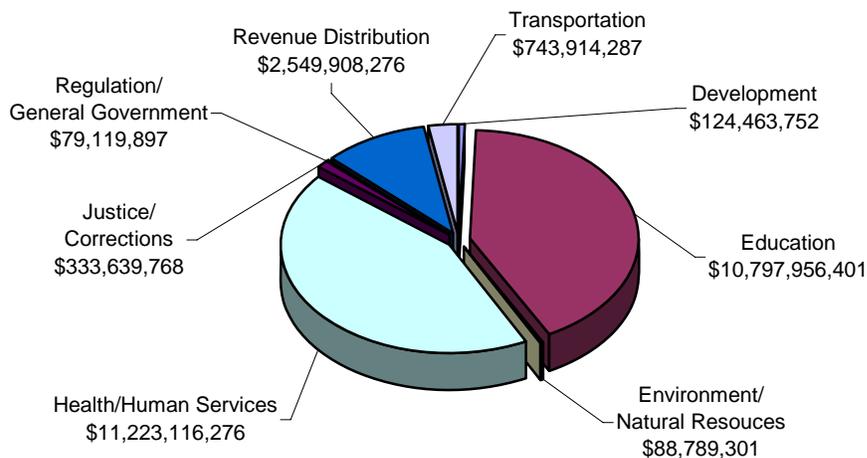


Summary

In FY 2004, the state government disbursed \$25.94 billion in state subsidies and capital moneys to Ohio's 88 counties. Of the \$25.94 billion, \$24.19 billion was in the form of subsidies and \$1.75 billion was in the form of capital expenditures. Overall, FY 2004 combined capital and subsidy disbursements were 2.76% above FY 2003 levels. Figure 1 below displays the combined total statewide subsidies and capital disbursements in FY 2004, categorized by government function.

Figure 1. Total Combined Subsidies and Capital Disbursements in FY 2004, by Government Function



Education

The primary agencies in the Education category include the Department of Education (EDU), School Facilities Commission (SFC), and the Board of Regents (BOR). As Figure 1 shows, total capital and subsidy spending in this area for FY 2004 was \$10.80 billion, 0.8% greater than FY 2003 expenditures of \$10.71 billion. This category accounts for 41.6% of total spending for FY 2004, the highest amount among all categories. Also, this category accounts for the highest amount of capital spending compared to other categories, at 44.5%. Overall, disbursements in FY 2004 increased by 3.7% for EDU, but decreased by 3.4% for BOR. State foundation payments for school districts increased slightly by 0.5%, from \$5.51 billion in FY 2003 to \$5.54 billion in FY 2004, and higher education instructional subsidies increased slightly by 0.3%, from \$1.5 billion in FY 2003 to \$1.53 billion in FY 2004.

Health & Human Services

The larger agencies in the Health & Human Services category include the Department of Job & Family Services (JFS), Mental Health, Mental Retardation and Developmental Disabilities, and Aging (AGE). Overall, disbursements in this category increased by 8%, from \$10.39 billion in FY 2003 to \$11.22 billion in FY 2004. The \$11.22 billion represents 43.2% of total spending among all categories for FY 2004. During FY 2004, state and federal Medicaid subsidies from JFS's GRF 600-525 Health Care/Medicaid line item increased 11.6%, from \$7.98 billion in FY 2003 to \$8.91 billion in FY 2004. GRF disbursements related to AGE's PASSPORT program, which provides home health services to elderly Medicaid recipients, increased by 18.4%, from \$64.69 million in FY 2003 to \$76.61 million in FY 2004.

Revenue Distribution

The Revenue Distribution category includes expenditures from the state's Revenue Distribution Funds and Transportation-Special Revenue. Revenue Distribution Funds, such as the Gasoline Excise Tax Fund and the Local Government Funds, receive taxes and fees for distribution to local units of government, other state funds, or other organizations. Transportation-Special Revenue includes moneys from the state motor fuel tax and bond proceeds that the Department of Transportation spends on projects along the state highway system in particular counties. This accounts for the second highest amount of capital spending among all categories, at 29.2%. Overall, FY 2004 disbursements in this category decreased 3.2%, from \$2.64 billion in FY 2003 to \$2.55 billion in FY 2004. Compared to total disbursements among all categories, the Revenue Distribution Category accounts for 9.8%.

Transportation

The Transportation category includes disbursements from the Department of Public Safety, Transportation, and the Public Works Commission. This area experienced a 1.8% increase in disbursements from \$730 million in FY 2003 to \$744 million in FY 2004. Most of the increase occurred due to a higher disbursement of public transportation grant awards. Disbursements in this category represented 2.8% of total spending among all categories for FY 2004.

Justice and Corrections

The Department of Rehabilitation and Corrections (DRC), Youth Services, and the Attorney General are considered the primary agencies within the Justice and Corrections category. FY 2004 disbursements increased by 3.9% compared to FY 2003 levels. Disbursements from DRC increased by 13.1%, from \$143 million in FY 2003 to \$161 million in FY 2004. The increase is largely due to more capital upgrades and renovations at correctional institutions. Capital upgrades increased 33% from \$35.9 million in FY 2003 to \$47.8 million in FY 2004. Overall, disbursements in this area totaled \$333.64 million, accounting for 1.3% of total spending among all categories in FY 2004.

Development

The Development category includes agencies such as the Department of Agriculture (AGR) and the Department of Development (DEV). Disbursements from Development's Percentage of Income Payment Plan Program increased 1.3% from \$189.3 million in FY 2003 to \$191.6 million in FY 2004. This program provides utility bill assistance to low-income families. Also during FY 2004, AGR disbursed \$3.1 million in Clean Ohio capital moneys as part of the second round of grants in the Agricultural Easement Purchase Program. Overall, the \$316.5 million (including statewide disbursements) in disbursements from the Development category represents 1.2% of the overall FY 2004 spending compared to other categories.

Environment & Natural Resources

Among the major agencies in the Environment & Natural Resources category are the Department of Natural Resources (DNR) and the Environmental Protection Agency (EPA). At \$88.7 million or .3% of total subsidy and capital disbursements, this category represents a relatively small share of state spending compared to other areas. DNR subsidies and capital disbursements increased by 18.7% between FY 2003 and FY 2004, from \$65.5 million to \$77.8 million. This increase is due mostly to more capital construction projects in FY 2004 at various DNR recreational facilities.

Regulation and General Government

Regulation and General Government spending includes expenditures by agencies such as the Department of Administrative Services (DAS), Commerce (COM), and the Secretary of State (SOS). Similar to the Environmental and Natural Resources category, disbursements from the Regulation and General Government category also account for .3% of total spending in FY 2004, or \$79.1 million. This represents an increase of .82% from the \$78.4 million spent in FY 2003. A single statewide capital project, the Multi-Agency Radio Communications System (MARCS), accounted for \$52.5 million of FY 2004 expenditures in this area.