

Greenbook

LBO Analysis of Enacted Budget

Office of Budget and Management

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Attachment:

Appropriation Spreadsheet

LBO Greenbook

Office of Budget and Management

Quick look...

- The Office of Budget and Management (OBM) provides financial management and policy analysis to help ensure responsible use of state resources.
- OBM employed a total of 171 employees as of August 2025, of which 168 were permanent, full-time staff.
- The budget appropriates \$1.03 billion in FY 2026 and \$33.7 million in FY 2027, an increase from FY 2025 largely due to the \$1.0 billion appropriation for Cultural, Sports, and Major Sports Facilities Performance Grants.

Fund Group	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
General Revenue (GRF)	\$4,350,860	\$4,694,342	\$4,400,000	\$4,842,000
Dedicated Purpose (DPF)	\$101,433,903	\$709,397,338	\$1,002,000,000	\$0
Internal Service Activity (ISA)	\$21,999,778	\$23,405,959	\$27,744,976	\$28,843,309
Fiduciary (FID)	\$261,428	\$606,852	\$30,000	\$30,000
Total	\$128,045,969	\$738,104,491	\$1,034,174,976	\$33,715,309
% change	--	476.4%	40.1%	-96.7%
GRF % change	--	7.9%	-6.3%	10.1%

Overview

Agency overview

The mission of the Office of Budget and Management (OBM) is to provide policy analysis, fiscal research, and financial management services to the Governor and agencies of state government, helping to ensure the proper and responsible use of state resources. OBM provides the Governor with technical expertise to prepare and implement the next biennial budget and offers services to both their state agency customers and the general public.

The Ohio Administrative Knowledge System (OAKS) administers all accounting activities in the state through its financial application. OBM utilizes this vital software program to process fiscal transactions, manage the state's payment card program, monitor transactions, and provide support for agencies that use the OAKS module as a source of information. OAKS is an important cog in the hub of state finance and is maintained entirely through OBM's Accounting Operations and Processing Department.

OBM also manages the Ohio Grants Partnership, which supports Ohio's grant management community, allowing state enterprises to track grant awards and collaborate to build partnerships and leverage experiences.

Appropriation summary

The enacted budget provides FY 2026 funding for OBM totaling \$1.03 billion, which is \$296.7 million (40.1%) more than FY 2025 actual expenditures. In recent years, the OBM budget included a number of appropriations for short-term purposes, such as federal funds awarded to Ohio in response to the COVID-19 pandemic, and the One Time Strategic Community Investments Fund (Fund 5AY1), which was created in 2023 from H.B. 33 of the 135th General Assembly. The enacted budget includes a \$1 billion appropriation in FY 2026 for Cultural, Sports, and Major Sports Facilities Performance Grants.

The budget also appropriates \$250,000 in GRF funding in FY 2027 for ALI 042435, Gubernatorial Transition, to support payroll, rent, and other expenses of the newly elected Governor, from the election until inauguration. This recurring line item was enacted in previous budgets, but its frequency is dependent on whether circumstances warrant.

An uncodified section of the budget bill reappropriates an amount equal to the unexpended and unencumbered portions of appropriation items under the State Fiscal Recovery Fund (Fund 5CV3) plus an amount equal to cash previously expended but returned to the fund at the end of FY 2025. The bill also contains analogous language applicable to the balance remaining at the end of FY 2026 and reappropriates an amount for the same purpose in FY 2027.

The table shown in the “**Quick look**” section presents the appropriations by fund group. The following section highlights OBM’s budget and key provisions in the budget bill that have a significant impact.

Analysis of FY 2026-FY 2027 budget

General Revenue Fund Group

Operating Expenses (ALI 042321)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 042321, Operating Expenses					
\$4,256,551	\$3,999,866	\$4,350,860	\$4,694,342	\$4,400,000	\$4,592,000
% change	-6.0%	8.8%	7.9%	-6.3%	4.4%

ALI 042321 funds general operations for evaluating agency budget requests, preparing state operating and capital budget recommendations, and developing economic forecasts and revenue estimates. When budget preparation and forecasting needs are minimal, the program provides policy, program, and technical assistance to state agencies, as needed. This line item also funds administrative functions of the Controlling Board, debt management, OBM’s assistance to municipal and school district planning commissions, and the cost of membership dues for the National Association of State Budget Officers. An uncodified section of the budget bill specifies that this line item be used for the financial audit of Ohio’s Auditor of State.

The Operating Expenses line item also funds the costs of developing projects associated with Ohio Shared Services (OSS). OSS utilizes the state’s centralized budgeting and accounting

systems to provide fiscal and accounting services to agencies lacking the workforce to implement these complex projects on their own. OSS saves the state of Ohio money by leveraging economies of scale in their service to smaller agencies. This GRF item primarily funds employees working on incomplete projects, which differentiates them from employees compensated by Internal Service Activity (ISA) line item 042603, Financial Management, the successor to ISA line item 042620, Shared Services Operating.

Gubernatorial Transition (ALI 042435)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 042435, Gubernatorial Transition					
\$0	\$0	\$0	\$0	\$0	\$250,000
% change	--	--	--	--	N/A

This GRF line item complies with Revised Code section 107.30 to appropriate money for incurred costs of the governor-elect. ALI 042435, Gubernatorial Transition, supports payroll, rent, and other expenses of the newly elected Governor, from the election until inauguration. The enacted budget appropriates \$250,000 in GRF funding for FY 2027.

Dedicated Purpose Fund Group

One Time Strategic Community Investments (ALI 042509)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
5AY1 ALI 042509, One Time Strategic Community Investments					
\$0	\$0	\$0	\$690,968,628	\$2,000,000	\$0
% change	--	--	N/A	-99.7%	-100.0%

This line item provides grants to certain local entities for one-time strategic investment projects. Prior to disbursing a grant, OBM must enter into a grant agreement with the recipient, which must submit a final report to OBM detailing the use of funds. Under H.B. 2 of the 135th General Assembly, \$717 million was appropriated in FY 2025 to OBM for projects from the One Time Strategic Community Investments Fund (Fund 5AY1), with actual spending totaling about \$691 million.

The enacted budget earmarks \$2.0 million in FY 2026 for the following projects: Say Yes Cleveland (\$750,000), University Circle (\$250,000), Cleveland Neighborhood Progress for the Middle Neighborhood Investment Project (\$500,000), and Great Lakes Science Center (\$500,000). Any unexpended, unencumbered balance of line item 042509 at the end of FY 2026 is reappropriated for the same purpose in FY 2027.

Cultural, Sports, and Major Sports Facilities Performance Grants (ALI 042428)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
5CY1 ALI 042428, Cultural, Sports, and Major Sports Facilities Performance Grants					
\$0	\$0	\$0	\$0	\$1,000,000,000	\$0
% change	--	--	--	N/A	-100.0%

This line item earmarks \$600 million to support construction of a transformational major sports facility mixed-use project pursuant to section 123.281 of the Revised Code that is associated with a Brook Park economic development project, and it earmarks \$400 million to support construction or renovation of an Ohio cultural or sports facility under section 123.283 of the Revised Code. Any unexpended, unencumbered balance of line item 042428 at the end of FY 2026 is reappropriated for the same purpose in FY 2027.

Internal Service Activity Fund Group

Financial Management (ALI 042603)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
1050 ALI 042603, Financial Management					
\$15,456,484	\$16,154,707	\$21,960,025	\$23,405,959	\$27,744,976	\$28,843,309
% change	4.5%	35.9%	6.6%	18.5%	4.0%

OBM provides financial, budgeting, and audit services to other state agencies. Line item 042603 supports the state's accounting operations, financial reporting activities, Office of Internal Audit, as well as a portion of OBM's costs for providing service to these agencies. Fund 1050 receives revenue through direct charges billed to other state agencies for internal auditing services, as well as other service charges authorized by R.C. 126.25.

This line item also pays operating costs associated with Ohio Shared Services. OSS utilizes the state's centralized budgeting and accounting systems to provide fiscal and accounting services to agencies lacking the workforce to implement these complex projects on their own. Currently, OSS assists its client agencies with accounts payable services, travel and expense reimbursements, vendor management, accounts receivable services, and contact center services. Because OSS encompasses the largest number of employees of all programs within OBM, the majority of expenses are attributable to payroll.

The Central Services Agency (CSA) was also moved to OBM's ISA Fund Group from DAS in FY 2024. CSA provides routine support services to various boards and commissions, inclusive of human resources and personnel services.

Fiduciary Fund Group

Forgery Recovery (ALI 042604)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
5EH0 ALI 042604, Forgery Recovery					
\$25,008	\$23,352	\$261,428	\$606,852	\$30,000	\$30,000
% change	-6.6%	1019.5%	132.1%	-95.1%	0.0%

This line item is used to reissue state warrants that were fraudulently redeemed and certified to be forgeries by the Office of the Attorney General's Bureau of Criminal Investigation (BCI) and the Treasurer of State. Fund 5EH0 consists of revenue that OBM receives from the banks that erroneously cash forged warrants. The OBM Director must reissue a state warrant of the same amount to the rightful recipient upon receipt of funds to cover the expense.

Notable budget provisions

Major sports facility performance grants

The enacted budget requires the Department of Commerce Director, on January 1, 2026, or as soon as possible thereafter, to remit unclaimed funds and interest that escheat to the state. Of that amount, \$1 billion must be deposited into the Ohio Cultural and Sports Facility Performance Grant Fund (Fund 5CY1), and the remainder into the Ohio Escheatment Fund. The budget appropriates \$1 billion in FY 2026 to appropriation line item 042428, Cultural Sports, and Major Sports Facilities Performance Grants. Among this amount, \$600 million is for a qualifying facility associated with the Brook Park economic development project and \$400 million is for other qualifying projects. Any unexpended, unencumbered balance of this item at the end of FY 2026 is reappropriated to FY 2027.

Federal medical assistance percentage for expansion eligibility group

The enacted budget requires the Ohio Department of Medicaid (ODM) to immediately terminate Medicaid expansion (Group VIII) coverage if the federal medical assistance percentage (FMAP) drops below 90%. ODM must certify, within 15 business days of the FMAP change, to the OBM Director, Joint Medicaid Oversight Committee (JMOC), the Senate President, and the House Speaker, the state and federal shares of total Group VIII expenditures for the most recent month. The certified state share is multiplied by the number of months remaining in the biennium to calculate the total amount to remain in the GRF. At the end of each fiscal year, the calculated total is transferred to the Budget Stabilization Fund or the Expanded Sales Tax Holiday Fund under R.C. 134.44.

Fund interest transfers to the GRF

The enacted budget redirects interest earnings from the following funds to the GRF: Budget Stabilization Fund (Fund 7013), Roadwork Development Fund (Fund 4W00), Brownfield Remediation Fund (Fund 5YE0), Building Demolition and Site Revitalization Fund (Fund 5YF0),

H2Ohio Fund (Fund 6H20), All Ohio Future Fund (Fund 5XM0), Second Chance Trust Fund (Fund 5D60), and State Liquor Regulatory Fund (Fund 5LP0). It also requires OBM to direct investment earnings from the Capitol Square Improvement Fund (Fund 5AN1) and the Ohio Workforce Incumbent Job Training Fund (Fund 5NH0) to the GRF by July 15, 2025. This provision is expected to increase GRF revenues by hundreds of millions of dollars each fiscal year.

Federal grant suspension

The enacted budget allows state programs to be reduced, suspended, or discontinued if the federal government reduces, suspends, or discontinues any corresponding federal program which provides funds for the state program. This provision would potentially reduce state expenditures in the event of a change in federal funding.

State Land Royalty Fund

The enacted budget changes procedures for transferring money from the State Land Royalty Fund (SLRF, Fund R074), which receives revenue from oil and gas leases on state land. It creates the Natural Resources Land Royalty Fund (Ohio Department of Natural Resources (ODNR)), Transportation Land Royalty Fund (Ohio Department of Transportation), and Wildlife Land Royalty Fund (ODNR Division of Wildlife), each consisting of money from leased mineral rights on land they own or control. At an agency's request, the OBM Director must transfer cash from SLRF to these or other designated funds and disburse it within 30 days of deposit.

**FY 2026 - FY 2027 Final Appropriations
All Fund Groups - Detail**

H.B. 96 - Main Operating Appropriations Bill

Detail by Agency			FY 2024	FY 2025	Appropriation FY 2026	Appropriation FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
OBM Office of Budget and Management								
GRF	042321	Operating Expenses	\$4,350,860	\$4,694,342	\$4,400,000	\$4,592,000	-6.27%	4.36%
GRF	042435	Gubernatorial Transition	\$0	\$0	\$0	\$250,000	N/A	N/A
General Revenue Fund Subtotal			\$4,350,860	\$4,694,342	\$4,400,000	\$4,842,000	-6.27%	10.05%
5AT1	042637	Statewide Children's Vision Initiative	\$2,500,000	\$0	\$0	\$0	N/A	N/A
5AY1	042509	One Time Strategic Community Investments	\$0	\$690,968,628	\$2,000,000	\$0	-99.71%	-100.00%
5CV3	042510	Hospital Provider Relief Payment	\$0	\$5,453,600	\$0	\$0	-100.00%	N/A
5CV3	042627	Ohio Ambulance Transportation	\$6,950,056	\$12,975,110	\$0	\$0	-100.00%	N/A
5CV3	042628	Adult Day Care	\$7,977,121	\$0	\$0	\$0	N/A	N/A
5CV3	042630	Statewide Hospital Support	\$28,052,238	\$0	\$0	\$0	N/A	N/A
5CV3	042631	Assisted Living Workforce Support	\$28,292,471	\$0	\$0	\$0	N/A	N/A
5CV3	042632	Hospice Care Workforce Support	\$20,407,417	\$0	\$0	\$0	N/A	N/A
5CV3	042633	HCBS Workforce Support	\$4,898,637	\$0	\$0	\$0	N/A	N/A
5CV3	042636	Nursing Facility Workforce Support	\$1,925,714	\$0	\$0	\$0	N/A	N/A
5CV4	042526	Coronavirus Local Fiscal Recovery	\$430,249	\$0	\$0	\$0	N/A	N/A
5CY1	042428	Cultural, Sports, and Major Sports Facilities Performance Grants	\$0	\$0	\$1,000,000,000	\$0	N/A	-100.00%
Dedicated Purpose Fund Group Subtotal			\$101,433,903	\$709,397,338	\$1,002,000,000	\$0	41.25%	-100.00%
1050	042603	Financial Management	\$21,960,025	\$23,405,959	\$27,744,976	\$28,843,309	18.54%	3.96%
1050	042620	Shared Services Operating	\$39,753	\$0	\$0	\$0	N/A	N/A
Internal Service Activity Fund Group Subtotal			\$21,999,778	\$23,405,959	\$27,744,976	\$28,843,309	18.54%	3.96%
5EH0	042604	Forgery Recovery	\$261,428	\$606,852	\$30,000	\$30,000	-95.06%	0.00%
Fiduciary Fund Group Subtotal			\$261,428	\$606,852	\$30,000	\$30,000	-95.06%	0.00%
Office of Budget and Management Total			\$128,045,969	\$738,104,491	\$1,034,174,976	\$33,715,309	40.11%	-96.74%