Fiscal Note & Local Impact Statement

126 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. S.B. 321** DATE: **May 23, 2006**

STATUS: **As Enacted – Effective June 5, 2006 (Certain sections effective September 5, 2006)** SPONSOR: **Sen. Carey**

LOCAL IMPACT STATEMENT REQUIRED: **No — Not required for budget bills**

CONTENTS: **To provide for the distribution of money received by the state pursuant to the Tobacco Master Settlement Agreement by making appropriations for the biennium beginning July 1, 2006, and ending June 30, 2008, and to provide authorization and conditions for the operation of state programs**

State Fiscal Highlights

STATE FUND	FY 2007*	FY 2008*	FUTURE YEARS
General Revenue Fund			
Revenues	Potential loss due to Edison Center tax credits	Potential loss due to Edison Center tax credits	Potential loss due to Edison Center tax credits
Expenditures	Increase of $1.27 million to Adjutant General; potential minimal increase for budget development	Potential reduction in the hundreds of millions of dollars due to appropriation limit	Potential reductions in the several billions of dollars due to appropriation limit
Ohio's Public Health Priorities Trust Fund (Fund L87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to approximately $17.1 million increase	Up to approximately $17.1 million increase	- 0 -
Tobacco Use Prevention and Control Operating Expenses Fund (Fund 5M8)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to approximately $1.7 million increase	Up to approximately $1.7 million increase	- 0 -
Southern Ohio Agricultural and Community Development Trust Fund (Fund K87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to approximately $13.2 million increase	Up to approximately $7.5 million increase	- 0 -
Southern Ohio Agricultural and Community Development Operating Expenses Fund (Fund 5M9)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to $456,942 increase	Up to $475,220 increase	- 0 -
Education Facilities Trust Fund (Fund N87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Capital appropriation of $648.5 million for FY 2007-2008 biennium		- 0 -
Biomedical Research and Technology Transfer Trust Fund (Fund M87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to approximately $27.5 million increase	Up to approximately $21.4 million increase	- 0 -
Education Technology Trust Fund (Fund S87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to approximately $6.9 million increase	Up to approximately $4.4 million increase	- 0 -
Law Enforcement Improvements Trust Fund (Fund J87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to approximately $620,000 increase	- 0 -	- 0 -
Tobacco Settlement Oversight, Administration, and Enforcement Fund (Fund U87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to $673,797 increase	Up to $723,797 increase	- 0 -

Tobacco Settlement Enforcement Fund (Fund T87)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Up to $328,034 increase	Up to $328,034 increase	- 0 -
Physician Loan Repayment Fund (Fund 4P4)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal decrease	Potential minimal decrease	Potential minimal decrease
Cultural and Sports Facilities Building Fund (Fund 030)			
Revenues	Gain of $400,000 for historic site repairs	- 0 -	- 0 -
Expenditures	Increase of up to $400,000 for historic site repairs	- 0 -	- 0 -
Accounting and Budgeting Fund (Fund 105)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase for budget development	- 0 -	- 0 -
Armory Improvements Fund (Fund 534)			
Revenues	- 0 -	Potential gain	- 0 -
Expenditures	- 0 -	- 0 -	- 0 -
General Fund of The Ohio State University			
Revenues	- 0 -	Potential gain in assets	- 0 -
Expenditures	- 0 -	Potential increase	- 0 -
Other State Funds (various state agencies)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase for budget development	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.
* The expenditures listed for FYs 2007 and 2008 represent the appropriations made from those funds in the bill. Therefore, expenditures are listed as "up to $X," where $X eq amount of the appropriation.

TOBACCO RELATED PROVISIONS

Ohio's Public Health Priorities Trust Fund (Fund L87)

- ***Department of Health –*** The bill authorizes the Department of Health to spend up to approximately $11.8 million in each fiscal year. The Department will use these dollars for various purposes including uncompensated care, emergency medical assistance, Pneumococcal Vaccines for Children, and minority health programs.

- ***Commission on Minority Health –*** The bill authorizes the Commission on Minority Health to spend up to approximately $1.2 million in each fiscal year for minority health and academic partnership grants and for training and capacity building.

- ***Department of Alcohol and Drug Addiction Services –*** The bill authorizes the Department of Alcohol and Drug Addiction Services to spend up to $3.5 million in each fiscal year to fund the Circle For Recovery programs and juvenile offender aftercare programs.

- ***Department of Public Safety –*** The bill appropriates $610,560 in each of FYs 2007 and 2008 from the Ohio Public Health Priorities Trust Fund (Fund L87) to the Department of Public Safety for underage tobacco use enforcement.

Tobacco Use Prevention and Control Operating Expenses Fund (Fund 5M8)

- ***Tobacco Use Prevention and Control Foundation –*** The bill appropriates $1.7 million in each fiscal year to cover the operating expenditures (payroll) for the Tobacco Use and Prevention Control Foundation.

Southern Ohio Agricultural and Community Development Trust Fund (Fund K87)

- ***Southern Ohio Agricultural and Community Development Foundation –*** The Southern Ohio Agricultural and Community Development Foundation funds its efforts to replace the production of tobacco with other agricultural products and mitigate the adverse economic impact of reduced tobacco production in the traditional tobacco-growing region through its endowment fund. This fund is a custodial account not subject to the legislative appropriations process. Money appropriated from the Southern Ohio Agricultural and Community Development Trust Fund (Fund K87) is transferred to the Southern Ohio Agricultural and Community Development Endowment Fund and supplemented with moneys already in the Endowment Fund to continue the core programs administered by the Foundation. The Office of Budget and Management estimates that the fund will receive $13.2 million in FY 2007 and $7.5 million in FY 2008. The moneys will fund a variety of programs that focus on educational assistance, agricultural diversity, and economic development. The economic development initiatives are slated for $17 million for the biennium, which is an increase of $9 million in spending over FYs 2005-2006.

Southern Ohio Agricultural and Community Development Operating Expenses Fund (Fund 5M9)

- ***Southern Ohio Agricultural and Community Development Trust Fund –*** The bill appropriates $456,942 in FY 2007 and $475,220 in FY 2008 to cover the operating expenses (payroll) for the Southern Ohio Agricultural and Community Development Foundation.

Education Facilities Trust Fund (Fund N87)

- ***School Facilities Commission*** – The bill makes a capital appropriation of $648.5 million in the FY 2007-2008 biennium to the Ohio School Facilities Commission for continuing renovation and construction of Ohio's primary and secondary schools under the Classroom Facilities Assistance Program.

Biomedical Research and Technology Transfer Trust Fund (Fund M87)

- ***Department of Development*** – The bill authorizes the Department of Development to spend up to approximately $27.5 million in FY 2007 and up to approximately $21.4 million in FY 2008 to provide competitive grants called Ohio Biomedical Research and Technology Transfer Partnership Awards.

Education Technologies Trust Fund (Fund S87)

- ***eTech Ohio*** **–** The bill authorizes the eTech Ohio to spend up to approximately $4.4 million in each fiscal year to help school districts purchase multimedia computers and other related hardware and services for students.

- ***Department of Health*** **–** The bill appropriates $2.5 million in FY 2007 in appropriation item 440-428, Automated External Defibrillators, in the Department of Health (Fund S87). The moneys are to be used for the acquisition and placement of automated external defibrillators in Ohio primary and secondary schools.

Law Enforcement Improvements Trust Fund (Fund J87)

- ***Attorney General*** **–** The bill appropriates $620,000 in FY 2007 to permit the Attorney General to undertake various capital improvements projects at the Ohio Peace Officer Training Academy located in London, Ohio.

Tobacco Settlement Oversight, Administration, and Enforcement Fund (Fund U87)

- ***Attorney General*** **–** The bill appropriates $673,797 in FY 2007 and $723,797 in FY 2008 to pay the Attorney General's costs in the oversight, administration, and enforcement of certain provisions of the Tobacco MSA.

Tobacco Settlement Enforcement Fund (Fund T87)

- ***Department of Taxation*** **–** The bill authorizes the Department of Taxation to spend up to $328,034 in both FY 2007 and FY 2008 from the Tobacco Settlement Enforcement Fund (Fund T87) to pay the costs related to the enforcement of certain provisions of the Tobacco MSA.

NON-TOBACCO RELATED PROVISIONS

General Revenue Fund

- ***Adjutant General*** **(ADJ) –** Increases appropriations for three line items in FY 2007 in Am. Sub. H.B. 66, the main appropriations act of the 126th General Assembly, an additional total of $1.27 million to cover increased utility costs for ADJ facilities.

- ***GRF Appropriation Limit*** – The bill requires the Governor to determine an aggregate limit on appropriations from the GRF beginning in FY 2008. This limit is to be determined by adding to the aggregate appropriation for FY 2007 an increment of either an additional three and one-half percent or the sum of the most recent annual rate of inflation (as measured by the Consumer Price Index-Midwest, Urban) and the annual rate of population change in the state.

- ***GRF Appropriation Limit*** – Depending on legislative decision-making, the appropriation limitation has the potential of reducing aggregate GRF appropriations by the hundreds of millions of dollars in its first few years of operations and by several billions of dollars in subsequent years.

- ***Edison Center Tax Credit*** **–** The bill increases the aggregate cap on tax credits for Ohio-based technology investments (Edison Center tax credits) from $20 million to $30 million. The tax credit is available under either the personal income tax or the corporate franchise tax. This provision would reduce revenue to the General Revenue Fund (GRF) in FY 2007, while the local government fund freeze is still in effect. In subsequent fiscal years, the bill would reduce revenue to the GRF, to the Library and Local Government Support Fund, to the Local Government Fund, and to the Local Government Revenue Assistance Fund.

Physician Loan Repayment Fund (Fund 4P4)

- ***Board of Regents and Department of Health*** **–** The bill eliminates reimbursements to members of the Physician Loan Repayment Advisory Board for reasonable and necessary expenses. This could decrease expenditures though any decrease would be minimal.

Cultural and Sports Facilities Building Fund (Fund 030)

- ***Ohio Historical Society – Cultural Facilities Commission*** **–** The bill appropriates $400,000 in FY 2007 to capital appropriation item CAP-745, Historic Sites and Museums, to provide additional capital funds for emergency repairs to Ohio Historical Society sites.

Armory Improvement Fund (Fund 534)

- The net revenue gain from the Adjutant General's sale of the Steubenville Township and the Perry Township properties to be deposited into the Fund.

General Fund of The Ohio State University

- Ohio State University could incur one-time cost to purchase a parcel of state-owned land located in Franklin County.

Office of Budget and Management

- The bill requires OBM to determine a method incorporating zero-based budgeting principles into state agency budget request forms. This requirement may result in a minimal increase in expenditures by OBM to implement the zero-based budgeting requirements and by various state agencies to prepare zero-based budgets.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
School Districts			
Revenues	Gain of up to approximately $4.4 million	Gain of up to approximately $4.4 million	- 0 -
	Gain of $648.5 million over the FY 2007–2008 biennium		- 0 -
Expenditures	Permissive increase of approximately $191.3 million		
Public Hospitals, Clinics, etc.			
Revenues	Gain of up to approximately $3.7 million	Gain of up to approximately $3.7 million	- 0 -
Expenditures	- 0 -	- 0 -	- 0 -
Local Enforcement Authorities			
Revenues	Gain of up to approximately $46,000	Gain of up to approximately $46,000	- 0 -
Expenditures	- 0 -	- 0 -	- 0 -
Local Government Entities receiving subsidies from GRF			
Revenues	- 0 -	Potential reduction in the tens of millions of dollars due to state appropriation limit	Potential reductions in the billions of dollars due to state appropriation limit
Expenditures	- 0 -	- 0 -	- 0 -
City of Chillicothe			
Revenues	- 0 -	Gain in assets	- 0 -
Expenditures	- 0 -	Increase of $1	- 0 -
Jefferson County or Steubenville Township			
Revenues	- 0 -	Potential gain in assets	- 0 -
Expenditures	- 0 -	Potential increase	- 0 -
Counties, Municipalities, and Townships (LGF, LGRAF, LLGSF, LGRF)			
Revenues	- 0 -	Potential Loss	Potential Loss
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- ***School Districts -*** Revenue to local school districts is distributed through the SchoolNet Plus program in the form of grants to help school districts purchase one computer for every five students. The source of such revenue is the Education Technologies Trust Fund (Fund S87). No local money is required in order to receive a grant. In FYs 2007 and 2008, school districts below the 50th percentile in property wealth will receive $128 per pupil in the eighth grade and school districts above the 50th percentile will receive $82 per pupil in the eighth grade. Total gains in revenue to school districts for this program are estimated to be $4.35 million in FY 2007 and $4.35 million in FY 2008.

- ***School Districts -*** A school district wishing to receive classroom facilities assistance program money from the School Facilities Commission must first elect to finance a portion of the project with its own bond issue and tax levy. LSC staff estimate that the local portion of these projects will be approximately 27-32% of the total cost of the projects. Using the FYs 2007-2008 capital appropriation of $648.5 million in this bill, LSC staff estimate that in the FYs 2007-2008 biennium, school districts choosing to participate in the program will face an increase in expenditures of approximately $191.3 million.

- ***School Districts -*** The bill permits a school district to annually deposit for 23 years an amount equal to 1/2-mill of the district's total taxable valuation in lieu of levying the required 1/2-mill maintenance tax. It provides school districts with greater flexibility in fulfilling the requirement for participating in state-assisted classroom facilities programs.

- ***Public Hospitals, Clinics, etc. -*** At least 25% of Ohio's Public Health Priorities Trust Fund (Fund L87) appropriations must go towards minority health programs and 5% must go towards a non entitlement program to provide emergency medical assistance, including medication, oxygen, or both, to low-income seniors whose health has been adversely affected by tobacco use. Of the appropriations made from Fund L87,

$3.7 million of the $3.9 million appropriated in each fiscal year in line item 440-414, Uncompensated Care, will be distributed to hospitals, free clinics, etc., that provide uncompensated care to the public. The remaining funds in 440-414 will be used for the physician loan repayment program. Therefore, public hospitals, clinics, etc., stand to receive up to approximately $3.7 million per fiscal year from Fund L87.

- ***Local Enforcement Authorities -*** The bill authorizes the Department of Public Safety to issue grants to regional authorities in order to help pay for enforcement activities related to increasing vendor compliance and decreasing underage tobacco use.

- ***Local Government Entities Receiving GRF Subsidies -*** Depending on how budget decisions are made to implement the GRF appropriation limit, local governments could experience a reduction in revenues. While this is uncertain, since a very large proportion of GRF expenditures, perhaps as much as half, are subsidies to local government, implementation of a limit could result in significant reduction of subsidies to local government.

- ***City of Chillicothe -*** The City of Chillicothe would incur a cost of $1 to purchase a parcel of state-owned land located in the Chillicothe City Park.

- ***Steubenville Township -*** Steubenville Township or Jefferson County would potentially incur one-time costs to purchase a parcel of state-owned land located in Steubenville Township, Jefferson County.

- ***Counties, Municipalities, and Townships (LGF, LGRAF, LLGSF, LGRF) -*** The bill increases the aggregate cap on tax credits for Ohio-based technology investments (Edison Center tax credits) from $20 million to $30 million. The tax credit is available under either the personal income tax or the corporate franchise tax. This provision reduces revenue to the Library and Local Government Support Fund, to the Local Government Fund, and to the Local Government Revenue Assistance Fund.

Detailed Fiscal Analysis

TOBACCO RELATED PROVISIONS

Overview

As part of the Tobacco Master Settlement Agreement (MSA), the state of Ohio was initially projected to receive approximately $10.1 billion from fiscal year (FY) 2000 through 2025. Under the MSA, $239.5 million is a result of the leadership role the Attorney General played in the tobacco litigation and settlement negotiations. A variety of factors will affect the exact amount received by the state in a given year, and all revenue projections should be viewed as estimated figures. Once received by the state, the MSA dollars are deposited into the Tobacco MSA Fund (Fund 087). The dollars collect interest while in Fund 087 and then are distributed to the various trust funds pursuant to the allocations established in Revised Code section 183.02 shortly after the end of the fiscal year in which the dollars are received. This bill does not change the allocations to each of the funds that are currently in the Revised Code. This bill, among other things, makes the appropriations from the various tobacco trust funds for FYs 2007 and 2008.

Table 1 shows the amount that Ohio has received in MSA revenue in each fiscal year and the interest earned on those amounts.

Table 1. Revenue from the Tobacco Master Settlement Agreement

Fiscal Year	MSA Revenue	Investment Earnings	Total
2000	$412.3 million	$7.7 million	$420.0 million
2001	$315.8 million	$8.4 million	$324.2 million
2002	$368.6 million	$5.4 million	$374.0 million
2003	$365.4 million	$3.6 million	$369.0 million
2004	$320.5 million	$1.2 million	$321.7 million
2005	$321.1 million	$1.3 million	$322.4 million
2006*	$291.1 million	$1.0 million	$292.1 million
2007*	$294.0 million	$1.5 million	$295.5 million
Total thru 2007	**$2.689 billion**	**$30.1 million**	**$2.719 billion**

* The numbers shown for FY 2006 and FY 2007 are estimates made by the Office of Budget and Management.

Distributions of Tobacco Revenue

The distribution of tobacco master settlement revenue for FYs 2001 through 2006 are detailed in Appendix A. There has been some redirecting of money from the Tobacco MSA Fund. The redirecting of tobacco money is detailed in Appendix B.

Ohio's Public Health Priorities Trust Fund

Money appropriated from Ohio's Public Health Priorities Trust Fund (Fund L87) funds programs in four agencies. The money in the fund is to be used for a variety of priority areas. Revised Code section 183.18 requires that at least 25% of the annual appropriations from this fund be used for minority health programs and 5% be used for a non entitlement program to provide emergency medical assistance, including medication, oxygen, or both, to low-income seniors whose health has been adversely affected by tobacco use. The other priority areas are enforcement of the underage tobacco use laws, alcohol and drug abuse prevention programs, and uncompensated care programs.

The money from Fund L87 is allocated to the departments of Health, Alcohol and Drug Addiction Services, Public Safety, and the Commission on Minority Health. Table 2 shows the distribution of Fund L87 by agency.

Table 2. Estimated Allocation of Ohio's Public Health Priorities Trust Fund			
AGENCY	**FY 2007**	**FY 2008**	**TOTAL**
Health	$11,816,050	$11,816,050	$23,632,100
Minority Health	$1,190,000	$1,190,000	$2,380,000
Alcohol and Drug Addiction Services	$3,500,000	$3,500,000	$7,000,000
Public Safety	$610,560	$610,560	$1,221,120
TOTAL	**$17,116,610**	**$17,116,610**	**$34,233,220**

Department of Health

Uncompensated Care

The Ohio Department of Health (ODH) is appropriated approximately $3.9 million in line item 440-414, Uncompensated Care. Table 3 shows the historical and proposed spending for this line item, by program. The funds in this line item are used to make subsidy payments for a variety of uncompensated care programs. These programs include child and family health services clinics, dental clinics, federally qualified health centers (FQHCs), free clinics, pulmonary rehabilitation, hospitals, and infant mortality reduction. Uncompensated Care is not an entitlement program. Therefore, services are offered only to the extent that funding is available. Highlights of FY 2005 include: two new dental clinics were opened in Henry and Lorain counties and three existing clinics were expanded in Clark, Clinton, and Medina counties; approximately 10,000 people including 779 pregnant women and 2,694 children received health care services at free clinics; 4,400 uninsured pregnant women and children received medical, preventative, and/or outreach services; and eight medical professionals were placed in underserved areas around the state. According to OBM's Tobacco Blue Book, proposed levels will support the continuation of current activities.

Table 3. Uncompensated Care Programs*				
Program	**FY 2005 Actual**	**FY 2006 Appropriated**	**FY 2007 Proposed**	**FY 2008 Proposed**
Child & Family Health Service Clinics	$400,000	$400,000	$400,000	$400,000
Dental Clinics	$675,000	$675,000	$675,000	$675,000
FQHCs	$950,000	$950,000	$950,000	$950,000
Free Clinics	$800,000	$800,000	$800,000	$800,000
Pulmonary Rehabilitation	$294,138	$294,138	$294,138	$294,138
Infant Mortality	$205,862	$205,862	$205,862	$205,862
Ohio Hospital Association	$400,000	$400,000	$400,000	$400,000
Loan Repayment	$0	$257,451**	$130,050	$130,050
TOTAL	**$3,725,000**	**$3,982,451**	**$3,855,050**	**$3,855,050**

* Appropriation detail was obtained from ODH's Public Health Priorities Trust Fund Budget Request for FYs 2007 and 2008, dated November 7, 2005.
** This amount includes $127,400 that was carried over from FY 2005. If this amount were not included, the total appropriation for FY 2006 would be $3,855,051.

Emergency Medical Assistance

In the bill, $850,000 in each fiscal year is appropriated for the emergency medical assistance priority area in line item 440-412, Emergency Medications and Oxygen for Low-Income Seniors. This appropriation is used to provide assistance to low-income seniors (age 50 or older who live below the federal poverty level) whose health has been adversely affected by tobacco use. ODH distributes these funds to the Ohio Primary Care Association, which then allocates the money to FQHCs in Ohio. In FY 2005, this program provided services to 786 eligible patients and funded 8,211 prescriptions to treat smoking related illnesses.

Minority Health Programs

The Ohio Department of Health has separate line items that fund minority health programs totaling $2,411,000 in each fiscal year. The line items are listed in Table 4.

Table 4. Minority Health Programs*					
ALI	**ALI Name**	**FY 2005 Actual**	**FY 2006 Appropriated**	**FY 2007 Proposed**	**FY 2008 Proposed**
440-404	Minority Health Care Data Development	$339,362	$350,000	$350,000	$350,000
440-409	Tuberculosis Prevention and Treatment	$444,007	$450,000	$450,000	$450,000
440-410	Hepatitis C Prevention and Intervention	$337,654	$425,000	$425,000	$425,000
440-411	Dental Care Programs for Minority & Low-Income Populations	$324,859	$420,000	$420,000	$420,000
440-420	Childhood Lead WIC	$0	$0	$500,000	$500,000
440-421	Infant Mortality Reduction Initiative	$266,000	$266,000	$266,000	$266,000

Table 4. Minority Health Programs*

ALI	ALI Name	FY 2005 Actual	FY 2006 Appropriated	FY 2007 Proposed	FY 2008 Proposed
	TOTAL	**$1,771,882**	**$1,911,000**	**$2,411,000**	**$2,411,000**

*Detail was obtained from ODH's Public Health Priorities Trust Fund Budget Request for actuals in FY 2005 and appropriations in FY 2006.

In addition to appropriations made to the Commission on Minority Health (MIH) (discussed below), appropriations are also made from Ohio's Public Health Priorities Trust Fund to the Department of Health for minority health programs. The following bullets briefly outline the proposed uses of the funds by line item, according to ODH's Ohio Public Health Priorities Trust Fund Budget Request, dated November 7, 2005.

- 440-404, Minority Health Care Data Development: Collect, analyze, and disseminate data on health disparities. The goal is to address health care data gaps for minority populations;
- 440-409, Tuberculosis Prevention and Treatment: Tuberculosis among minority populations in Ohio has not decreased at the same pace as in the general population. Activities are directed at decreasing the percentage of tuberculosis cases, as well as supporting activities proven to reduce the incidence of tuberculosis among specific populations;
- 440-410, Hepatitis C Prevention and Intervention: Perform testing, counseling, and referral for hepatitis C;
- 440-411, Dental Care Programs for Minority & Low-Income Populations: Provide comprehensive dental health care services to Ohioans who cannot afford and would not otherwise receive dental care;
- 440-420, Childhood Lead WIC: Provide additional screenings for lead poisoning for children in high-risk areas. This funding should provide screening for 16,500 children for lead poisoning at Women Infants and Children (WIC) clinics in high-risk areas.
- 440-421, infant Mortality Reduction Initiative: Provide community care coordination to minority or low-income pregnant women and infants. Community care coordinators work with a woman to apply for Medicaid, schedule appointments, and refer them to other resources among other things.

Pneumococcal Vaccines for Children

The bill appropriates $4,700,000 million in each fiscal year for pneumococcal vaccines for children in appropriation item 440-432, Pneumococcal Vaccines for Children. Pneumococcus causes serious infections in adults and children. "Prevnar vaccines protect against the seven most common strains of Pneumococcus that cause invasive disease, including bloodstream infections and meningitis."[1] It is believed that the vaccines may help with recurrent ear infections. However, the vaccine has not been approved for this usage yet.

The Department of Health also receives an appropriation for automated external defibrillators. This appropriation was made under the Education Technology Trust Fund (S87). The description is on page 21.

Commission on Minority Health

Community Minority Health and Academic Partnership Projects

The majority of Commission on Minority Health's (MIH) funding is in line item 149-402, Minority Health and Academic Partnership Grants, with appropriations of $1,090,000 in each fiscal year. Of this amount, $1,000,000 in each fiscal year is designated for subsidy payments for Community Health Grants – Asthma, Academic, Scientific and Community Partnership. The funding will be used by community-based organizations to provide health education, information, and awareness concerning asthma and other health issues and disparities of Ohio's children. According to MIH's Budget Request, in FYs 2007 and 2008, the focus will be on diabetes and cancer. The Academic, Scientific and Community Partnership Grantees are selected through a competitive bid process. Funding for grantees is proposed as follows: up to $100,000 per agency per biennium for the asthma projects and up to $200,000 per agency per biennium for the Academic, Scientific and Community Partnership projects. Each grantee will be required to submit an objective quantitative and qualitative progress evaluation report on a quarterly basis and at the end of the program year, among other things. (In each fiscal year, MIH will use $90,000 for administration.) According to OBM's Blue Book, recommended funding levels will support the continuation of current activities.

Training and Capacity Building

In each fiscal year, $100,000 is appropriated in line item 149-403, Training and Capacity Building. These moneys are to be used to provide planning grants for those cities interested in creating or building on existing minority health offices. Local Offices of Minority Health will provide a local presence for issues of minority health to assure local minority specific health data; update local needs assessment; develop locally relevant minority health activities for minority health month and expand MIH's program and fiscal monitoring capabilities for grantees. According to OBM's Blue Book, recommended funding levels will support the continuation of current activities.

Department of Alcohol and Drug Addiction Services

Circle For Recovery

The objective of Circle For Recovery programs is to prevent relapse of chemical dependency and criminal recidivism among African-American adult parolees. The funds are used to provide problem identification, counseling, job readiness and referral, personal development, and relapse prevention services. Six Circle For Recovery programs have been fully operational since the end of FY 2001. The Department of Alcohol and Drug Addiction Services (ODADAS) funds Circle For Recovery programs in Hamilton, Lorain, Lucas, Montgomery, Richland, and Trumbull counties. These programs have provided services to 325 parolees in the past two years. In FYs 2007 and 2008, Circle For Recovery will provide services to 325 parolees annually.

Alcohol and Drug Abuse Treatment and Prevention

The objective of the aftercare outpatient treatment and aftercare residential treatment programs is to prevent relapse of criminal and chemical dependency involvement among Department of Youth Services (DYS) parolees. Seven aftercare outpatient treatment programs have been fully operational since the end of FY 2001. These programs provide intensive outpatient services to 800 DYS parolees per year. The program locations and annual grant awards are listed in Table 5.

Table 5. Aftercare Outpatient Treatment		
County	**FY 2005**	**FY 2006**
Athens/Hocking/Vinton	$100,000	$100,000
Cuyahoga	$450,000	$450,000
Hamilton	$350,000	$350,000
Lucas	$169,686	$169,686
Mahoning	$130,000	$130,000
Stark/Summit (2)	$575,000	$575,000
Total	**$1,774,686**	**$1,774,686**

All juveniles participating in the intensive outpatient projects are on parole supervision and are case managed by a Treatment Alternatives to Street Crime (TASC) program. Each project has formed a team to give individualized services to each DYS parolee. The teams consist of TASC representatives, parole officers, alcohol and other drug treatment providers, designated universities, and in some projects, justice service representatives.

The Department of Alcohol and Drug Addiction Services awarded $1,096,527 in FYs 2005 and 2006 to Quest Recovery Services of Stark County to operate an aftercare residential alcohol and other drug treatment facility in Massillon, Ohio. The aftercare residential treatment facility has been fully operational since FY 2002. The parolees in the program have been identified by DYS as needing alcohol and other drug treatment services in a community-based residential setting. Services provided include individual and group alcohol and drug counseling, education and vocational opportunities (including GED classes and job training), family education and counseling, therapeutic interventions to criminal behavior, didactic and counseling activities designed to prepare youth for independent living, twelve-step meetings, referrals to appropriate medical/mental health, vocational, and education services. This facility has 24 beds. The average length of stay for each DYS parolee is expected to be six months. The facility serves an estimated 50 parolees per year.

Department of Public Safety

Under-Age Tobacco Use Enforcement

The Ohio Public Health Priorities Trust Fund (Fund L87) consists of: (1) amounts transferred pursuant to division (D) of section 183.02 from the Tobacco MSA Fund (Fund 087) to the Ohio Public Health Priorities Trust Fund, and (2) all investment earnings of the fund credited to the fund. Moneys credited to the fund and appropriated to line item 767-406, Under-Age Tobacco Use Enforcement, are used by the Department of Public Safety's Investigative Unit exclusively for the purpose of enforcing prohibitions relative to the illegal distribution of cigarettes or other tobacco products as specified in section 2927.02 of the Revised Code.

Currently, approximately 88% of the locations inspected are in compliance with Ohio's tobacco laws. This is an increase of 4% from FY 2005, when the compliance rate was 84%.

The bill appropriates $610,560 in each of FYs 2007 and 2008 from Fund L87 to the Department of Public Safety's line item 767-406 for the purpose of increasing vendor compliance and decreasing underage tobacco use. Of that total amount appropriated in each fiscal year, 76.7%, or $468,360, will be used to pay for enforcement activities, including grants to be distributed to various local governments. Table 6 immediately below shows the planned allocation of the FY 2007 and 2008 appropriations by district for underage tobacco use enforcement.

Table 6. Underage Tobacco Use Enforcement Allocations For FYs 2007 and 2008			
Regional Funding Allocation	**Amount**	**Local Government Allocation**	**Total**
Central Office	$67,526	$7,411	$74,937
Akron	$71,746	$7,880	$79,626
Cincinnati & Dayton	$80,187	$8,800	$88,987
Cleveland	$50,644	$5,558	$56,202
Columbus & Athens	$97,069	$10,653	$107,722
Toledo	$54,865	$6,021	$60,886
TOTALS	**$422,037**	**$46,323**	**$468,360**

The remainder of the appropriated amount for each of FYs 2007 and 2008 – $142,200 or 23.3% – will be used for education, primarily for advertisements and programs to promote public awareness. In 2004, Public Safety's Investigative Unit presented the HELP program to 3,090 permit holders and their employees throughout the state in 103 separate presentations. In addition, local sports clubs were used to promote awareness by placing advertisements in programs and by making announcements during sporting events.

Tobacco Use Prevention and Control Foundation

Operating Expenses

The bill appropriates $1,659,091 in FY 2007 and $1,717,159 in FY 2008 to the Tobacco Use Prevention and Control Foundation for payroll expenses. These funds are accounted for in the Tobacco Use Prevention and Control Operating Expenses Fund (Fund 5M8).

Southern Ohio Agricultural and Community Development Foundation

Operating Expenses

The bill appropriates $456,942 in FY 2007 and $475,220 in FY 2008 to the Southern Ohio Agricultural and Community Development Foundation (SOA) for payroll expenses. These funds are accounted for in the Southern Ohio Agricultural and Community Development Operating Expenses Fund (Fund 5M9). The Foundation currently has five employees. The five positions are executive director, executive secretary, administrative assistant, and two management analysts. The proposed appropriation level will enable SOA to maintain current staffing levels but will not allow for any new positions to be created.

SOA Programs

The mission of the Foundation is to create and develop opportunities for Ohio's tobacco farming areas, as well as rural communities; in order to mitigate the adverse economic impact of reduced tobacco production. The Foundation also helps replace production of tobacco with the production of other agricultural products. The Foundation is responsible for developing programs to help accomplish these goals. The Foundation will fund four projects in FYs 2007 and 2008. The programs are as follows.

- **Education Assistance Program** – Provides education and training assistance to tobacco growers making the transition from tobacco growing to the production of other agricultural products. Approximately $2.5 million per year will be devoted to this program. Two million dollars per year was devoted to this program during FYs 2005-2006.
- **Agricultural Diversity Program** – Assists those voluntarily moving away from dependence on tobacco by expanding current agricultural enterprises or diversifying into alternative agricultural enterprises. Approximately $5 million per year will be allocated to this program. Three million dollars per year was allocated to this program in FYs 2005-2006.
- **Economic Development** – Assists in strategic investments in communities that have been adversely affected by the reduction in the demand for tobacco by providing grant dollars for capital improvements, fixed asset management or land acquisition and technology infrastructure projects to private or public sector entities that create or retain jobs. Approximately $17 million over the biennium will be committed to this program. Four million dollars per year was devoted to this program during FYs 2005-2006.
- **Agricultural Projects** – Projects include grain handling, livestock systems, genetics feeding systems, and forage improvements. The projects help tobacco farmers that have production livestock and provide them with fencing, corrals, chutes, and grain handling equipment. Approximately $3 million per year will be dedicated to this program. Three million dollars per year was devoted to this program during FYs 2005-2006.

In addition to the Operating Expenses Fund (Fund 5M9), appropriations are made to the Foundation from the Southern Ohio Agricultural and Community Development Trust Fund (Fund K87). The bill appropriates $13,150,375 in FY 2007 and $7,513,251 in FY 2008 from Fund K87. Moneys appropriated from Fund K87 are transferred to the Southern Ohio Agricultural and Community Development Endowment Fund and supplemented with moneys already in the Endowment Fund to continue the core programs administered by the Foundation. The Endowment Fund is a custodial fund and is held in the custody of the Treasurer of State. The Foundation's Board of Trustees, which is made up of 12 members, determines its annual budget, which does not require legislative approval.

School Facilities Commission

The bill appropriates $648.5 million in the FY 2007-2008 biennium to capital appropriation item CAP-780, Classroom Facilities Assistance Program, in the Education Facilities Trust Fund (Fund N87), for the continuing renovation and construction of Ohio's primary and secondary schools. The bill also amends Am. Sub. H.B. 66, the operating budget of the 126th General Assembly, to ensure that, after all transfers from the Tobacco MSA Fund (Fund 087) to various other funds of cash that otherwise would have been transferred to the Tobacco Use Prevention and Cessation Fund (Fund H87) in FY 2007 have been completed, the remaining balance is transferred to Fund N87. This additional cash transfer is included in the $648.5 million appropriation. The SFC uses these dollars, along with bond and cash appropriations, to fund the state share of school facilities projects under the Classroom Facilities Assistance program (CFAP), the Accelerated Urban Initiative, the Exceptional Needs Programs (ENP), and the Vocational Facilities Assistance Program (VFAP).

In the FY 2007-2008 biennium, the $648.5 million appropriation equals 32.3% of the expected $2.01 billion in new appropriations for the CFAP, the Accelerated Urban Initiative, ENP, and VFAP programs. The SFC anticipates that most of the appropriation will be used to help continue state funding for the phased district projects that are currently being served or for new districts that will be served in FYs 2007 and 2008.

Overall, from FY 2001 through FY 2006, $551.6 million has been appropriated to the Education Facilities Trust Fund. Of this amount, $458.8 million (83.2%) has been encumbered, of which $285.6 million (52.0% of the total appropriated amount) has been disbursed for approved school facilities projects as of October 1, 2005. These funds have provided on average about 23% of the state share in 47 school districts (29 CFAP, 5 Accelerated Urban, and 13 ENP). To date, no tobacco appropriations have been committed to VFAP projects, as it is a fairly new initiative.

For CFAP projects through FY 2005, tobacco appropriations have supported $234.0 million of the $3.74 billion in state funding committed to 131 school district projects, while tobacco appropriations have supported $76.2 million of the $444.3 million committed to 31 districts participating in the ENP. Additionally, through that same period, tobacco appropriations have supported $115.1 million of total state funding for the six large urban districts in the Accelerated Urban Initiative (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo).

Under current law, school districts are generally required to levy a 1/2-mill maintenance tax in order to participate in state-assisted classroom facilities projects. The bill permits school districts, with approval of the School Facilities Commission (SFC), to annually deposit for 23 years an amount equal to 1/2-mill of the district's total taxable valuation in lieu of levying the required maintenance tax. This provision would provide school districts with greater flexibility in fulfilling the maintenance tax levy requirement for state-assisted classroom facilities projects.

The bill permits a big-eight school district participating in a state-assisted construction project to transfer from the district's project construction fund to a "special construction fund" an amount of the investment earnings attributable to the district, as long as certain conditions are satisfied, to be used to acquire classroom facilities in later segments of the project or to acquire classroom facilities that were included in the master facilities plan for the district prior to a reduction in scope of the project. This provision would provide certain big-eight school districts with greater flexibility in funding classroom facilities projects.

The bill permits a school district to used state funds reimbursed under the Expedited Local Partnership Program (ELPP) to replace moneys used from the district's general revenue and permanent improvement funds to pay for classroom facilities in its project. Under the ELPP, districts identify a discrete portion of their master facilities plan to fund with local moneys. The local funds spent for the ELPP project are then credited toward the district's local share when it becomes eligible for assistance under the Classroom Facilities Assistance Program (CFAP), the SFC's main school facilities assistance program. In some instances, local funds applied to the ELPP project can be more than the local share calculated when the district becomes eligible under the CFAP. Current law states that any additional state funds reimbursed to the district under the ELPP must be used by the district to pay off any debt service the district owes for the construction of classroom facilities. This bill, however, allows the district the option to first use the reimbursed funds to replace any moneys used from its general revenue and permanent improvement funds for school facilities construction.

Department of Development

The bill appropriates $27.5 million in FY 2007 and $21.4 million in FY 2008 from the Biomedical Research and Technology Transfer (BRTT) Trust Fund (Fund M87) through appropriation item 195-435, Biomedical Research and Technology Transfer, to be used for competitive grants called Ohio Biomedical Research and Technology Transfer Partnership Awards. The fund was created in Am. Sub. S.B. 192 of the 123rd General Assembly to fund biomedical research and biotechnology projects that produce jobs and business opportunities and improve the health of Ohioans under the direction of the Board of Regents. The appropriations and administrative responsibilities of the fund were transferred from the Board of Regents to the Department of Development in H.B. 675 of the 124th General Assembly along with the creation of the Third Frontier Commission, which was charged with overseeing the use of the fund and approval of grant awards. The Commission is comprised of the Director of Development, the Governor's Science and Technology Advisor, and the Chancellor of the Board of Regents. The Department of Development also supports the Commission by providing project administrators, who are responsible for monitoring existing grant awards, and administrative support.

To date, 15 grants for biomedical research have been awarded from the BRTT Trust Fund for a total of $106 million. Another two to five grants will be awarded in May 2006 for an additional $22.6 million. Awards are made through a competitive process involving independent peer reviews, currently conducted via contract with the National Academies of Science. Generally, program guidelines dictate that BRTT grant awards involve clear commercialization pathways and goals in one of the following scientific areas: human genetics, structural biology, biomedical engineering, computational biology, environmental biology, or plant biology. Awards are generally larger in size, averaging more than $7.0 million per grant. Recipients are required to commit matching funds equal in size of the grant award.

In the upcoming biennium, the Third Frontier Commission plans to continue to make focused investments in targeted areas of bioscience in which Ohio has clearly identified economic advantage. An updated assessment of these advantages is currently being conducted by the Batelle Institute and will be adopted by the Commission to focus investments during FYs 2007 and 2008. The major emphasis of bioscience programming will be on large-scale applied research and commercialization projects involving the state's leading universities and medical centers collaborating with private sector partners. The Commission anticipates awarding three to five grants per funding cycle with commitments of $5 million to $8 million per project. The appropriation made under this bill will also allow for the Department of Development's continued administration of the BRTT Trust Fund.

Education Facilities Trust Fund

eTech Ohio Commission

The bill appropriates $4.35 million in FYs 2007 and 2008 for the eTech Ohio Commission (eTech). The appropriations will be used to continue the SchoolNet Plus program for the eighth grade. SchoolNet Plus distributes grants to help school districts purchase one multimedia computer for every five students, as well as other related hardware and services. SchoolNet Plus completed the 1:5 ratio multimedia computer project for seventh grade students in FY 2005 and began serving eighth grade students in FY 2006. SchoolNet Plus will continue to serve the eighth grade in FYs 2007 and 2008. The total appropriation level for both fiscal years is approximately equal to the total amount estimated by eTech Ohio that is required to fully fund the eighth grade. Additional appropriations will likely be required to begin serving ninth grade students.

Under the SchoolNet Plus program, services are provided to school districts in accordance with each district's wealth rank, which places the districts into one of four wealth quartiles. Wealth ranking is based on a three-year average property valuation (with some income adjustments). Am. Sub. H.B. 66 of the 126th General Assembly allows eTech to award up to $275 per pupil for the 50% of districts in the lowest two wealth quartiles and up to $105 per pupil for the 50% of districts in the highest two wealth quartiles. However, given limited available funding, eTech decided to base the per pupil award amount on the cost of the least expensive computer as negotiated by the Commission for SchoolNet Plus products, currently $640. Beginning in FY 2006, districts in the lowest two quartiles receive $128 per student such that one computer can be purchased for every five students ($128 x 5 = $640). Based on this system of funding, the cost of the program for the lowest wealth quartiles for the eighth grade is approximately $7.5 million. In order to determine the per pupil amount award for districts in the highest wealth quartiles eTech allocated approximately the same amount ($7.5 million) to these districts and then divided that amount by the total number of students in these districts. Therefore, since the districts in the highest two quartiles have more students, they receive $82 per student.

Community schools, the School for the Deaf, and the School for the Blind are also eligible to receive funding through the SchoolNet Plus program. These schools, however, are not ranked by wealth because they do not have authority to raise taxes. Therefore, eTech Ohio sets aside a portion of the per-grade funding equal to the percentage of students who are served in these schools and allocates funds based on the per student amount provided to school districts in the lowest two wealth quartiles (currently $128).

If a district has met the state's goal of one computer for every five students in the targeted grade, the district may use the funds provided through SchoolNet Plus to purchase computers for successive grades or to fulfill educational technology needs in other grades as specified in the district's technology plan.

Department of Health

The bill appropriates $2.5 million in FY 2007 in appropriation item 440-428, Automated External Defibrillators (Fund S87), to be used by the Department of Health for the acquisition and placement of automated external defibrillators in Ohio primary and secondary schools.

The Department of Health shall, through a request for proposal process in accordance with rule 123:5-1-08 of the Administrative Code, use these funds to place automated external defibrillators in primary and secondary schools. The grant recipient shall not charge any school for the equipment costs associated with the initial placement of an automated external defibrillator.

The rest of the Department of Health's appropriations are discussed under the Ohio's Public Health Priorities Trust Fund beginning on page 11.

Attorney General

Law Enforcement Improvements Trust Fund (Fund J87)

Existing division (B) of section 183.02 and section 183.10 of the Revised Code, which are unchanged by the bill, control the revenues and expenditures of the Law Enforcement Improvements Trust Fund (Fund J87). The fund's revenues consist of: (1) amounts transferred pursuant to division (B) of section 183.02 of the Revised Code from the Tobacco MSA Fund (Fund 087), and (2) all investment earnings of the fund credited to the fund. Money credited to the fund is required to be used by the Office of the Attorney General to maintain, upgrade, and modernize the law enforcement training, law enforcement technology, and laboratory equipment of the Office of the Attorney General.

Under current law, unchanged by the bill, Fund J87 will not receive any additional amounts transferred from the Tobacco MSA Fund. Fund J87 will, however, continue to retain its investment earnings. Thus, any moneys appropriated from Fund J87 would be drawn from its existing available cash balance.

For FYs 2005 and 2006, a total of $11.6 million was appropriated from Fund J87 to line item 055-635, Law Enforcement Technology, Training, and Facility Enhancements. According to the Office of the Attorney General's Tobacco Budget Revenue Request for the FY 2007-2008 biennium, these funds were used to: (1) develop the Ohio Law Enforcement Gateway (OHLEG) as a tool to enable public safety agencies across the state to share information, and (2) renovate the Ohio Peace Officer Training Academy (OPOTA) at London, Ohio, to restore the building to a useable condition and maintain it as a viable training facility for new and expanded training opportunities for peace officers across Ohio.

For FYs 2007 and 2008, the Attorney General requested, and the Executive recommended, amounts totaling $620,000 and $0 be appropriated from Fund J87 for FYs 2007 and 2008, respectively. According to the Office of the Attorney General's Tobacco Budget Revenue Request for the FY 2007-2008 biennium, these funds will be used on OPOTA capital improvements as follows.

- **Kitchen Equipment Upgrade** – $275,000 to upgrade equipment in the academy's kitchen, much of which dates to 1974.
- **Gymnasium Floor Replacement** – $130,000 to replace the existing floor in the academy gymnasium.
- **Certification and Training Track** – $215,000 to construct a certification and training track.

Tobacco Settlement Oversight, Administration, and Enforcement (Fund U87)

The Tobacco Settlement Oversight, Administration, and Enforcement Fund (Fund U87) consists of: (1) amounts transferred pursuant to division (I) of section 183.02 of the Revised Code from the Tobacco MSA Fund (Fund 087), and (2) all investment earnings of the fund credited to the fund. Moneys deposited to the credit of Fund U87 are used by the Office of the Attorney General exclusively to pay costs incurred in the oversight, administration, and enforcement of certain provisions of the Tobacco MSA, such as limitations on advertising and marketing programs in Ohio related to the sale of tobacco products.

The Attorney General's Tobacco Enforcement Unit's primary responsibilities include: (1) the enforcement of the MSA between the Settling States and the participating tobacco manufacturers, and (2) the provision of all legal advice to three[2] of the major recipients of Ohio tobacco settlement dollars. The Ohio Department of Taxation also has certain enforcement duties related to the Tobacco MSA, the costs of which are paid from moneys credited to the Tobacco Settlement Enforcement Fund (Fund T87).

The bill appropriates $673,797 in FY 2007 and $723,797 in FY 2008 from Fund U87 to pay the Attorney General's costs in the oversight, administration, and enforcement of certain provisions of the Tobacco MSA. The Attorney General does not anticipate increasing the staff of the Tobacco Enforcement Unit during the next biennium. However, the Attorney General does expect that the unit will be subject to challenges regarding the enforcement of the escrow statutes, which could increase litigation costs and necessitate the need to contract with outside counsel.

Department of Taxation

The bill appropriates $328,034 in FYs 2007 and 2008 from the Tobacco Settlement Enforcement Fund (Fund T87) to the Department of Taxation. The funds will be used to pay costs related to the enforcement of MSA provisions concerning cigarette manufacturers.

The Department maintains a database of all vendors that sell cigarettes or other tobacco products of nonparticipating manufacturers that are not covered in the MSA for the state excise tax on cigarettes and other tobacco products purposes. These vendors are required to file a monthly report with the Tax Commissioner detailing the quantity of all cigarettes and roll-your-own cigarette tobacco sold in Ohio for each brand that is not covered by the MSA. A penalty may be imposed for reports that are not filed in a timely manner. The Department assists the Attorney General in criminal enforcement and compliance efforts of those delinquent in payments of the excise tax on cigarettes and other tobacco products.

Tobacco Use Prevention and Control Foundation, Southern Ohio Agricultural and Community Development Foundation, and Biomedical Research and Technology Transfer Trust Fund

The bill provides that not more than 5% of the "total disbursements, encumbrances, and obligations" (instead of "total expenditures" as current law requires) of the following foundations or funds in a fiscal year may be used for their administrative expenses in the same fiscal year: (1) Tobacco Use Prevention and Control (TUPAC) Foundation, (2) Southern Ohio Agricultural and Community Development Foundation, and (3) Biomedical Research and Technology Transfer Trust Fund. The bill eliminates the 5% expenditure limitation regarding the Third Frontier Commission's use of the Biomedical Research and Technology Transfer Trust Fund to pay the Commission's administrative expenses.

NON-TOBACCO RELATED PROVISIONS

Board of Regents and Department of Health

The bill makes changes to the eligibility requirements for the Physician Loan Repayment Program. The Program is administered by the Department of Health, while the Ohio Board of Regents serves as the fiscal manager. The bill also eliminates reimbursements to the 11 members of the Physician Loan Repayment Advisory Board for reasonable and necessary expenses. This provision could potentially decrease expenditures from SSR Fund 4P4, Physician Loan Repayment, in the Board of Regents, though any decrease would be minimal.

Board of Regents

The Innovation Incentive Program was created in Am. Sub. H.B. 66 of the 126th General Assembly to enhance the array of doctoral programs at Ohio's universities. The bill makes a number of changes to the program, including making participation in the Innovation Incentive Program mandatory for all doctor of philosophy degree-granting universities (both state-assisted and private not-for-profit) rather than optional as under current law. In addition, the bill requires each state-assisted doctor of philosophy degree-granting university to internally reallocate a specified portion (1.5% in FY 2006 and 3.0% in FY 2007) of its allocation of the doctoral reserve received from GRF appropriation item 235-501, State Share of Instruction, for the Innovation Incentive Program. Current law requires the Board of Regents to withhold the required amounts. Finally, the bill allows the Board of Regents to withhold up to 0.75% in FY 2006 and 1.5% in FY 2007 of a participating university's allocation of the doctoral reserve after a transition period if the university is not competing at an acceptable level with other participating universities.

Department of Health

The bill makes changes to the requirements for participating in the Dentist Loan Repayment Program by specifying (1) that the individual is not receiving certain assistance in student loan repayment (instead of has never received such assistance), and (2) if practicing dentistry, has been in practice for less than three years (instead of less than three years in this state). The bill also reduces the number of members of the Dentist Loan Repayment Advisory Board needed for a quorum and that are required to compel the chairperson to call a special meeting of the Board. It appears that the provision could expand eligibility; however, it does not impact funding and will not have a fiscal effect on the Department of Health.

Ohio Historical Society – Cultural Facilities Commission

The bill appropriates $400,000 in FY 2007 to capital appropriation item CAP-745, Historic Sites and Museums, to provide additional capital funds for emergency repairs to Ohio Historical Society sites. The appropriation item, which is under the Cultural Facilities Commission (AFC), will allow the Ohio Historical Society to continue repairs to various sites, as current funding for the repairs is expected to be depleted by the end of FY 2006.

Adjutant General – Appropriation Increases

The bill increases Am. Sub. H.B. 66 of the 126th General Assembly appropriations in FY 2007 for three line items by a total of $1.27 million to cover higher than anticipated operation costs caused by an increase in utility rates. The $1.27 million in GRF funding is divided among the following three line items: 745-404, Air National Guard, increase of $167,987 to $2,107,749; 745-409, Central Administration, increase of $368,070 to $4,317,660; and 745-499, Army National Guard, increase of $733,943 to $4,820,165.

Adjutant General – Land Sale and Conveyances

The bill authorizes the Adjutant General (ADJ) to convey three parcels of land that are no longer being used for armory or military purposes. The first parcel of land is located in Jefferson County. The ADJ is to have this parcel appraised before the sale. The ADJ is also required to first offer the parcel for sale at its appraised value to Steubenville Township where the land is located, then to Jefferson County. A public auction follows if neither Steubenville Township nor Jefferson County purchases the land. Steubenville Township or Jefferson County would potentially incur one-time expenditures to acquire assets. Net proceeds from the parcel sale are to be deposited into the Armory Improvements Fund (Fund 534) of the ADJ. The second parcel is in Perry Township, Franklin County. The ADJ is authorized to convey this parcel of land to the Ohio State University for a price, acceptable to ADJ, based on the real estate's fair market value. Net proceeds from the parcel sale are to be deposited into the Armory Improvements Fund (Fund 534). The Ohio State University would potentially incur one-time costs to acquire this parcel of land. The third parcel is in the City of Chillicothe, Ross County. The bill authorizes the ADJ to convey the Chillicothe City Park parcel of land to the City of Chillicothe for a purchase price of $1.

Departments of Education and Taxation

Am. Sub. H.B. 530 of the 126th General Assembly provides an alternative computation for business tangible personal property tax (TPP) value losses--which are used to compute tax replacement payments between 2006 and 2018--for taxing units that experienced a 50% or greater reduction in business TPP values in any one-year period between 2000 and 2004 and that are located in a county where a uranium enrichment facility is or has been located. The alternative computation substitutes the taxing unit's listed 2000 taxable value for its reported 2004 taxable value if the 2000 taxable value is greater than the 2004 taxable value, resulting in a higher replacement payment than if the 2004 taxable value is used, as currently required.

Scioto Valley Local School District and Pike County Joint Vocational School District apparently meet these conditions. Scioto Valley's recomputed TPP tax value loss will be approximately $66.5 million higher using TY 2000 taxable value after the TPP tax is completely phased-out. Pike County JVSD's tax value loss will be approximately $64.9 million higher. Therefore, the tax revenue losses for both Scioto Valley and Pike County JVSD will be higher. School districts and joint vocational school districts are compensated for their tax revenue losses through a combination of the state education aid offset (an increase in state education aid due to a decrease in a district's taxable property value) and direct reimbursement. The bill specifies that the state education aid offset calculation use the lower 2004 TPP tax value loss. This will result in lower state education aid offset amounts and, therefore, likely higher direct reimbursement payments for these two districts.

The bill also changes the computation of business TPP direct reimbursement payments when territory is transferred from one school district to another. Under current law all the payments arising from the property in the transferred territory are paid to the district receiving the property. The bill specifies that the district from which the territory is transferred retain one-half of the payments arising from the property in the transferred territory during the first five years after the transfer. This provision applies only if the tax rate of the recipient district is less than that of the other district, and only until FY 2012. The bill also requires the associated tax value losses to be transferred in order to affect corresponding adjustments in the state aid offset computation. This provision will tend to increase the reimbursement payments of districts that have or will transfer territory to other districts, while decreasing the reimbursement payments of districts that have or will receive territory from other districts.

GRF Appropriations Limitation

GRF Appropriation Limit – The bill requires the Governor to determine an aggregate limit on appropriations from the GRF beginning in FY 2008. This limit is to be determined by adding to the aggregate appropriation for FY 2007 an increment of either an additional three and one-half percent or the sum of the most recent annual rate of inflation (as measured by the Consumer Price Index-Midwest, Urban) and the annual rate of population change in the state. In subsequent years, the limit would be calculated the same way and applied to the previous year's limit or, every four years, to the previous year's aggregate GRF appropriation.

Beginning with FY 2008, the bill prohibits the Governor from proposing an aggregate GRF appropriation in excess of the limitation. Also beginning in FY 2008, the General Assembly is prohibited from making aggregate GRF appropriations that exceed the limitation.

The bill permits aggregate GRF appropriations in excess of the limitation in cases of emergency proclaimed by the Governor or if the General Assembly passes a bill containing appropriations in excess of the limitation by an affirmative vote of two-thirds of the members of each house.

Estimating the fiscal impact of such a limitation is problematic because future decisions on appropriations are contingent on emergencies and contingent on the political process. Emergencies, by definition, cannot be predicted. Nor can the outcome of the political process be predicted. To gauge the magnitude of the potential impact of this limitation, however, we would like to put aside for the moment such contingencies and conduct a simulation of the impact of the limitation if it had been in effect over the last twenty years, assuming that all other factors remained the same. Table 7 presents this simulation. Starting with actual GRF expenditures for 1987 (these amounts exclude property tax roll backs and local government funds), the simulation determines which of the alternative limitation rates (the 3.5% rate or the CPI change plus the population change rate) applies, and then compares the maximum appropriation allowable under the limit with the actual expenditure.

Table 7. Simulated Impact of State Appropriations Limitation, FYs 1988-2007 ($ in millions)

FY	Actual GRF Expenditures*	Expenditure Rate of Increase	Change in CPI (FY basis)**	Population Change (July to July)**	CPI Change plus Pop. Change	Limitation Rate Applied***	Max. Approp. under Limit	Difference	Difference as % of Actual
1987	$8,051								
1988	$8,373	4.0%	4.0%	0.4%	4.3%	4.3%	$8,399	-$27	-0.3%
1989	$8,847	5.7%	4.5%	0.3%	4.8%	4.8%	$8,799	$48	0.5%
1990	$9,579	8.3%	4.3%	0.3%	4.7%	4.7%	$9,208	$370	3.9%
1991	$10,096	5.4%	5.0%	0.8%	5.7%	5.7%	$9,737	$359	3.6%
1992	$10,295	2.0%	3.0%	0.8%	3.7%	3.7%	$10,099	$195	1.9%
1993	$10,529	2.3%	3.0%	0.7%	3.6%	3.6%	$10,466	$63	0.6%
1994	$11,077	5.2%	2.6%	0.5%	3.1%	3.5%	$10,832	$244	2.2%
1995	$11,621	4.9%	3.2%	0.5%	3.7%	3.7%	$11,233	$389	3.3%
1996	$12,201	5.0%	2.8%	0.4%	3.2%	3.5%	$11,626	$576	4.7%
1997	$12,976	6.3%	3.1%	0.3%	3.4%	3.5%	$12,033	$943	7.3%
1998	$13,826	6.5%	1.8%	0.3%	2.1%	3.5%	$12,454	$1,372	9.9%
1999	$14,607	5.6%	1.7%	0.2%	1.9%	3.5%	$12,890	$1,717	11.8%
2000	$15,475	5.9%	3.0%	0.3%	3.2%	3.5%	$13,341	$2,134	13.8%
2001	$16,455	6.3%	3.4%	0.2%	3.6%	3.6%	$13,825	$2,630	16.0%

2002	$17,086	3.8%	1.3%	0.2%	1.4%	3.5%	$14,309	$2,776	16.3%
2003	$17,703	3.6%	2.0%	0.2%	2.3%	3.5%	$14,810	$2,893	16.3%
2004	$18,291	3.3%	1.8%	0.2%	2.0%	3.5%	$15,328	$2,963	16.2%
2005	$18,907	3.4%	2.8%	0.1%	2.9%	3.5%	$15,865	$3,042	16.1%
2006****	$19,376	2.5%	4.2%	0.3%	4.5%	4.5%	$16,575	$2,801	14.5%
2007****	$19,955	3.0%	2.3%	0.3%	2.6%	3.5%	$17,155	$2,800	14.0%

* Amounts exclude Property Tax Rollbacks, federal GRF, and LGFs.

** CPI and population for FY 2006 and FY 2007 forecast by Global Insight.

*** Some percentages may not add to total due to rounding.

**** FY 2006 and FY 2007 amount is appropriated rather than actual expenditure. Expenditures were used for other years for consistency of presentation.

The calculations in Table 7 assume that the maximum allowable under the appropriation limit is appropriated and spent. As shown in Table 7, in FY 1988, the first year of operation of the limitation, the actual spending was less than what would have been allowed. In FY 1990, the third year of the operation of the limitation, the difference between the actual level of expenditures and the allowable appropriation under the limit would have been $370 million. In FY 1997, the tenth year of the operation of the limitation, the difference between the actual level of expenditures and the allowable appropriation under the limit would have been $943 million. In FY 2007, the twentieth year of the operation of the limitation, the difference between the actual level of expenditures and the allowable appropriation under the limit would have been $2,800 million. For FY 2007, the maximum appropriation under the limit would have been 14% lower than the actual appropriation.

In addition to tending to constrain appropriations in comparison to recent budget history, the aggregate limitation would also have a differential impact on the program areas of state government. The historical growth rates of the state's major program areas have differed, and they have done so for a variety of reasons. Inflation rates of the goods and services purchased may differ considerably from each other, as well as differing from the CPI, which measures inflation in goods and services purchased by consumers rather than by government. Spending that simply keeps pace with inflation and population growth may not reflect the cost of delivering the same level of public services. Using the CPI as a measure of inflation may produce a difference of costs when compared to other measures. For example, ORC section 3317.012 requires the gross domestic product deflator to be used in calculating inflation and in determining the base cost per pupil of an adequate education.

Government programs may also grow and shrink at different rates as policies change and populations served change. In some programs, participation may be an entitlement, and the level of service expenditures may be subject to federal law, and thus not within the control of the state. In other cases, the state may be under a court order that impacts the level of spending. Or, policy may expand the population served and this expansion perhaps more than inflation in the cost of goods and services drives costs in the program. For example, the number of inmates in Ohio's correctional institutions increased from about 28,000 in 1989 to about 49,000 in 1998. This increase represents an increase of about 75% over 10 years, and an average annual increase of about 7.5%. To house the increased population several new correctional facilities were required. If this sort of policy initiative expands a population served and also expands the associated costs in that area at a rate faster than the general rate allowed by the appropriation limit, then services provided in other areas, if they would not actually shrink, must grow at a slower pace than that allowed under the appropriation limit.

Table 8. Average Annual Rate of Change in GRF Spending by Major Program Category

Fiscal Years	Primary & Secondary Education	Higher Education	Human Services	Corrections	Other Spending	Major Categories Total	Change in CPI (FY basis)**
1988-1991	5.0%	5.4%	8.7%	10.9%	2.3%	6.1%	4.4%
1992-1995	3.4%	2.5%	3.8%	12.7%	1.8%	3.7%	2.9%
1996-1999	7.4%	5.2%	3.3%	9.9%	5.3%	5.9%	2.4%
2000-2003	6.2%	1.2%	6.1%	3.9%	3.2%	4.9%	2.4%
2004-2007*	2.5%	1.4%	5.0%	2.3%	0.4%	2.9%	2.8%
Average Annual Rate of Change, 1988-2007	**4.9%**	**3.2%**	**5.4%**	**7.9%**	**2.6%**	**4.7%**	**3.0%**

* Calculations for FYs 2006 and 2007 based on appropriation, all other years based on actual expenditures.

** CPI rate of change for 2006 and 2007 forecast by Global Insight.

The bill permits the General Assembly to pass a bill containing appropriations in excess of the limitation by an affirmative vote of two-thirds of the members of each house. The existence of this provision could lead to changes in the political dynamics of the budgeting process in cases where it is felt to be imperative to exceed the appropriation limits.

A two-thirds super majority in order to do so, however, is a higher hurdle than currently exists. In the votes taken in each house for third consideration of the last ten general operating budget bills passage of the bill achieved a two-thirds margin nine out of the twenty times. While this past history is no basis for predicting future voting behavior under the terms of the appropriation limit, it is an indication that votes on budget bills are sometimes contentious and a two-thirds margin is difficult to achieve. If that remains to be true under the operation of an appropriation limit, the terms of the limit would then apply and work to constrain appropriations.

Depending on how budget decisions are made to implement the appropriation limit, local governments could experience a reduction in revenues. While this is impossible to predict, since a very large proportion of GRF expenditures, perhaps as much as half, are subsidies to local government, implementation of a limit could result in significant reduction of subsidies to local government.

Ohio Venture Capital Authority Tax Credits

Under current law, a franchise or individual income tax credit is authorized for lenders and investors for losses on their loans to the Ohio Venture Capital Program (Am. Sub. S.B. 180, 124th General Assembly, effective April 2003). The tax credits may be refundable or nonrefundable based on an election made by the taxpayer. Generally, a refundable tax credit means that a taxpayer is entitled to a refund if the tax credit exceeds the taxpayer's tax liability. A nonrefundable tax credit is limited by the taxpayer's tax liability in a particular tax year. A credit in excess of the tax liability for a nonrefundable tax credit is carried over to the following years when it is ultimately fully claimed. Thus, although the overall revenue loss may be identical to that of a refundable tax credit, the timing and the impact of the revenue loss for a nonrefundable tax credit on state revenue cash-flows may be variable based on the liability of the taxpayers.

The bill makes the tax credits authorized by the Ohio Venture Capital Authority for losses on loans made to the Ohio Venture Capital Program fully refundable credits. Assuming that most lenders and investors would have elected refundable venture capital tax credits, the bill has little fiscal impact. No venture capital tax credit will be claimed during the current biennium because taxpayers may not claim the credit during the first four years of the Ohio Venture Capital Program, commencing with the date the Ohio Tax Credit Authority establishes the Ohio Venture Program investment policy.

Department of Development – Edison Center Tax Credits

The bill increases the aggregate cap on tax credits for Ohio-based research and development and technology transfer companies (Edison Center tax credits) from $20 million to $30 million. These nonrefundable tax credits are available to investors in qualified Ohio small businesses[3] under either the personal income tax (PIT) or the corporate franchise tax (CFT). Most credit claims are against the personal income tax. A nonrefundable tax credit is limited by the taxpayer's tax liability in a particular tax year. Generally, a credit in excess of the tax liability for a nonrefundable tax credit is carried over the following years until it is ultimately fully claimed. Thus, the timing and the impact of a nonrefundable tax credit on state revenue cash-flows are variable based on the liability of the taxpayers, and the order in which the various tax credits available to a taxpayer are claimed against the PIT and the CFT.

The increase in the technology investment tax credit cap would potentially reduce revenue under these taxes by up to $10 million over several years. However, the annual revenue loss from the technology investment tax credit is uncertain. The annual revenue loss will depend on the number of tax credit certificates recommended by the Edison centers, the amounts invested in the small businesses that qualify for the tax credits, and the profitability of these enterprises.

Based on information from the Tax Expenditure Reports of the Tax Department, the average annual state revenue loss from this tax credit is estimated at about $2.0 million between FY 2000 and FY 2005. However, the annual revenue loss has been estimated as high as $3.7 million in FY 2001, and has been minimal (less than $1.0 million) in the last biennium (FY 2004 and FY 2005). For the current biennium (FYs 2006-2007), the state revenue loss from the technology investment tax credit is estimated at $1.3 million per year.

The revenue from the CFT and the PIT taxes are distributed differently across various funds. After the local government fund freeze in Am. Sub. H.B. 66 expires, revenue from the CFT will be distributed as follows: 95.2% to the General Revenue Fund (GRF), 4.2% to the Local Government Fund (LGF), and 0.6% to the Local Government Revenue Assistance Fund (LGRAF). After the freeze expires, revenue from the PIT will be distributed as follows: 89.5% to the GRF, 5.7% to the Library and Local Government Support Fund (LLGSF), 4.2% to the LGF, and 0.6% to the LGRAF. The CFT will be phased out and completely eliminated by FY 2010. After that year, the revenue losses to the different funds may vary.

Office of Budget and Management

The bill requires OBM to determine a method incorporating zero-based budgeting principles into state agency budget request forms. This method of budgeting would require state agencies to justify all expenditures for programs every budgeting period as opposed to only explaining the amounts requested in excess of the previous biennium's funding. Typically, the focus is on identifying program goals and collecting performance data, which are used to formulate the request and the final executive budget recommendation.

The requirement for OBM to develop a zero-based budgeting method could create additional costs for the agency, but these are not likely to exceed minimal. OBM states that this provision is not likely to result in significant additional costs in terms of staff resources such as training, nor will it require computer upgrades. OBM typically submits budget guidance to state agencies regarding preparation of agency budget requests by June 1 of the year prior to the start of the new biennium. Depending on whether or not zero-based budgeting will be required for the FY 2008-2009 biennium, OBM may need to send supplemental guidance regarding preparation of budget requests to state agencies, as standard budget guidance documents already will have been prepared and submitted. This could result in some additional costs for the agency, most likely involving minor revisions to the guidance materials.

Various state agencies may experience an increase in expenditures in terms of administrative and staff training costs associated with the requirement to prepare zero-based budget requests. Depending on whether or not zero-based budgeting will be required for the FYs 2008-2009 biennium, state agencies may need to retrain staff to incorporate the new requirements while still meeting the October 1 deadline for submitting budget requests. Administrative costs to accomplish this would likely vary from agency to agency, depending on whether or not the agency has implemented zero-based budgeting in previous biennia. These costs are difficult to estimate but would not likely exceed minimal.

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Appendix A

Tobacco Revenue Receipt and Distribution

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	TOTAL
Biomedical Research and Technology Transfer Trust Fund (M87)	$ 4.36	$ 26.70	$ 22.87	$ 23.25	$ 26.62	$ 27.93	$ 131.73
Education Facilities Trust Fund (N87)	$ 133.06	$ 128.94	$ 5.80	$ 15.56	$ -	$ 217.37	$ 500.73
Education Facilities Endowment Fund (P87)	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 30.00
Education Technology Trust Fund (S87)	$ 11.97	$ 11.44	$ 16.06	$ 15.02	$ 7.55	$ 6.79	$ 68.83
Ohio's Public Health Priorities Trust Fund (L87)	$ 8.70	$ 12.71	$ 11.68	$ 12.60	$ 15.11	$ 15.97	$ 76.77
Law Enforcement Improvements Trust Fund (J87)	$ 18.70	$ 4.41	$ -	$ -	$ -	$ -	$ 23.11
So. Ohio Agriculture & Community Development Trust Fund (K87)	$ 20.26	$ 15.45	$ 21.89	$ 16.28	$ 15.14	$ 15.21	$ 104.23
Tobacco Use Prevention and Cessation Trust Fund (H87)	$ 217.94	$ 119.58	$ -	$ -	$ 16.85	$ -	$ 354.37
Tobacco Settlement Oversight, Administration and Enforcement (U87)	$ -	$ -	$ 0.53	$ 0.55	$ 0.56	$ 0.57	$ 2.21
Tobacco Settlement Enforcement (T87)	$ -	$ -	$ 0.21	$ 0.22	$ 0.22	$ 0.23	$ 0.88
Controlling Emergency Board (5S4)	$ -	$ -	$ 0.37	$ -	$ -	$ -	$ 0.37
General Revenue Fund	$ -	$ -	$ 289.58	$ 280.52	$ 234.68	$ 5.00	$ 809.78
Childrens Hospitals	$ -	$ -	$ -	$ -	$ -	$ 6.00	$ 6.00
Healthy Ohioans	$ -	$ -	$ -	$ -	$ -	$ 5.00	$ 5.00
Lung Cancer/Disease Research	$ -	$ -	$ -	$ -	$ -	$ 10.00	$ 10.00
Auto Emissions Testing	$ -	$ -	$ -	$ -	$ -	$ 7.32	$ 7.32
ABD Managed Care	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL DISTRIBUTIONS	**$ 419.99**	**$ 324.23**	**$ 373.99**	**$ 369.00**	**$ 321.73**	**$ 322.39**	**$ 2,131.33**

(values in millions of dollars)

Appendix B

REDIRECTION OF TOBACCO MASTER SETTLEMENT MONEYS (FUND 087)

AUTHORIZATION	TO FUND #	FY IN WHICH TO BE SPENT	AMOUNT	REDIRECTED FROM, FOR WHAT PURPOSE
SB 261/124th GA	GRF	2002	$180.0 million	from EFTF (Fund N87)
SB 261/124th GA	GRF	2003	$165.0 million	from EFTF (Fund N87)
SB 242/124th GA	5S4	2003	$368,301	Transfer to be made after transfers to EFTF and EFEF but before transfers to all other funds
SB 242/124th GA	GRF	2002-2003	up to $3.9 million	from OPHPTF (Fund L87)*
HB 405/124th GA	GRF	2003	$120.0 million	from TUP (Fund H87)
HB 405/124th GA	GRF	2004	$120.0 million	from TUP (Fund H87)
HB 95/125th GA	GRF	2005	$242.8 million	$120.0 million from TUP (Fund H87)**, $122.8 million from EFTF (Fund N87)
HB 66/126th GA	5BY	2006	$7.32 million	from TUP (Fund H87) for Auto Emissions Testing Program
HB 66/126th GA	5BY	2007	$15.2 million***	from TUP (Fund H87) for Auto Emissions Testing Program
HB 66/126th GA	5BZ	2007	$62.0 million****	from TUP (Fund H87) for ABD Managed Care Program
HB 66/126th GA	GRF	2006	$5.0 million	from TUP (Fund H87)
HB 66/126th GA	5BL	2006	up to $5.0 million	from TUP (Fund H87) for Healthy Ohioan Initiatives (ODH)
HB 66/126th GA	5CR	2006	$6.0 million	from TUP (Fund H87) for Childrens' Hospitals (JFS)
HB 66/126th GA	5CR	2007	$6.0 million	from TUP (Fund H87) for Childrens' Hospitals (JFS)
HB 66/126th GA	5CY	2006	$10.0 million	from TUP (Fund H87) for Lung Cancer and Lung Disease Research (DOD)
HB 66/126th GA	GRF	2007	$800,000	from OPHPTF (Fund L87)

EFTF: Education Facilities Trust Fund
EFEF: Education Facilities Endowment Fund
OPHPTF: Ohio's Public Health Priorities Trust Fund
TUP: Tobacco Use Prevention and Cessation Trust Fund
ABD: Aged, Blind, and Disabled

*Redirected funds repaid to OPHPTF in FY 2003 per division (C) of Section 16 of Am. Sub. S.B. 242 of the 124th General Assembly
** Redirected funds to be repaid to TUP in FY 2015
*** Amount to be certified by the Director of the Environmental Protection Agency to the Director of Budget and Managment no later than June 30, 2006
**** Amount to be determined by the Directors of Job and Family Services and Budget and Management no later than June 30, 2006

Note: Any remaining balance in the amount to be transferred to TUP in FY 2006 and FY 2007 will be redirected to EFTF (Fund N87)

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[1] http://www.keepkidshealthy.com/welcome/immunizations/pneumococcus.html

[2] (a) the Tobacco Use Prevention and Control Foundation, (b) the Third Frontier Commission, and (c) the Southern Ohio Agricultural Development and Community Foundation.

[3] ORC 122.151 prescribes the required criteria for investors and businesses, and the process for obtaining the technology investment tax credit.