

Ohio Legislative Service Commission

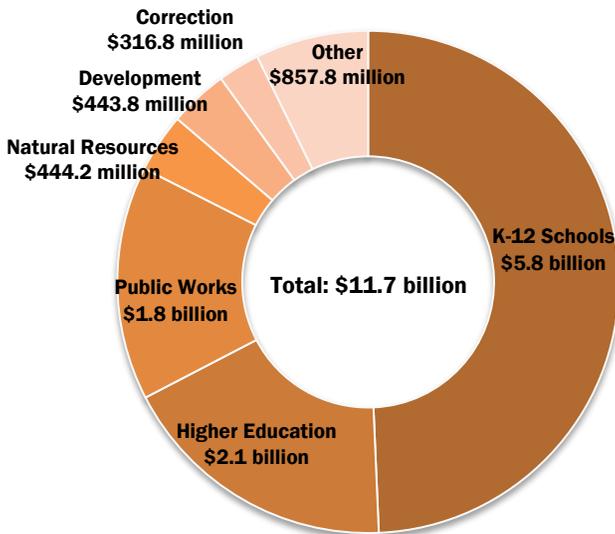
Capital Budgets

September 2016

2nd highest possible rating for Ohio's general obligation (GO)

Fitch Ratings	Moody's	Standard & Poor's
AA+	Aa1	AA+

Capital Appropriation Expenditures FY 2008-FY 2016



Capital Appropriations (\$ in millions)

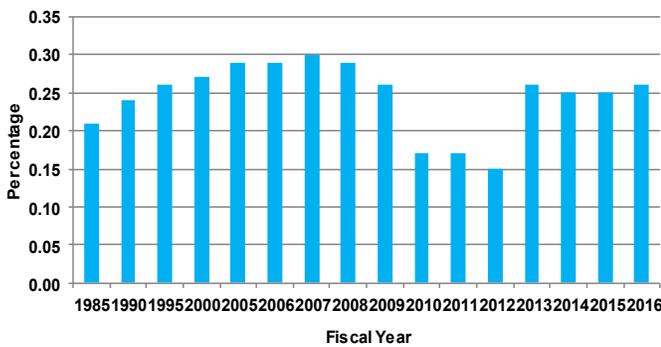
G.A.	Bill	Biennium	Appropriation
131st	S.B. 310	FY 2017-FY 2018	\$2,621.3
130th	H.B. 497	FY 2015-FY 2016	\$2,386.2
129th	H.B. 482	FY 2013-FY 2014	\$1,735.9
127th	H.B. 562	FY 2009-FY 2010	\$1,312.4
126th	H.B. 699	FY 2007-FY 2008	\$1,767.0

1. Capital appropriations, which are mainly financed through borrowing (i.e., sales of bonds), are generally made for a biennium and need to be reauthorized for a project that takes longer than two years to complete.
2. There was no capital budget enacted during the 128th G.A.

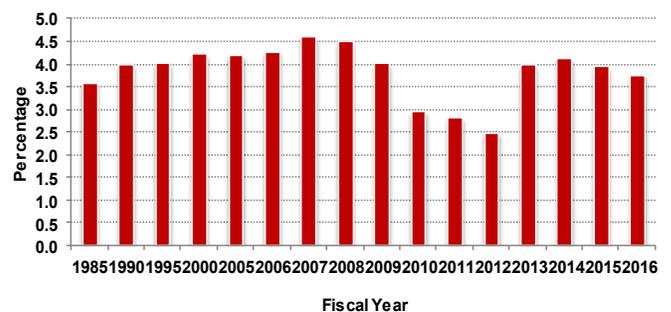
FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
\$1,597.6	\$1,706.2	\$1,722.2	\$1,605.6	\$1,051.1	\$868.0	\$919.7	\$1,101.7	\$1,115.3

HISTORICAL TREND OF GRF DEBT SERVICE PAYMENTS

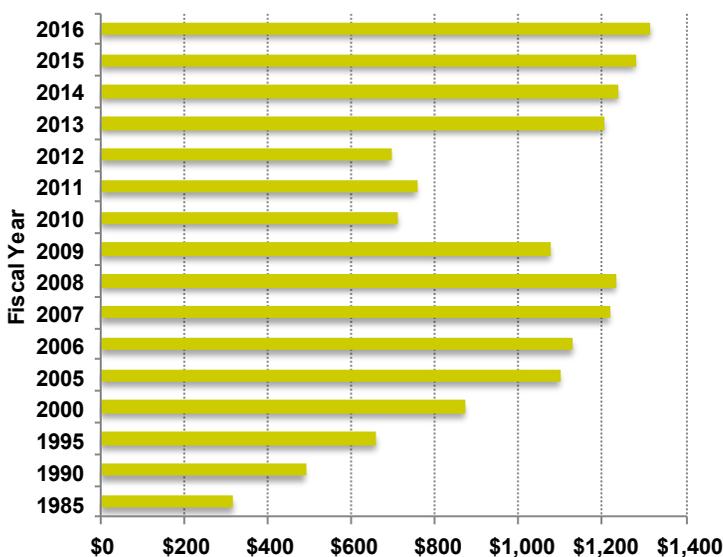
GRF Debt Service Payments as a % of Personal Income



Debt Service Ratio: GRF Debt Service Payments as a % of Combined GRF Revenue and Lottery Profits



GRF Debt Service Payments (\$ in millions)



- ◇ Lower GRF debt service payments (ratios) from FY 2009 to FY 2012 were primarily due to debt restructuring (which delayed certain debt service payments into later fiscal years) and tobacco securitization (which provided one-time cash for various capital projects).
- ◇ In November 1999, Ohio voters approved Section 17 of Article VIII of the state Constitution that established a 5% "cap" on the amount of GRF-backed debt the state may incur in a given year. That is, the state cannot issue additional GRF-backed debt if total debt service payments in any future year would exceed 5% of the total GRF and net lottery profits revenue in the year of issuance, unless the 5% cap is waived by voters or by a three-fifths vote of each house of the General Assembly.
- ◇ The Director of Budget and Management is responsible for making the 5% determinations and certifications. The latest debt service ratio (3.13%) certification was made on August 25, 2016.