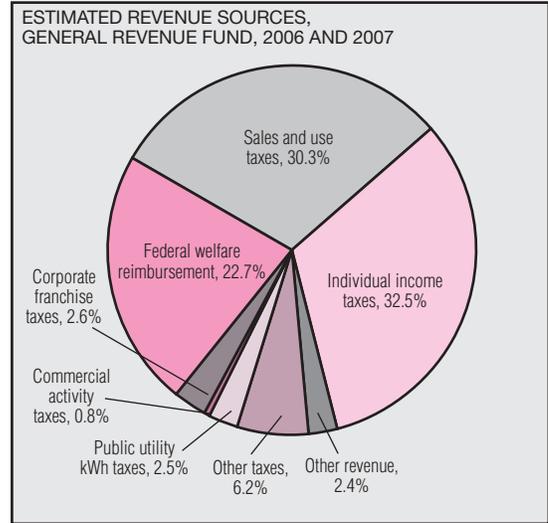
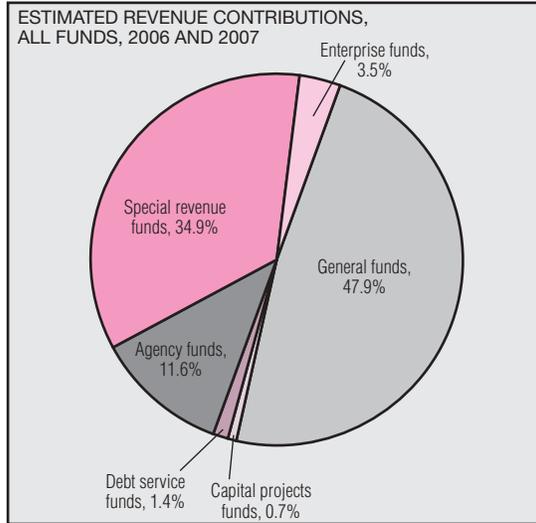


# The Ohio State Budget



## Recommended Appropriations for Fiscal Years 2006 and 2007

	All funds		Total general revenue fund	
	Total (millions)	Percent	Total (millions)	Percent
Medicaid	19,499.6	18.1	19,499.6	38.0
Higher and other education	5,142.8	4.8	5,056.2	9.9
Primary and secondary education	19,615.2	18.2	14,002.6	27.3
Executive, legislative, and judicial	1,098.9	1.0	616.6	1.2
Environment and natural resources	1,070.7	1.0	268.5	0.5
Transportation and development	8,125.3	7.5	641.4	1.2
General government and tax relief	24,699.6	22.9	3,129.0	6.1
Public safety and protection	5,528.8	5.1	3,602.9	7.0
Other health and human services	22,915.7	21.3	4,503.0	8.8
<b>Total</b>	<b>107,696.6</b>	<b>100.0</b>	<b>51,319.8</b>	<b>100.0</b>

SOURCE: Ohio Office of Budget and Management.

In February 2005, Governor Taft presented his biennial executive budget for the state of Ohio's fiscal years 2006 and 2007. The biennial budget is the state's financial plan, providing historical revenue and spending information as well as projections for the next two years. Introduced as House Bill 66, the executive budget was amended by the House and became effective June 30, 2005.

In his final executive budget, Governor Taft named four hallmarks: tax reform, programs to support economic

development, improvements in education, and more efficient government. The tax code changes are particularly interesting: they include a new tax on businesses' gross revenues, called the commercial activity tax, which replaces elements of the existing tax structure. The Governor's office hopes these changes will lighten the tax burden and broaden the tax base.

State revenues are deposited in many different types of funds. An estimated 47.9% of the state's revenue

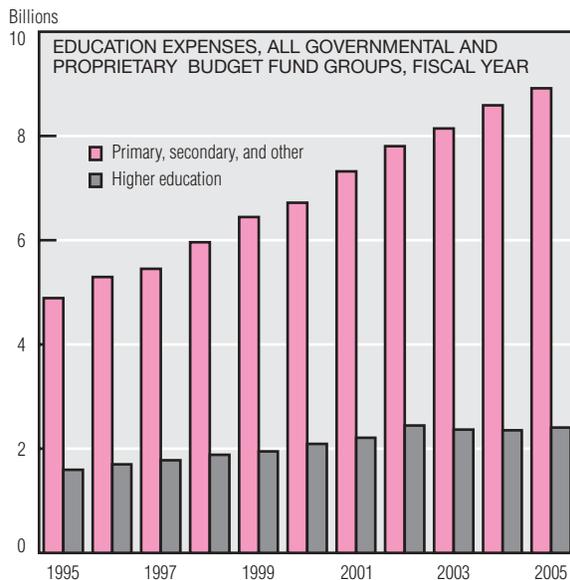
in fiscal years 2006 and 2007 will be deposited in general funds, which traditionally are associated with government expenditures that are not required to be accounted for in other funds. Special revenue funds, which are legally restricted for specific purposes, are projected to comprise 34.9% of state revenues.

The budget's primary operating fund is the general revenue fund (GRF). Because there are few restrictions on GRF use, much of the budget's focus is on the recommended

(continued on next page)

# The Ohio State Budget (cont.)

	FY2004 <sup>a</sup>	FY2005 <sup>b</sup>	FY2006		FY2007	
	Percent of total	Percent of total	Recommended	Percent of total	Recommended	Percent of total
Education	37.7	36.9	9,409.9	37.1	9,648.7	37.2
Health and human services	45.6	46.5	11,814.5	46.6	12,188.3	47.0
Public safety and protection	7.1	7.0	1,784.6	7.0	1,818.3	7.0
General government and tax relief	6.6	6.6	1,602.2	6.3	1,526.8	5.9
Executive, legislative, and judicial agencies	1.2	1.2	305.5	1.2	311.1	1.2
Transportation and development	1.1	1.2	311.6	1.2	329.8	1.3
Environment and natural resources	0.6	0.6	135.4	0.5	133.1	0.5
Capital and other	0.0	0.0	—	0.0	—	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>25,363.7</b>	<b>100.0</b>	<b>25,956.1</b>	<b>100.0</b>



## Full-Time Undergraduate Fees at Ohio's Public Universities<sup>c</sup>

	2002–2003	2003–2004	2004–2005
Bowling Green State University	6,742	7,408	8,072
Central State University	4,044	4,287	4,710
Cleveland State University	5,496	6,072	6,822
Kent State University	6,374	6,882	7,504
Miami University	7,600	8,353	9,042
Ohio State University	5,691	6,651	7,542
Ohio University	6,336	7,128	7,770
Shawnee State University	4,347	4,734	5,202
University of Akron	6,098	6,809	7,510
University of Cincinnati	6,936	7,623	8,379
University of Toledo	5,849	6,426	7,054
Wright State University	5,361	5,892	6,477
Youngstown State University	4,996	5,448	5,884

a. Total GRF spending for fiscal year 2004 was \$23,838.9 million.

b. Estimated total GRF spending for fiscal year 2005 was \$25,363.7 million.

c. Figures are for new, full-time, in-state students at main campuses only. Figures are based on fall full-time charges or 15 credit hours and either two semesters or three quarters. Amounts shown include instructional as well as general and facilities fees.

SOURCES: Ohio Board of Regents; and Ohio Office of Budget and Management.

GRF appropriations. The shares of all funds and the GRF for various purposes differ because of restrictions on special revenue funds, which are part of the total but not of the GRF. The GRF receives revenue primarily from state sources such as the personal income tax (32.5%) and the sales and use tax (30.3%). The fund also receives significant federal revenues, primarily in support of social welfare projects.

Recommended spending on health and human services now comprises a

slightly larger share of the total GRF than it has in recent years. Education's share of spending will also increase modestly from the estimated level for fiscal year 2005.

Total spending from all governmental and proprietary budget fund groups on primary, secondary, and other education has been increasing since fiscal year 1995. Higher education, on the other hand, took cutbacks in 2003 and 2004. Nevertheless, higher education expenditures averaged a 4% annual increase over

the past 10 years; the combined increases in primary, secondary, and other education spending averaged around 6% per year.

Recently, Governor Taft also recommended a 6% cap on tuition increases, with special allowances for funding need-based scholarships. This is because Ohio's public universities have raised tuitions at rapid rates over the past several years. In-state tuitions have increased by about 10% in each of the past two years.