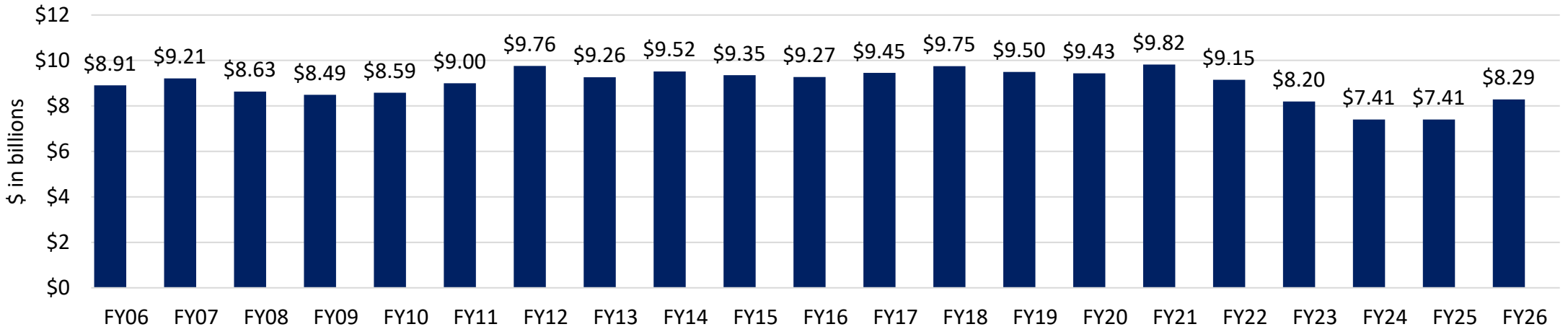
State GRF Debt

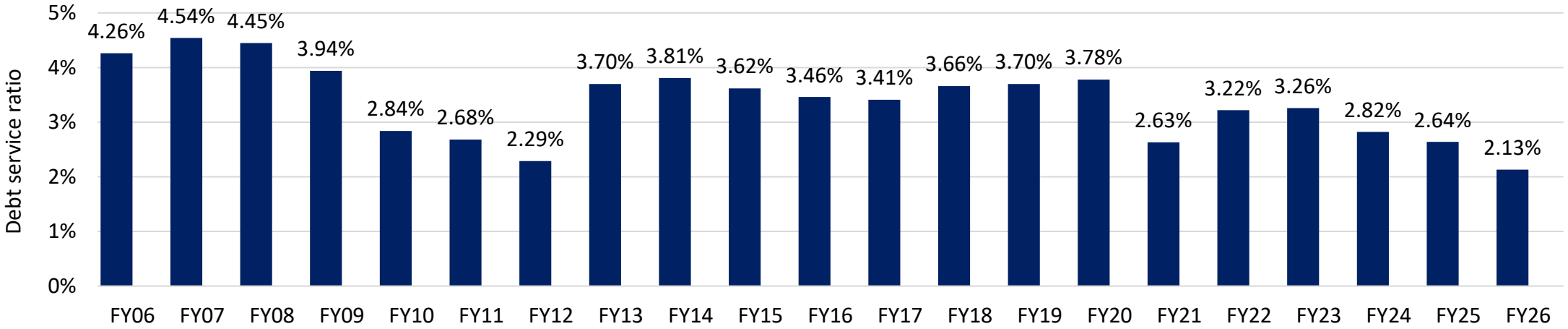
GRF-backed debt increased in FY 2026



Source: Ohio Office of Budget and Management

- Debt backed by the state GRF includes general obligation (G.O.) and special obligation (S.O.) bonds.
- G.O. bonds are secured by the full faith and credit, revenue, and taxing power of the state. Debt service payments for most G.O. bonds are supported by the GRF, but some are paid from highway user receipts.
- S.O. bonds are backed by GRF appropriation funding or revenues generated by a specific project.
- GRF-backed debt increased from $7.41 billion at the end of FY 2025 to approximately $8.29 billion at the end of FY 2026.

Ohio's debt service ratio remained below constitutional 5% limitation in FY 2026



Source: Ohio Office of Budget and Management

- Ohio's debt service ratio subject to 5% debt limit was 2.13% at the end of FY 2026, down from 2.64% at the end of FY 2025. The decrease in FY 2026 was a result of cash transfers from the GRF to capital funds in FY 2023 and FY 2024, instead of issuing new bonds, which decreased the state's spending on debt service. The ratio equals debt service subject to the 5% debt limit paid from the GRF in a fiscal year divided by the sum of GRF revenue and net lottery profits.
- The Ohio Constitution imposes a "cap" on the amount of GRF-backed debt the state may issue. If it would cause the projected debt service ratio in any future year to exceed 5%, the state could not issue new GRF-backed debt without a 3/5 vote by both the House and Senate.
- Debt restructuring can reduce debt service paid in the current fiscal year, but it usually results in increased debt service payments in at least some future fiscal years. Decreases in the debt service ratio from FY 2009 to FY 2012 and again in FY 2021 were due to debt restructuring and, for the earlier period, the 2007 tobacco securitization.