Legislator's Guide to LSC Budget and Fiscal Analysis Services

Ohio Legislative Service Commission

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April 2016

Budget Process: Start to Finish

- ◊ R.C. 107.03 requires the Governor to submit a biennial state budget within four weeks after a new General Assembly organizes (or by March 15 in a year a new Governor is inaugurated).
  - LSC drafts the Governor's operating budget proposal into four different budget bills.
- ◊ The House and Senate write their respective versions of the state biennial budget by adopting amendments and substitute bills; differences are reconciled through a conference committee.
  - LSC drafts, assembles, and analyzes budget amendments and budget bills.
- ◊ The Governor has the line item veto option when signing budget bills.

Whom to Contact for Budget Amendments

- ◊ Contact an LSC finance liaison to *expedite* your budget amendment requests.
- ◊ LSC finance liaisons are available to *all* members regardless of party.
- ◊ House Finance liaisons
  - Megan.Cummiskey@lsc.ohio.gov; 995-9993
  - Alyssa.Bethel@lsc.ohio.gov; 466-2927
  - Shannon.Pleiman@lsc.ohio.gov; 466-1154
  - Erika.Padgett@lsc.ohio.gov; 644-1262
  - Justin.Pinsker@lsc.ohio.gov; 466-5709
- ◊ Senate Finance liaisons
  - Jennifer.Parker@lsc.ohio.gov; 466-1156
  - Joe.Rogers@lsc.ohio.gov; 644-9099
  - Maggie.Wolniewicz@lsc.ohio.gov; 995-9992
  - Nick.Thomas@lsc.ohio.gov; 466-6285

Key LSC Budget Products and Services

- ◊ Amendments and substitute bills: legislative changes to the executive budget proposal
- ◊ Baseline revenue and Medicaid spending forecast: the foundation for enacting a balanced budget as required by the Ohio Constitution
- ◊ Redbooks & Greenbooks: analyses of the executive budget proposal and the enacted budget, respectively, agency by agency
- ◊ Budget in Brief: highlights of major programs and appropriations
- ◊ Budget in Detail (aka "Spreadsheet"): each line item's appropriation levels and how they change throughout the process
- ◊ Comparison Document: brief descriptions and fiscal effects of the budget provisions and how they change throughout the process
- ◊ COBLI—Catalog of Budget Line Items: an encyclopedia of all agency appropriation items
- ◊ Bill Analysis: detailed descriptions of the non-appropriation provisions for a particular version of the bill
- ◊ School funding projections: district-by-district estimates of state aid

How Can I Access LSC Budget and Other Fiscal Products and Services?

- ◊ LSC website—**www.lsc.ohio.gov**—is your one-stop shop for accessing LSC documents and publications.
  - pdf or Excel format for easy search
  - Large budget documents are broken into individual agency levels
- ◊ Email LSC staff: FirstName.LastName@lsc.ohio.gov
- ◊ Call LSC staff or 614-466-3615 for directory assistance
- ◊ Key fiscal staff contacts
  - Wendy.Zhan@lsc.ohio.gov, Deputy Director, 728-4814
  - Melaney.Carter@lsc.ohio.gov, Assistant Deputy Director, 466-6274
  - Ross.Miller@lsc.ohio.gov, Chief Economist, 644-7768
    - Economy, Taxes, and Retirement
  - Jason.Phillips@lsc.ohio.gov, Division Chief, 466-9753
    - Education
  - Chuck.Phillips@lsc.ohio.gov, Division Chief, 644-7778
    - Medicaid, Human Services, and Health
  - Nelson.Fox@lsc.ohio.gov, Division Chief, 644-1752
    - General Government, Transportation, and Workers' Compensation
  - Jeff.Golon@lsc.ohio.gov, Division Chief, 644-8751
    - Judiciary and Environment

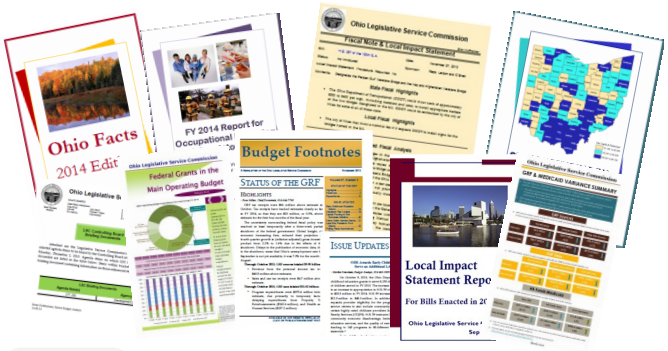
Who Are The LSC Fiscal Staff?

- ◊ LSC employs 30 fiscal staff members, made up of 17 budget analysts, 6 economists, 5 division chiefs, an assistant deputy director, and the deputy director.
- ◊ Every state agency or program is covered by at least one LSC budget analyst or economist.
- ◊ The group was first formed in 1973 as the Legislative Budget Office within the LSC budget group, whose mission was to provide nonpartisan fiscal analysis services to the Ohio General Assembly.
  - In fall 2000, LBO merged with LSC, integrating the legal drafting and fiscal analysis functions while maintaining and improving the original LBO functions.

Source of Nonpartisan, Objective Information

Explore Ideas with Complete Confidentiality

- ◊ R.C. 101.30 requires LSC to maintain a confidential relationship with each member and the member's staff.
- ◊ All your research requests remain confidential until you make them public.
  - LSC budget analysts and economists are ready to aid you in exploring the potential fiscal ramifications of your proposals on taxes, school funding, Medicaid, and any other state programs *before* being introduced.
- ◊ LSC analyses of introduced bills are public.



What Do LSC Budget Analysts and Economists Do?

- ◊ Analyze each bill's fiscal effects and prepare a Fiscal Note and Local Impact Statement for the bill;
  - The Fiscal Note and Local Impact Statement for a bill is updated at each stage of the legislative process, reflecting any changes along the way.
- ◊ Conduct research and write memos to answer legislative inquires;
  - LSC budget analysts and economists are available to provide objective fiscal analysis of legislative proposals, even before being introduced.
- ◊ Assist the General Assembly in enacting biennial state budgets;
  - See more on the front page of this guide.
- ◊ Publish *Budget Footnotes*, including short *Issue Updates*, which keep the legislature informed of the current status of budget implementation on a monthly basis;
- ◊ Review Controlling Board requests and prepare briefing documents;
- ◊ Staff committees to help answer any fiscal questions committee members may have; and,
- ◊ Produce various reports about state budgets and programs, including:
  - *Ohio Facts* provides a broad overview of Ohio's economy and state finances and programs.
  - *State Spending by County* shows how state subsidies and capital expenditures are distributed across the state, county by county.

A Few Quick Budget Facts

- ◊ The main operating budget, enacted each odd-numbered year, authorizes over 90% of total state spending.
- ◊ All GRF dollars are appropriated in the main operating budget.
- ◊ The GRF accounts for more than 45% of total state operating spending, primarily supported by state taxes but also supplemented by federal reimbursements, mainly for Medicaid.
- ◊ About 85% of the state operating budget is distributed as "subsidies" to Medicaid service providers, schools, colleges and universities, local governments, and various other entities.
- ◊ State employee payroll represents about 7-8% of the total operating budget.

Follow the Money

Follow the Money

How to Approach the Budget

◊ **Tackle Medicaid**

- ∗ Medicaid accounts for over half of the total state and federal GRF budget.
- ∗ Medicaid dollars go to service providers, including managed care companies, doctors, hospitals, and pharmaceutical companies.

◊ **Understand school funding**

- ∗ K-12 education is the largest spending area (about 40%) of the state-only GRF budget.
- ∗ The majority of K-12 education spending is distributed through the school foundation aid formula enacted in the main operating budget.