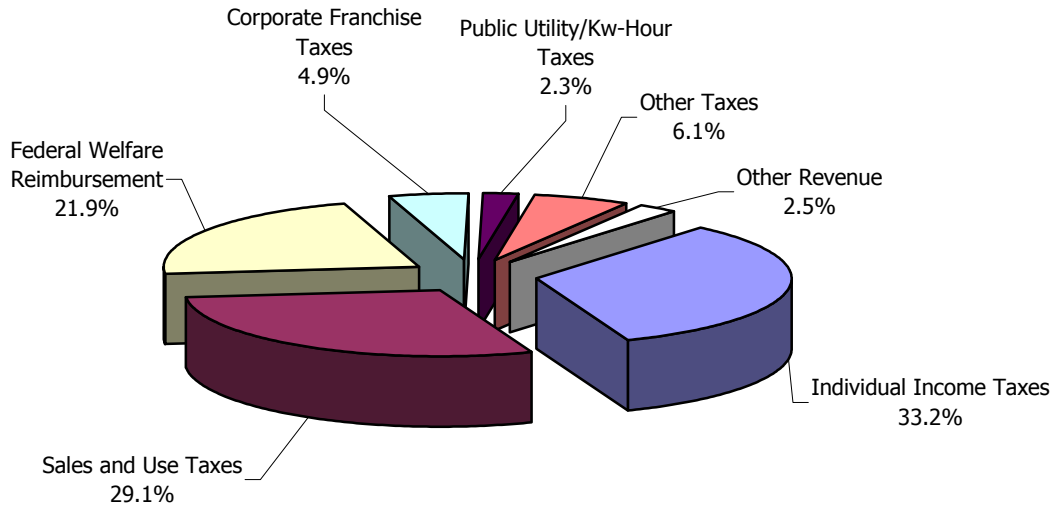
Accrued Leave Liability Fund Group  
Agency Fund Group  
Holding Account Redistribution Fund Group  
Volunteer Fire Fighters' Dependents Fund

**Capital Project Funds**

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

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

**Figure B-1  
Total GRF – Estimated Revenues for FYs 2004 and 2005**



**Estimated GRF Revenues (dollars in millions)**

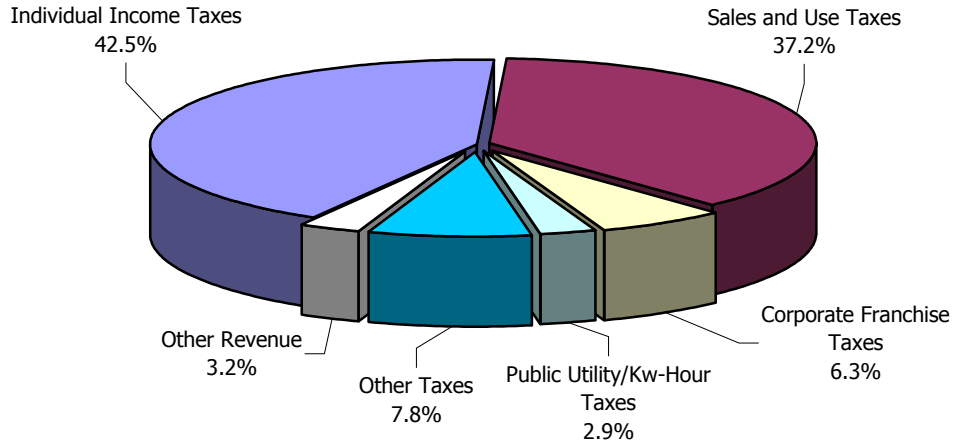
Revenue Source	FY 2004	FY 2005	Total
Individual Income Taxes	\$ 7,937.3	\$ 8,417.0	\$ 16,354.3
Sales and Use Taxes	\$ 6,936.6	\$ 7,382.9	\$ 14,319.5
Federal Welfare Reimbursement	\$ 5,261.9	\$ 5,540.5	\$ 10,802.4
Corporate Franchise Taxes	\$ 1,105.8	\$ 1,319.2	\$ 2,425.0
Public Utility/Kw-Hour Taxes	\$ 610.6	\$ 512.9	\$ 1,123.5
Other Taxes	\$ 1,506.8	\$ 1,512.6	\$ 3,019.4
Other Revenue	\$ 739.4	\$ 486.7	\$ 1,226.1
<b>Total</b>	<b>\$ 24,098.4</b>	<b>\$ 25,171.8</b>	<b>\$ 49,270.2</b>

Source: Ohio Office of Budget and Management, January 2003

**What This Chart Shows**

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

**Figure B-2**  
**State-Only GRF – Estimated Revenues for FYs 2004 and 2005**



**Estimated State-Only GRF Revenues (dollars in millions)**

Revenue Source	FY 2004	FY 2005	Total
Individual Income Taxes	\$ 7,937.3	\$ 8,417.0	\$ 16,354.3
Sales and Use Taxes	\$ 6,936.6	\$ 7,382.9	\$ 14,319.5
Corporate Franchise Taxes	\$ 1,105.8	\$ 1,319.2	\$ 2,425.0
Public Utility/Kw-Hour Taxes	\$ 610.6	\$ 512.9	\$ 1,123.5
Other Taxes	\$ 1,506.8	\$ 1,512.6	\$ 3,019.4
Other Revenue	\$ 739.4	\$ 486.7	\$ 1,226.1
<b>Total</b>	<b>\$ 18,836.5</b>	<b>\$ 19,631.3</b>	<b>\$ 38,467.8</b>

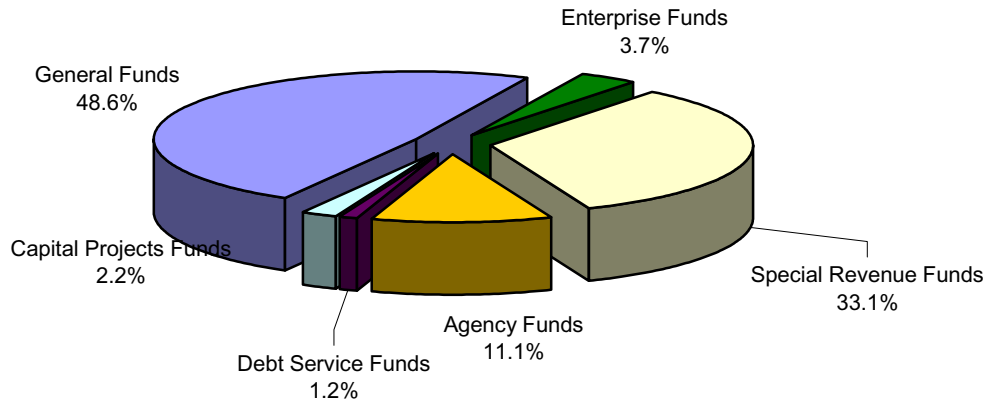
Source: Ohio Office of Budget and Management, January 2003

Please Note: These figures do not include \$10,802.2 million of estimated federal revenue (\$5,261.9 million in FY 2004 and \$5,540.5 million in FY 2005) 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 (GRF). Ninety-seven percent of the revenue represented in this chart comes from state tax receipts, which are paid by individuals and companies living, working, and doing business in Ohio.

**Figure B-3**  
**All Funds – Estimated Revenues for FYs 2004 and 2005**



**All Funds - Estimated Revenues (dollars in millions)**

Revenue Source	FY 2004	FY 2005	Total
General Funds	\$ 25,023.5	\$ 26,115.4	\$ 51,138.9
Enterprise Funds	\$ 1,928.1	\$ 1,942.1	\$ 3,870.2
Special Revenue Funds	\$ 17,194.2	\$ 17,653.4	\$ 34,847.6
Agency Funds	\$ 5,733.6	\$ 5,932.5	\$ 11,666.1
Debt Service Funds	\$ 604.7	\$ 660.9	\$ 1,265.6
Capital Projects Funds	\$ 1,189.5	\$ 1,139.7	\$ 2,329.2
<b>Total</b>	<b>\$ 51,673.6</b>	<b>\$ 53,444.0</b>	<b>\$ 105,117.6</b>

Source: Ohio Office of Budget and Management, January 2003

Please Note: These numbers include estimated revenue that is appropriated in the state’s operating budgets, capital budget and tobacco revenue budget.

**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.

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## Summaries of Budget Information

# Spending Summaries

The charts and tables in this section summarize the spending recommended by Governor Taft for the fiscal year 2004 and 2005 biennium. Three pie charts appear first, followed by two tables. The pie charts and tables are listed below with a brief description of what each one shows.

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

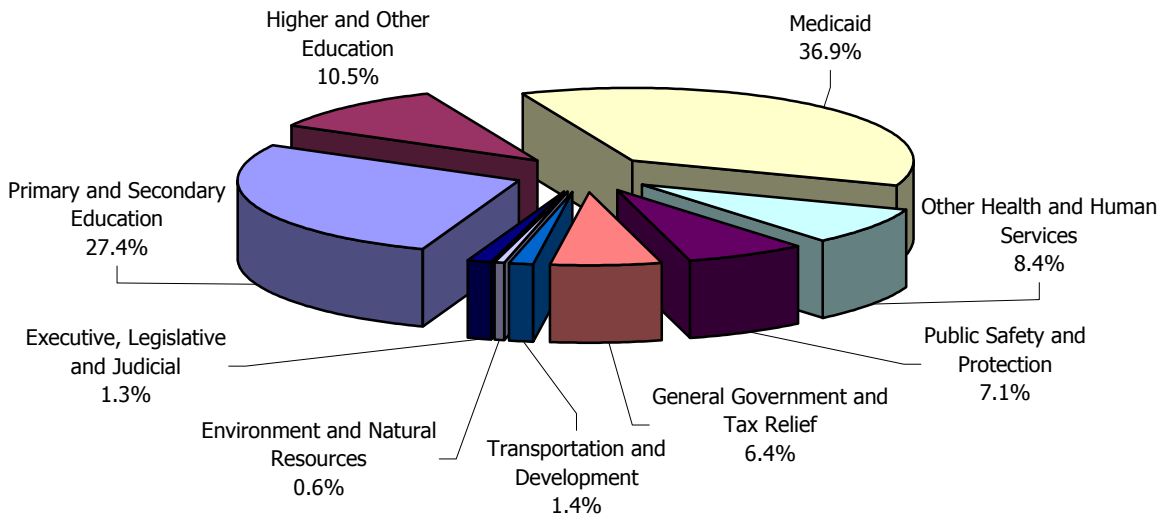
Figure B-5, State-Only GRF Appropriations Pie Chart: While tax revenue makes up the great majority of the GRF, the GRF also includes revenue that the state receives from the federal government as reimbursement for certain GRF expenditures. This "federal share" of GRF spending for these programs is substantial. It's estimated to be \$10.8 billion during the fiscal year 2004-2005 biennium. The federal share of GRF spending somewhat distorts the role that state tax revenue plays in financing state programs because state taxes, not federal reimbursements for human services programs, finance the majority of GRF spending. To make this clear, Figure B-5 shows recommended GRF appropriations by major spending category without the federal share of the GRF.

Figure B-6, All Funds Appropriations Pie Chart: The third pie chart that summarizes recommended appropriations is Figure B-6. The "all funds" chart shows how all recommended operating budget appropriations for the FY 2004-05 biennium are split among the major spending categories.

Table B-1, Expense by Object Summary: This table shows actual (FYs 2000 to 2002) and estimated (FY 2003) spending and recommended appropriations (FYs 2004 and 2005) by major object of expense. This information is shown for the GRF and for all funds.

Table B-2, GRF Expense by Category: This table shows actual (FY 2002) and estimated (FY 2003) spending and recommended appropriations (FYs 2004 and 2005) by major spending category.

**Figure B-4**  
**Total GRF – Recommended Appropriations for FYs 2004 and 2005**



**Recommended GRF Appropriations (dollars in millions)**

Function	FY 2004	FY 2005	Total
Primary and Secondary Education	\$ 6,561.0	\$ 6,904.6	\$ 13,465.6
Higher and Other Education	\$ 2,555.1	\$ 2,630.0	\$ 5,185.1
Medicaid	\$ 8,840.0	\$ 9,305.6	\$ 18,145.6
Other Health and Human Services	\$ 2,042.9	\$ 2,073.2	\$ 4,116.1
Public Safety and Protection	\$ 1,739.5	\$ 1,765.4	\$ 3,504.9
General Government and Tax Relief	\$ 1,555.5	\$ 1,576.7	\$ 3,132.1
Transportation and Development	\$ 327.6	\$ 338.8	\$ 666.4
Environment and Natural Resources	\$ 140.1	\$ 148.7	\$ 288.8
Executive, Legislative and Judicial	\$ 315.5	\$ 329.7	\$ 645.2
<b>Total</b>	<b>\$ 24,077.1</b>	<b>\$ 25,072.6</b>	<b>\$ 49,149.7</b>

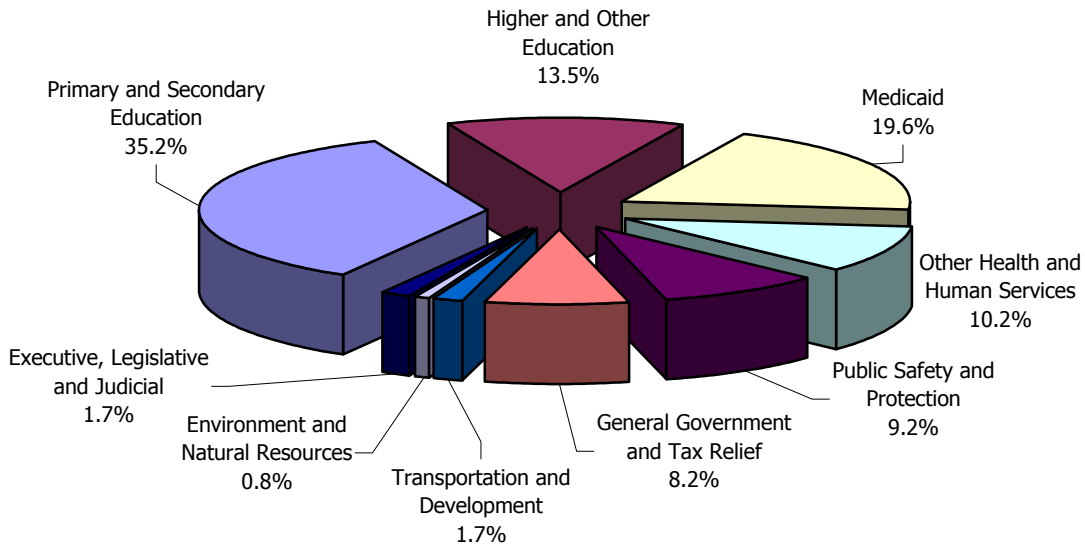
Note: Numbers may not add to total due to rounding

Source: Ohio Office of Budget and Management, January 2003

**What This Chart Shows**

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

**Figure B-5**  
**State-Only GRF – Recommended Appropriations for FYs 2004 and 2005**



**Recommended State-Only GRF Appropriations (dollars in millions)**

Function	FY 2004	FY 2005	Total
Primary and Secondary Education	\$ 6,561.0	\$ 6,904.6	\$ 13,465.6
Higher and Other Education	\$ 2,555.1	\$ 2,630.0	\$ 5,185.1
Medicaid	\$ 3,651.3	\$ 3,842.5	\$ 7,493.8
Other Health and Human Services	\$ 1,943.3	\$ 1,968.1	\$ 3,911.3
Public Safety and Protection	\$ 1,739.5	\$ 1,765.4	\$ 3,504.9
General Government and Tax Relief	\$ 1,555.5	\$ 1,576.7	\$ 3,132.1
Transportation and Development	\$ 327.6	\$ 338.8	\$ 666.4
Environment and Natural Resources	\$ 140.1	\$ 148.7	\$ 288.8
Executive, Legislative and Judicial	\$ 315.5	\$ 329.7	\$ 645.2
<b>Total</b>	<b>\$ 18,788.8</b>	<b>\$ 19,504.3</b>	<b>\$ 38,293.1</b>

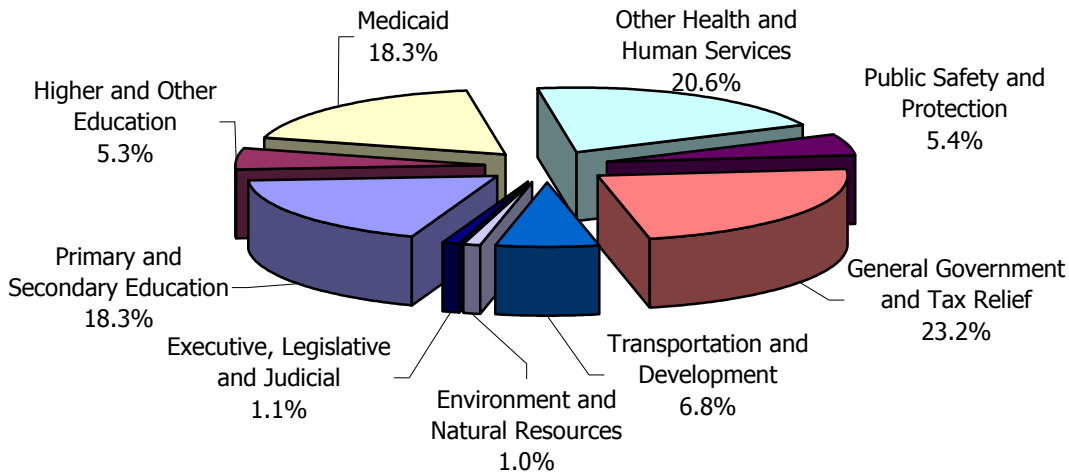
Note: Numbers may not add to total due to rounding

Source: Ohio Office of Budget and Management, January 2003

**What This Chart Shows**

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

**Figure B-6**  
**All Funds – Recommended Appropriations for FYs 2004 and 2005**



**All Funds Recommended Appropriations (dollars in millions)**

Function	FY 2004	FY 2005	Total
Primary and Secondary Education	\$ 8,834.5	\$ 9,268.6	\$ 18,103.1
Higher and Other Education	\$ 2,594.2	\$ 2,663.4	\$ 5,257.6
Medicaid	\$ 8,839.9	\$ 9,305.6	\$ 18,145.5
Other Health and Human Services	\$ 10,062.1	\$ 10,332.1	\$ 20,394.2
Public Safety and Protection	\$ 2,643.3	\$ 2,687.9	\$ 5,331.2
General Government and Tax Relief	\$ 11,298.3	\$ 11,678.0	\$ 22,976.3
Transportation and Development	\$ 3,371.0	\$ 3,360.2	\$ 6,731.2
Environment and Natural Resources	\$ 490.8	\$ 502.1	\$ 992.9
Executive, Legislative and Judicial	\$ 533.2	\$ 552.1	\$ 1,085.4
<b>Total</b>	<b>\$ 48,667.2</b>	<b>\$ 50,350.2</b>	<b>\$ 99,017.4</b>

Notes: Numbers may not add to total due to rounding

Source: Ohio Office of Budget and Management, January 2003

**What This Chart Shows**

This pie chart shows how the total state operating budget is split among the major functions of state government. The General Government function is a much larger share of the all funds pie chart than it is of the GRF pie chart because about \$4.5 billion in each year (\$9.0 billion in the biennium) that is appropriated from revenue distribution funds is included in this category. The Local Government Fund and the School District Income Tax Fund are two examples of these revenue distribution funds, most of which are distributed to local governments, libraries and school districts for their use.

**Table B-1 (continued on next page)  
Expense by Object Summary, Fiscal Years 2000 to 2005  
Dollars in Millions**

	FY 2000 Actual	% of Total	FY 2001 Actual	% of Total	FY 2002 Actual	% of Total
<b>General Revenue Fund</b>						
Personal Service	\$ 1,796.4	9.3%	\$ 1,804.7	8.5%	\$ 1,845.0	8.5%
Purchased Personal Services	\$ 260.0	1.4%	\$ 325.3	1.5%	\$ 264.7	1.2%
Maintenance	\$ 485.4	2.5%	\$ 533.7	2.5%	\$ 502.3	2.3%
Equipment	\$ 68.7	0.4%	\$ 74.3	0.4%	\$ 47.6	0.2%
Total Operating	\$ 2,610.5	13.6%	\$ 2,738.0	12.9%	\$ 2,659.6	12.3%
Subsidy	\$ 15,670.7	81.4%	\$ 17,369.9	82.1%	\$ 17,967.4	83.1%
Goods for Resale	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Capital	\$ 17.9	0.1%	\$ 51.7	0.2%	\$ 11.6	0.1%
Transfers	\$ 944.4	4.9%	\$ 984.6	4.7%	\$ 988.8	4.6%
Total Expense	\$ 19,243.6	100.0%	\$ 21,144.2	100.0%	\$ 21,627.4	100.0%
<b>All Funds</b>						
Personal Service	\$ 4,089.1	10.5%	\$ 3,942.0	9.3%	\$ 4,143.5	9.2%
Purchased Personal Services	\$ 496.2	1.3%	\$ 609.1	1.4%	\$ 563.4	1.2%
Maintenance	\$ 1,158.6	3.0%	\$ 1,251.3	3.0%	\$ 1,238.4	2.7%
Equipment	\$ 255.4	0.7%	\$ 212.7	0.5%	\$ 183.1	0.4%
Total Operating	\$ 5,999.3	15.5%	\$ 6,015.1	14.2%	\$ 6,128.4	13.6%
Subsidy	\$ 22,633.4	58.3%	\$ 24,819.0	58.7%	\$ 26,651.1	59.0%
Goods for Resale	\$ 351.1	0.9%	\$ 372.9	0.9%	\$ 373.5	0.8%
Capital	\$ 2,545.0	6.6%	\$ 2,775.3	6.6%	\$ 3,082.9	6.8%
Transfers	\$ 7,286.1	18.8%	\$ 8,313.4	19.7%	\$ 8,963.4	19.8%
Total Expense	\$ 38,815.0	100.0%	\$ 42,295.6	100.0%	\$ 45,199.3	100.0%

Note: Figures may not add to total due to rounding

Source: Ohio Office of Budget and Management, January 2003

**Table B-1 (continued from previous page)**  
**Expense by Object Summary, Fiscal Years 2000 to 2005**  
**Dollars in Millions**

	FY 2003 Estimate	% of Total	Recommended			
			FY 2004	% of Total	FY 2005	% of Total
<b>General Revenue Fund</b>						
Personal Service	\$ 1,854.7	8.1%	\$ 1,952.4	8.1%	\$ 1,985.4	7.9%
Purchased Personal Services	\$ 271.7	1.2%	\$ 310.8	1.3%	\$ 322.0	1.3%
Maintenance	\$ 513.5	2.2%	\$ 513.8	2.1%	\$ 516.9	2.1%
Equipment	\$ 36.4	0.2%	\$ 51.4	0.2%	\$ 44.1	0.2%
Total Operating	\$ 2,676.3	11.7%	\$ 2,828.4	11.7%	\$ 2,868.4	11.4%
Subsidy	\$ 18,733.9	81.6%	\$ 19,695.3	81.8%	\$ 20,569.6	82.0%
Goods for Resale	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Capital	\$ 3.4	0.0%	\$ 1.3	0.0%	\$ 1.3	0.0%
Transfers	\$ 1,532.9	6.7%	\$ 1,552.1	6.4%	\$ 1,633.4	6.5%
Total Expense	\$ 22,946.5	100.0%	\$ 24,077.2	100.0%	\$ 25,072.7	100.0%
<b>All Funds</b>						
Personal Service	\$ 4,406.0	9.1%	\$ 4,551.2	9.4%	\$ 4,643.2	9.2%
Purchased Personal Services	\$ 760.2	1.6%	\$ 761.8	1.6%	\$ 765.7	1.5%
Maintenance	\$ 1,543.7	3.2%	\$ 1,464.0	3.0%	\$ 1,487.1	3.0%
Equipment	\$ 253.1	0.5%	\$ 250.8	0.5%	\$ 225.4	0.4%
Total Operating	\$ 6,963.0	14.3%	\$ 7,027.8	14.4%	\$ 7,121.4	14.1%
Subsidy	\$ 28,593.7	58.8%	\$ 30,275.9	62.2%	\$ 31,442.2	62.4%
Goods for Resale	\$ 399.8	0.8%	\$ 403.1	0.8%	\$ 414.5	0.8%
Capital	\$ 3,104.8	6.4%	\$ 1,643.6	3.4%	\$ 1,598.0	3.2%
Transfers	\$ 9,558.0	19.7%	\$ 9,316.7	19.1%	\$ 9,774.0	19.4%
Total Expense	\$ 48,619.3	100.0%	\$ 48,667.1	100.0%	\$ 50,350.1	100.0%

Note: Figures may not add to total due to rounding

Source: Ohio Office of Budget and Management, January 2003

**Table B-2**  
**General Revenue Fund Expense By Category**  
**Fiscal Years 2002 to 2005**  
**Dollars in Millions**

Expense Category	FY 2002 Actual	% of Total	FY 2003 Estimate	% of Total	Recommended			
					FY 2004	% of Total	FY 2005	% of Total
<b>Education</b>								
Primary and Secondary Education	\$ 6,064.1	28.0%	\$ 6,385.6	27.8%	\$ 6,561.0	27.2%	\$ 6,904.6	27.5%
Higher Education	\$ 2,456.5	11.4%	\$ 2,461.1	10.7%	\$ 2,509.5	10.4%	\$ 2,581.5	10.3%
Other Education	\$ 52.3	0.2%	\$ 50.6	0.2%	\$ 45.6	0.2%	\$ 48.5	0.2%
Subtotal	\$ 8,572.8	39.6%	\$ 8,897.3	38.8%	\$ 9,116.1	37.9%	\$ 9,534.6	38.0%
<b>Health and Human Services</b>								
Medicaid	\$ 7,126.6	33.0%	\$ 8,053.7	35.1%	\$ 8,840.0	36.7%	\$ 9,305.6	37.1%
Other Job and Family Services	\$ 976.3	4.5%	\$ 880.8	3.8%	\$ 891.3	3.7%	\$ 897.9	3.6%
MH/MR	\$ 852.4	3.9%	\$ 849.7	3.7%	\$ 884.4	3.7%	\$ 897.6	3.6%
Other Health/Human Services	\$ 253.6	1.2%	\$ 255.9	1.1%	\$ 267.3	1.1%	\$ 277.6	1.1%
Subtotal	\$ 9,208.9	42.6%	\$ 10,040.1	43.8%	\$ 10,883.0	45.2%	\$ 11,378.7	45.4%
<b>Public Safety and Protection</b>								
Adult and Juvenile Corrections	\$ 1,576.0	7.3%	\$ 1,611.9	7.0%	\$ 1,671.4	6.9%	\$ 1,695.2	6.8%
Other Public Safety/Protection	\$ 74.9	0.3%	\$ 65.9	0.3%	\$ 68.1	0.3%	\$ 70.2	0.3%
Subtotal	\$ 1,650.8	7.6%	\$ 1,677.8	7.3%	\$ 1,739.5	7.2%	\$ 1,765.4	7.0%
<b>General Government and Tax Relief</b>	\$ 1,434.4	6.6%	\$ 1,558.9	6.8%	\$ 1,555.5	6.5%	\$ 1,576.7	6.3%
<b>Executive/Legislative/Judicial Agencies</b>	\$ 287.1	1.3%	\$ 292.4	1.3%	\$ 315.5	1.3%	\$ 329.7	1.3%
<b>Transportation and Development</b>	\$ 324.1	1.5%	\$ 334.0	1.5%	\$ 327.6	1.4%	\$ 338.8	1.4%
<b>Environment and Natural Resources</b>	\$ 136.7	0.6%	\$ 137.9	0.6%	\$ 140.1	0.6%	\$ 148.7	0.6%
<b>Capital and Other</b>	\$ 12.6	0.1%	\$ 8.1	0.0%	\$ -	0.0%	\$ -	0.0%
<b>Total General Revenue Fund</b>	\$ 21,627.4	100.0%	\$ 22,946.5	100.0%	\$ 24,077.3	100.0%	\$ 25,072.6	100.0%

Note: Figures may not add to totals due to rounding

Source: Ohio Office of Budget and Management, January 2003

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## Summaries of Budget Information

# Fund Balance Summaries

### Fund Balance Summaries Overview

The purpose of this section is to summarize the state's estimated ending fund balances for FYs 2004 and 2005. For the state's General Revenue Fund and Budget Stabilization Fund, the planned fund balances for these two funds are shown, in Table B-3 and Figure B-7, in the context of a 10-year history of ending balances. Fund balance calculations for FYs 2004 and 2005 are shown in Table B-4 for the state's General Revenue Fund and for other major budget fund groups. Some small or minor budget fund groups are combined for the purposes of these fund balance calculations.

### Fund Balance Calculations by Fund Type and Budget Fund Group

The state has over 1,000 funds that are active in the central accounting system as of January 2003. Each of these funds is assigned to one of 43 budget fund groups. For financial reporting purposes, each of the 43 fund groups is assigned to one of seven fund types. The state's seven fund types are as follows: General Funds, Enterprise Funds, Special Revenue Funds, Internal Service Funds, Agency Funds, Debt Service Funds, and Capital Projects Funds. The relationship between the seven fund types and the 43 budget fund groups is shown on pages B-1 and B-2 of the Executive Budget. The fund types and budget fund groups for which fund balance calculations are shown on Table B-4 are described below.

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

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

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

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

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

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

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

### 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 2004 and 2005 will provide an ending fund balance of 0.4% each year, as Table B-3 and Figure B-7 show.

Another measure of the financial health of a state is whether the state has a budget stabilization fund and, if it does, what balances are being maintained in the fund. Since 1981 Ohio has had a budget stabilization fund. And, as seen in Table B-3 and Figure B-7, the fiscal year ending balances in the fund have varied greatly during the ten fiscal years that are shown.

Prudent fiscal management policy further suggests that a state achieve a budget stabilization fund (BSF) balance equal to approximately five percent of annual GRF revenues. Ohio had reached this goal prior to the most recent

recession. However, the State has been forced to use the BSF in the current biennium to offset the unprecedented decline in revenue growth and the dramatic increases in Medicaid expenditures that have resulted from that recession. Restoring the BSF is a major goal of Governor Taft and in FY 2005 \$100 million will be deposited into the BSF to begin rebuilding the fund balance.

**Table B-3**  
**History of Ending Fund Balances for the General Revenue Fund**  
**and the Budget Stabilization Fund, FYs 1996 to 2005**  
 Dollars in millions

Date	General Revenue Fund Fund Balances		Budget Stabilization Fund Fund Balances	
	Ending Balance	% of GRF Revenues	Ending Balance	% of GRF Revenues
Est. 6/30/05	\$ 100.3	0.4%	\$ 100.0	0.4%
Est. 6/30/04	\$ 94.6	0.4%	\$ -	0.0%
Est. 6/30/03	\$ 67.0	0.3%	\$ -	0.0%
6/30/02	\$ 108.3	0.5%	\$ 427.9	2.0%
6/30/01	\$ 206.3	1.0%	\$ 1,002.5	5.0%
6/30/00	\$ 196.2	1.0%	\$ 953.3	5.0%
6/30/99	\$ 221.5	1.2%	\$ 906.9	5.0%
6/30/98	\$ 108.0	0.6%	\$ 862.7	5.0%
6/30/97	\$ 149.0	0.9%	\$ 828.3	5.0%
6/30/96	\$ 781.3	4.7%	\$ 828.3	5.0%

Source: Ohio Office of Budget and Management, January 2003

**Figure B-7**  
**GRF and BSF Ending Balances as a Share of Annual GRF Revenues**  
**FYs 1996 to 2005**

