



Ohio Facts

2014 Edition

Ohio Legislative Service Commission



**A Broad Overview of
Ohio's Economy,
Public Finances, and
Major Government Programs**

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Introduction

The Ohio Legislative Service Commission (LSC) is pleased to present the 2014 edition of *Ohio Facts*. This publication provides Ohio legislators, legislative staff, and others with a broad overview of Ohio's economy, public finances, and major government programs. *Ohio Facts* offers a series of charts and tables that are generally expanded upon by brief comments. The pages address many questions frequently asked of our office. In all instances, LSC budget analysts and economists have used the most up-to-date data available. Whether you are on the road or in the office, we hope that *Ohio Facts* will serve as a handy and valuable tool.

The 2014 edition of *Ohio Facts* covers 98 topics in as many pages. These pages are grouped into the following eight categories: Demographics, Economy, Natural Resources and Environment, Public Finances, K-12 Schools, Colleges and Universities, Health and Human Services, and Justice and Public Safety Systems. If you have any questions regarding the information included on an individual page or if you need additional information on that topic, please contact the LSC analyst listed at the bottom of that page. If you have questions regarding the publication as a whole, please contact LSC Deputy Director Wendy Zhan at (614) 728-4814.

In addition to the printed version, *Ohio Facts* may be viewed on LSC's website at www.lsc.state.oh.us by clicking on *Publications* and then *Ohio Facts*.

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A Snapshot of Ohio's Population in 2012

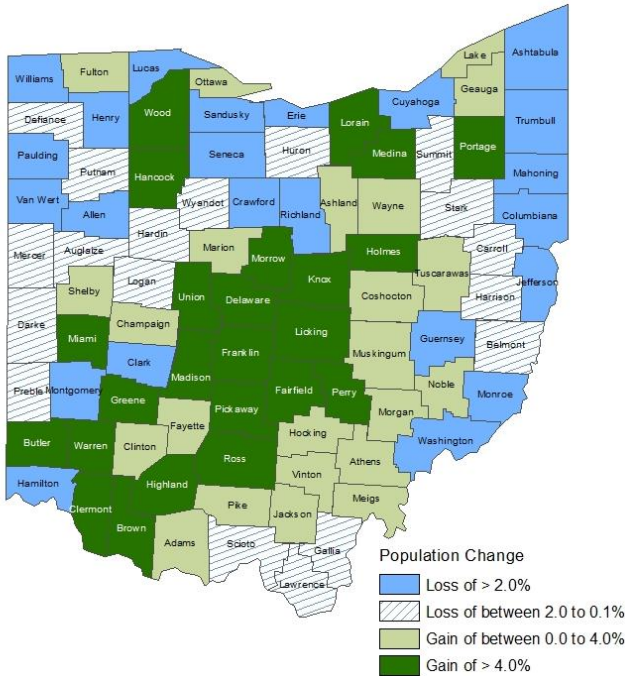
Population and Age	Ohio	United States	Ohio's Rank
Total population	11,544,225	313,914,040	7
Median age	39.3	37.4	13
Female persons	51.1%	50.8%	13
Foreign born	3.9%	13.0%	37
Persons under 5 years old	6.0%	6.3%	36
Persons under 18 years old	25.9%	26.3%	28
Persons 65 years old or over	14.7%	13.8%	15
Race and National Origin (Selected Groups)			
White	82.7%	73.9%	20
Black or African-American	12.2%	12.6%	17
American Indian or Alaska native	0.2%	0.8%	48
Asian	1.7%	5.0%	32
Hispanic or Latino (of any race)	3.2%	16.9%	41
Education (Persons 25 Years Old or Over)			
High school graduates	88.8%	86.4%	24
College graduates	25.2%	29.1%	37
Homes and Home Life			
Number of households	4,554,672	115,969,540	7
Persons per household	2.47	2.64	39
Households with persons under 18 years	30.1%	32.4%	38
Households with persons 65 years or over	26.5%	26.0%	21
Veterans (in total population 18 years or over)	9.6%	8.9%	30
Households that are married-couple families	46.8%	48.1%	42
Employed (16 years old and over)	57.5%	57.5%	31
Median household money income*	\$46,829	\$51,371	34
Median family income*	\$60,088	\$62,527	27
Median housing value	\$133,700	\$171,900	35
Mean travel to work (minutes)	23.2	25.7	31
Persons speaking a language other than English at home (age 5+)	6.7%	21.0%	40

*A household includes all the people who occupy a housing unit as their usual place of residence. It is possible to have a single-person household. In contrast, a family consists of a group of two or more individuals who reside together and who are related by birth, marriage, or adoption.

Source: U.S. Census Bureau

Ohio's Highest Rate of Population Growth Remains Concentrated in Central and Southwest Ohio

Ohio's Population Growth by County, 2000-2012

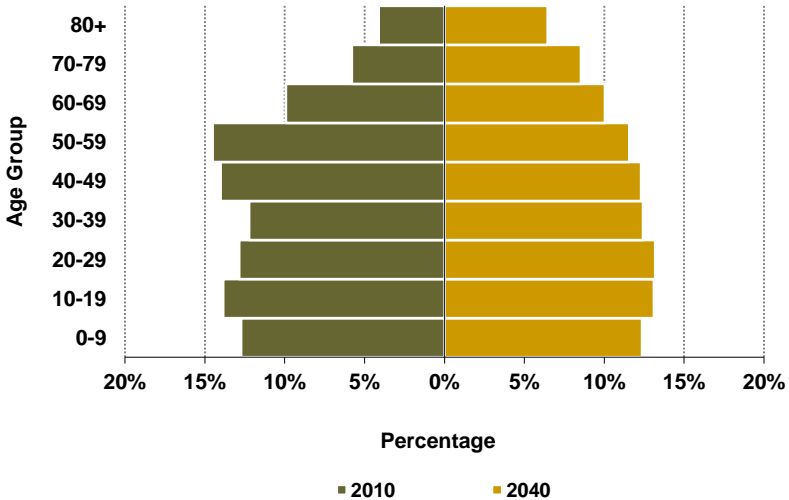


Source: U.S. Census Bureau

- Between the 2000 decennial census and 2012 census estimates, the largest areas of population growth in Ohio were in the central and southwest portions of the state. Overall, 46 counties gained in population with an average growth rate of 9.8%. The other 42 counties experienced a loss of population with an average declining rate of 5.0%.
- Fourteen counties experienced above average growth. The population of Delaware County in central Ohio grew by almost 72,000 people, giving it the highest growth rate in the state (64.7%).
- Six counties experienced above average losses. The population of Cuyahoga County, the state's most populous, declined by nearly 128,000 people, giving it the highest rate of decline in the state (9.2%).
- Ohio's total population grew by 1.7% over the 2000-2012 period, from 11.35 million in 2000 to 11.54 million in 2012. This rate is lower than the population growth rate of 4.6% for the 12 states in the Midwest region, and well below the national population growth rate of 11.5% during the same period.

Ohio's Population Is Expected to Continue Aging

Share of Population by Age Group



Source: Ohio Development Services Agency

- Ohio's population is expected to continue aging in the next few decades. The percentage of Ohioans age 70 to 79 is projected to increase from 5.8% in 2010 to 8.6% in 2040. The percentage of Ohioans age 80 or older is also projected to increase from 4.1% to 6.5%.
- During the same period, the percentage of Ohioans age 30 to 59 is expected to decrease from 40.7% in 2010 to 36.3% in 2040. The percentage of Ohioans age 19 or younger is expected to slightly decrease from 26.6% to 25.5%.
- There are about 3.2 million Baby Boomers (those born between 1946 and 1964) in Ohio. They accounted for 27.7% of Ohio's population in 2010. While they were still primarily of working age (age 46 to 64) in 2010, Baby Boomers will be at least 76 years old by 2040.
- Ohio's dependency ratio (the combined number of Ohioans age 20 and under and age 65 and over as a percentage of Ohioans age 20 to 64) is also projected to increase from 68.5% in 2010 to 83.0% in 2040, an increase of 14.5 percentage points.

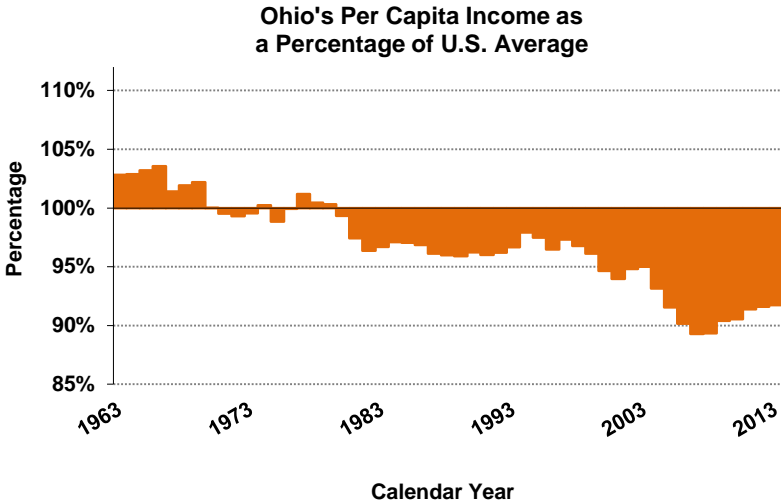
Ohio's Economy Ranks 7th Largest Among States

2013 Gross Domestic Product by State				
State	Total GDP (\$ in billions)		Per Capita GDP	
	Amount	Rank	Amount	Rank
Ohio	\$565.3	7	\$48,853	28
<i>Neighboring States</i>				
Pennsylvania	\$644.9	6	\$50,487	25
Michigan	\$432.6	13	\$43,714	39
Indiana	\$317.1	16	\$48,259	30
Kentucky	\$183.4	28	\$41,720	43
West Virginia	\$74.0	39	\$39,891	47
Top Ranked State	\$2,202.7	California	\$80,741	Alaska
U.S.	\$16,701.4	--	\$52,831	--

Source: U.S. Bureau of Economic Analysis

- Ohio's gross domestic product (GDP), the broadest measure of economic production, totaled \$565.3 billion in 2013, which was the 7th largest in the U.S., between Pennsylvania (6th) and New Jersey (8th). Ohio's total GDP was higher than those of all neighboring states except for Pennsylvania.
- On a per capita basis, Ohio's GDP of \$48,853 ranked 28th largest in the nation in 2013. Among its neighboring states, only Pennsylvania ranked higher than Ohio, with per capita GDP of \$50,487 (25th).
- In 2013, Ohio's total GDP accounted for 3.4% of U.S. GDP, compared with 3.7% a decade earlier. Ohio's economy grew more slowly than the U.S. as a whole during the ten years ending in 2013. In nominal terms (i.e., not adjusted for inflation), Ohio's GDP grew at an average rate of 2.9% per year during this period, while GDP for the U.S. grew by 3.8% per year.
- Over the last decade, average annual economic growth in Ohio's neighboring states was also slower than the U.S. average, except for West Virginia where GDP growth averaged 4.8% per year. Michigan was the only neighboring state with slower GDP growth than that of Ohio, at an average of 1.4% per year.
- If Ohio's economy were compared with the U.S. and other nations, it would have ranked 22nd largest in the world in 2013, with 0.8% of world GDP, based on a World Bank measure with GDP in domestic currencies converted into dollars at official exchange rates for almost all countries. On this basis, Ohio's ranking would have been between Argentina (21st) and Sweden (23rd).

Ohio's Per Capita Income Remains Below U.S. Average



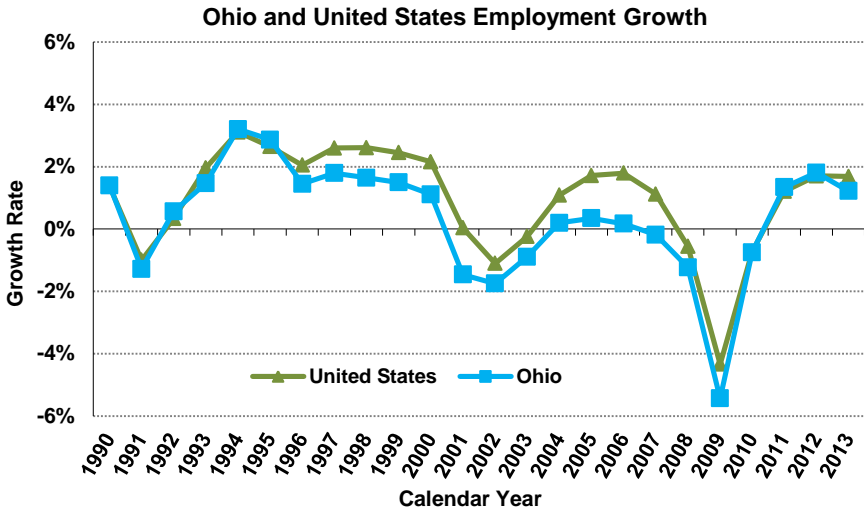
Source: U.S. Bureau of Economic Analysis

- Ohio's per capita income exceeded the U.S. average through the 1960s, but since 1980, has remained below the U.S. average. The gap between Ohio's per capita income and the U.S. average widened over the years, increasing from less than 3 percentage points below in 1981 to over 10 percentage points below in 2008, but the gap has declined to about 8 percentage points in 2013.
- In 2013, Ohio's per capita income of \$40,865 ranked 30th in the nation. Connecticut's per capita income was the highest at \$60,847. The lowest, Mississippi, was \$34,478. As shown in the table below, Ohio's per capita income was higher than all neighboring states except Pennsylvania.

Per Capita Income for the U.S., Ohio, and Neighboring States in 2013

State	National Rank	Per Capita Income
U.S.	--	\$44,543
Pennsylvania	18	\$45,926
Ohio	30	\$40,865
Michigan	35	\$39,215
Indiana	38	\$38,812
Kentucky	45	\$36,239
West Virginia	47	\$35,613

Ohio Employment Growth Mirrors National Pace Since 2010

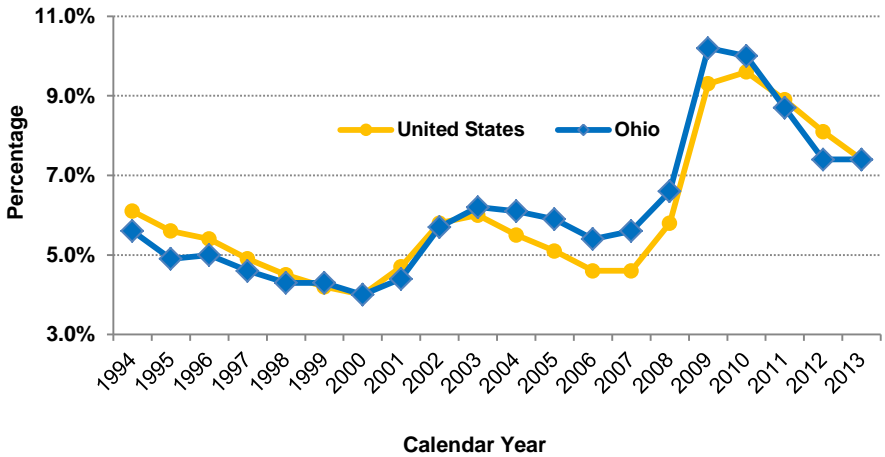


Source: U.S. Bureau of Labor Statistics

- Since the conclusion of the most recent recession, Ohio employment growth generally mirrored the U.S. average, which was a pattern not seen since 1990-1995. In the intervening years, from 1996-2009, Ohio employment grew more slowly than the U.S. average in years where growth was positive and employment declined faster than the U.S. average when growth was negative. Ohio's divergent growth was related to Ohio's slower population growth and the industry structure of Ohio's economy.
- Total nonfarm payroll employment in Ohio peaked in 2000 at 5.62 million, and then fell to an intra-decade low of 5.03 million in 2010. Employment increased 1.2% in 2013 to 5.25 million, which is approximately 372,000 (6.6%) below its 2000 peak.
- U.S. nonfarm payroll employment of 136.37 million in 2013 was 3.3% above its 2000 level, and 1.1% below its 2007 peak level.
- Since the conclusion of the 2001 recession, Ohio's strongest job growth from 2002 to 2013 was in educational and health services (1.9% annual average growth), followed by growth in professional and business services (1.0%).
- The greatest employment loss since 2002 occurred in manufacturing, which lost jobs at an average annual rate of 2.6%. After declining following the 1990 recession, manufacturing employment rose to a peak of 1.04 million in 1995. From then through 2013, Ohio lost approximately 375,000 manufacturing jobs. However, manufacturing employment has grown along with total employment since 2010.

Ohio's Unemployment Rate At or Below National Average for Third Consecutive Year

Unemployment Rates for Ohio and U.S.



Sources: U.S. Bureau of Labor Statistics; Ohio Labor Market Information

- In 2013, Ohio's unemployment rate was 7.4%, which was equal to the national average. It marked the third consecutive year that Ohio's unemployment rate did not exceed the national average. Prior to 2011, Ohio's unemployment rate exceeded the national rate for eight consecutive years, from 2003 to 2010. From 1994 to 2002, Ohio's unemployment rate exceeded the national average in only one year, 1999.
- Between 1994 and 2013, the number of people unemployed in Ohio varied from a peak seasonally adjusted rate of 627,000 in July 2009 to a low of 222,000 recorded in December 2000. From 2012 to 2013, the monthly average number of unemployed people increased by 1,000 to 425,000.
- Compared to its neighboring states, Ohio's 2013 unemployment rate of 7.4% was higher than that of West Virginia (6.5%), but lower than that of Michigan (8.8%), Kentucky (8.3%), and Indiana (7.5%). Pennsylvania had an identical 7.4% rate.
- Unemployment rates vary greatly among Ohio's counties. In 2013, 47 counties had unemployment rates that exceeded the statewide average and 41 counties had rates at or below the statewide average. The highest rate was 12.5% (Pike) and the lowest rate was 4.5% (Mercer).
- Among Ohio workers who were unemployed in 2013, the median duration of their unemployment was 15.8 weeks. Among all U.S. workers who were unemployed in 2013, the comparable figure was 17.0 weeks.

Ohio Employment Continues Shifting Toward Services

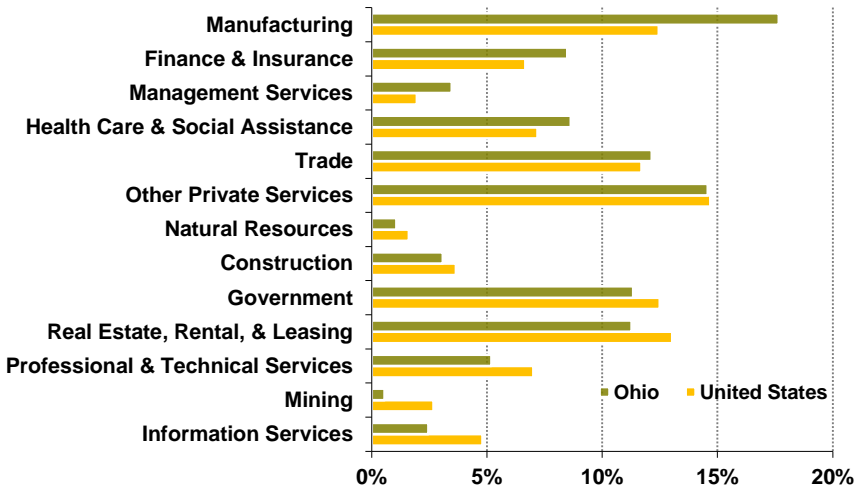
Ohio Employment by Sector (in thousands)			
Sector	Calendar Year		Average Annual Growth 1998-2013
	1998	2013	
Goods-Producing			
Mining/Natural Resources	13.8	12.4	-0.7%
Construction	230.7	184.8	-1.5%
Manufacturing	1,029.7	662.0	-2.9%
Subtotal	1,274.1	859.2	-2.6%
Private Service-Providing			
Trade	899.1	789.4	-0.9%
Transportation & Utilities	186.4	191.9	0.2%
Information	104.3	74.8	-2.2%
Financial Activities	296.3	283.2	-0.3%
Professional & Business Services	613.9	687.8	0.8%
Educational & Health Services	657.1	877.9	2.0%
Leisure, Hospitality, and Other Services	687.4	729.8	0.4%
Subtotal	3,444.6	3,634.8	0.4%
Government	763.4	758.5	-0.0%
Total	5,482.1	5,252.4	-0.3%

Sources: Ohio Labor Market Review; U.S. Bureau of Labor Statistics

- Between 1998 and 2013, Ohio employment in the private service-providing industries increased by 0.4% per year and government employment decreased by less than 0.1% per year. In contrast, employment in the goods-producing industries fell by 2.6% per year during the same 15-year period.
- Due to the different growth rates, the goods-producing industries' share of total employment decreased from 23.2% in 1998 to 16.4% in 2013, while the private service-providing industries' share increased from 62.8% to 69.2%. The government sector share increased from 13.9% to 14.4%.
- The share of manufacturing employment in Ohio fell from 18.8% to 12.6% between 1998 and 2013, compared with a national decrease from 13.9% to 8.8%.
- Employment growth in the service sector was strongest in educational and health services, followed by professional and business services. Employment in these two sectors increased by 295,000 between 1998 and 2013, whereas trade (wholesale and retail) and information (e.g., publishing and telecommunications) decreased by 139,000 employees over the same period.

Manufacturing Comprises Larger Share of Ohio's Economy Than That of the Nation

Industry Shares of Gross Domestic Product in 2013



Source: U.S. Bureau of Economic Analysis

- Ohio's economy remains more concentrated in manufacturing than the nation as a whole. Output of the state's factories accounted for 18% of Ohio's gross domestic product (GDP) in 2013, while manufacturing's share of the national economy was 12%. Other industry groups that comprise a greater share of Ohio's economy than the nation's include finance and insurance, management services, health care and social assistance, and trade.
- Manufacturing's larger share of Ohio's GDP reflects the state's specialization in the production of durable goods, particularly fabricated metal products, motor vehicles and parts, primary metals, machinery, and electrical equipment and appliances, as well as nondurable goods including petroleum and coal products, plastics and rubber products, and chemicals. Ohio's economy has been concentrated in manufacturing for decades.
- Eight states derived higher shares of their GDP from manufacturing than Ohio in 2013: Indiana, Oregon, Louisiana, North Carolina, Michigan, Wisconsin, Kentucky, and Alabama.
- Production of goods – in construction, natural resource industries, mining, and manufacturing – accounted for 22% of Ohio's GDP in 2013, higher than the comparable figure for the United States (20%) because of the relatively large share of manufacturing in Ohio. The service sector comprised 78% of the value of economic activity for Ohio and 80% for the nation.

Ohio Ranks 9th Nationally in the Value of Exports

Top Ten States in Exports				
2013 Rank	States	2012 (in billions)	2013 (in billions)	% Change 2012-2013
	U.S.	\$1,547.1	\$1,578.9	2.1%
1	Texas	\$265.4	\$279.7	5.4%
2	California	\$161.7	\$168.1	4.0%
3	New York	\$79.2	\$84.0	6.1%
4	Washington	\$75.5	\$81.9	8.5%
5	Illinois	\$68.0	\$65.8	-3.2%
6	Louisiana	\$63.2	\$63.1	-0.1%
7	Florida	\$66.4	\$60.5	-8.9%
8	Michigan	\$56.9	\$58.5	2.7%
9	Ohio	\$48.5	\$50.5	4.1%
10	Pennsylvania	\$38.9	\$40.9	5.3%

Source: U.S. Census Bureau

- In 2013, the value of Ohio's exports to foreign countries was \$50.5 billion, 9th highest among the 50 states. Ohio's export value increased 4.1% from 2012 to 2013, almost doubling the average U.S. increase of 2.1%. Overall, Ohio accounted for 3.2% of total U.S. exports in 2013.
- Ohio's export value was 8.9% of the state's gross domestic product (GDP) in 2013, lower than the U.S. average of 9.5%.
- On a per capita basis, Ohio's exports ranked 20th highest in 2013. Ohio's per capita export value of \$4,369 in that year was 12.5% lower than the U.S. average of \$4,994.
- In 2013, sales of Ohio exports exceeded \$1 billion in Canada, Mexico, China, France, the United Kingdom, Japan, Brazil, Germany, and South Korea. Canada was the largest market, purchasing \$20.1 billion (39.5%) of Ohio's exports, followed by Mexico at \$5.0 billion (9.9%). Ohio's largest overseas market was China, accounting for \$3.4 billion (6.6%).
- Eleven of Ohio's production sectors exported over \$1 billion each in 2013. Machinery was the largest at \$9.3 billion, followed by vehicles/not railway (\$9.0 billion), aircraft (\$4.7 billion), electrical machinery (\$3.2 billion), plastics (\$2.7 billion), optical/medical instruments (\$2.0 billion), and iron/steel products (\$1.5 billion). The rubber, chemical products, oil seed/grain, and iron/steel (primary) sectors exported \$1.1 billion each. Together, these 11 sectors accounted for 72.8% of Ohio's exports in 2013.

Ohio Ranks in the Top 15 Nationally in Receipts From Four of its Five Leading Agricultural Commodities

Cash Receipts and Rankings of Ohio's Five Leading Commodities in 2012

Commodity	Value of Receipts (Thousands of Dollars)	% of Ohio Total Receipts	% of U.S. Total Receipts	National Rank
Soybeans	\$2,876,804	28.6%	7.1%	6
Corn	\$2,852,420	28.3%	4.1%	7
Dairy Products	\$1,034,408	10.3%	2.8%	11
Hogs	\$724,623	7.2%	3.3%	9
Cattle and Calves	\$552,817	5.5%	0.8%	26
Top Five Subtotal	\$8,041,072	79.9%	2.1%	--
All Commodities	\$10,066,756	100.0%	2.6%	11

Source: U.S. Department of Agriculture

- In 2012, cash receipts from four of Ohio's five leading agricultural commodities ranked among the top 15 in the nation. The highest ranking was for soybeans (6th). Cash receipts from Ohio's five leading commodities were \$8.0 billion and accounted for 79.9% of the state's total commodity cash receipts.
- Overall cash receipts of Ohio commodities of \$10.1 billion ranked 11th in the United States in 2012 and accounted for 2.6% of the nation's total commodity cash receipts.
- From 2002 to 2012, Ohio's overall cash receipts from commodities increased by 129.5%, from \$4.4 billion to \$10.1 billion. This rate of increase was higher than the national average increase of 86.1% during the same period, but was the lowest among the five states in the Cornbelt Production Region, behind Iowa (181.2%), Indiana (154.9%), Illinois (154.7%), and Missouri (133.0%).
- Ohio farm acreage was just under 14 million acres in 2012, virtually unchanged since the U.S. Department of Agriculture's previous estimate in 2007. During this same period, farm acreage nationally declined slightly less than 1.0%.
- In 2012, Ohio had 75,462 total farms, which ranks 7th nationally. The number of farms in Ohio represents 3.6% of the more than 2.1 million farms nationwide.

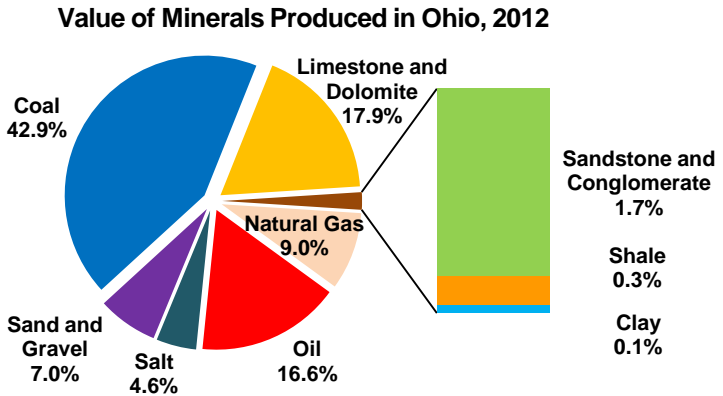
Ohio's Median Home Prices Are Recovering at Varying Rates but Still Mostly Below 2005 Levels

Median Sales Price of Existing Single-Family Homes in Ohio Metropolitan Statistical Areas, 2005-2013					
MSA	2005	2009	Change 2005-2009	2013	Change 2005-2013
Akron	\$120,500	\$93,200	-22.7%	\$118,500	-1.7%
Canton	\$102,200	\$86,200	-15.7%	\$104,300	2.1%
Cincinnati	\$145,900	\$125,800	-13.8%	\$135,500	-7.1%
Cleveland	\$138,900	\$106,800	-23.1%	\$117,700	-15.3%
Columbus	\$152,000	\$134,900	-11.3%	\$142,800	-6.1%
Dayton	\$119,700	\$104,100	-13.0%	\$106,500	-11.0%
Toledo	\$117,300	\$83,400	-28.9%	\$81,700	-30.3%
Youngstown	\$85,600	\$66,500	-22.3%	\$67,000	-21.7%
Midwest	\$168,300	\$142,900	-15.1%	\$155,700	-7.5%
United States	\$219,000	\$172,100	-21.4%	\$197,400	-9.9%

Source: National Association of Realtors

- Between 2005 and 2009, median home prices among Ohio metropolitan statistical areas (MSAs) decreased by 18.9% on average. This was greater than the 15.1% decline in the Midwest region but lower than the 21.4% drop for the United States as a whole.
- The recovery in median home prices for Ohio MSAs since 2009 has been uneven. In 2013, median home prices in the Akron, Cincinnati, and Columbus MSAs remained below 2005 levels, but recovered at faster rates than in the Midwest region and United States overall. Median prices in Cleveland, Dayton, and Youngstown also rebounded from their 2009 lows, but at slower rates. The median home price in Toledo continued to decline after 2009, while Canton saw a small gain over its 2005 level.
- Between 2005 and 2013, the median sales prices of existing single-family homes in Ohio's eight MSAs were below the medians of both the United States and the Midwest region. In 2013, the Columbus MSA had the highest median sales price in Ohio, at \$142,800, while the Youngstown MSA had the lowest, at \$67,000.
- The number of existing homes (including single-family homes, condominiums, and co-ops) sold in the Midwest region increased by 3.2%, from 1.16 million in 2009 to 1.20 million in 2013, while the number of homes sold nationwide over this time decreased by 1.2%.

Coal Was Ohio's Most Valuable Mineral Resource in 2012

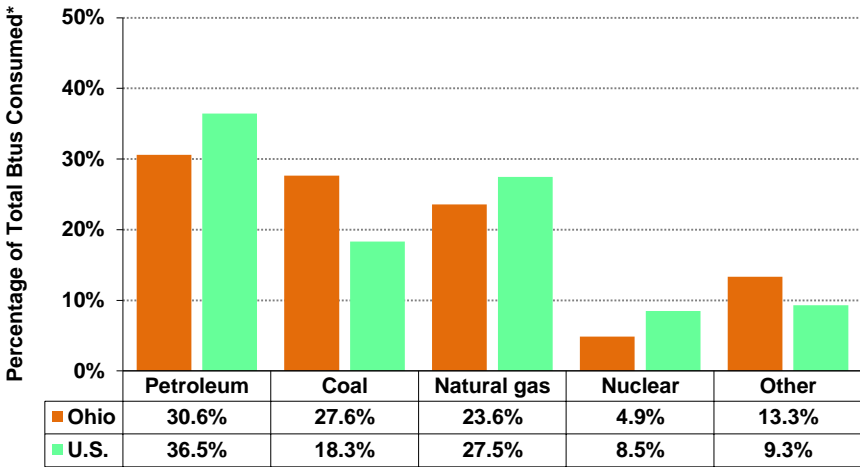


Source: Ohio Department of Natural Resources

- Of the \$2.76 billion worth of fuel and nonfuel mineral resources extracted in Ohio in 2012, coal represents the largest portion at \$1.18 billion (42.9%). This is followed by limestone and dolomite at \$494.6 million (17.9%), oil at \$457.9 million (16.6%), and natural gas at \$248.2 million (9.0%).
- In terms of tonnage, coal ranked 3rd in 2012 production among all industrial minerals in Ohio. Of the 121.8 million tons of coal and industrial minerals (limestone and dolomite, salt, sand and gravel, sandstone and conglomerate, shale, and clay) produced in Ohio in 2012, limestone and dolomite comprised the largest portion at 58.3 million tons (47.9%), followed by sand and gravel at 30.5 million tons (25.0%), and coal at 26.3 million tons (21.6%).
- Belmont County continued to be the top coal-producing county in Ohio in 2012, accounting for 15.2 million tons, or 57.5% of the state's total. Perry County at 3.5 million tons (13.5%) and Harrison County at 3.0 million tons (11.5%) were the other leading producers.
- Altogether, 13 Ohio counties produced coal in 2012, of which three produced more than 1 million tons. This is a reduction from the 17 counties that produced coal in 2010, of which six produced more than 1 million tons.
- For industrial minerals, Wyandot County had the most sales of limestone and dolomite in 2012 (6.6 million tons), while Stark County led in sales of sand and gravel (3.0 million tons). Geauga County led in sales of sandstone and conglomerate, Tuscarawas County led in sales of clay, and Cuyahoga County led in sales of both shale and salt.
- Ohio produced 5.0 million barrels of oil and 86.8 billion cubic feet of natural gas in 2012. Carroll County led the state in the number of new productive wells, with 87.

Petroleum Became the Largest Source of Energy Consumed in Ohio for the First Time in 2012

Ohio and U.S. Energy Consumption by Source, 2012



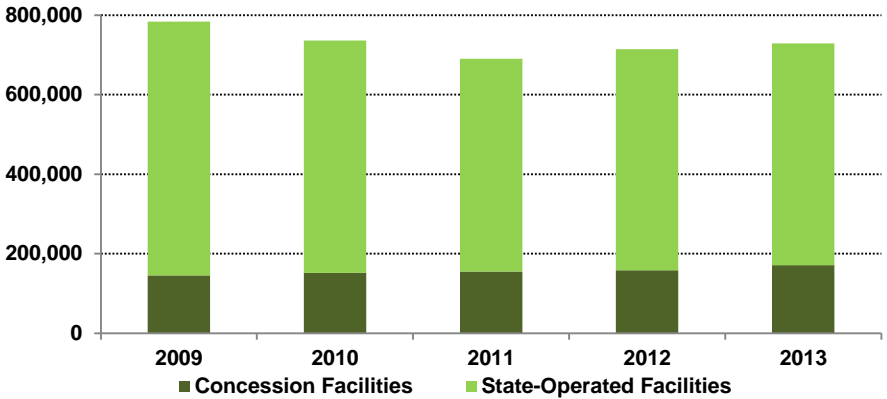
*A Btu (British thermal unit) is a heat unit with which energy consumption is measured. One Btu will raise the temperature of one pound of water by one degree Fahrenheit.

Source: United States Energy Information Administration

- Petroleum exceeded coal as the largest source of energy consumed in Ohio in 2012, which is a first since the U.S. Energy Information Administration began recordkeeping in 1960. In 2012, petroleum consumption was 30.6% of Ohio's total energy sources and it was also the largest source in the U.S. at 36.5%.
- Ohio coal consumption declined by 31.2% from 2005 to 2012. Still, coal accounted for 27.6% of Ohio's energy consumption in 2012 compared to 18.3% for the U.S. as a whole.
- Natural gas was the third largest source of energy consumed in Ohio, at 23.6%, but was the second largest source in the U.S., at 27.5%.
- Other sources, including hydroelectricity, biomass, other renewables, and energy losses associated with the electricity flowing across state lines, made up the remaining 13.3% of energy consumed in Ohio. Nationally, these sources made up 9.3%.
- Ohio was the sixth largest energy user among the 50 states in 2012, due primarily to Ohio's relatively large population. On a per capita basis, Ohio ranked 23rd in the nation in energy consumption.
- Ohio's industrial base requires significant energy resources. In usage by industrial customers, Ohio ranked sixth among states in 2012 in overall energy usage and second behind Texas in electricity usage.

Overnight Visits to Ohio State Parks Increased Again in 2013

Nights Used at Ohio State Park Overnight Facilities, 2009-2013



Source: Ohio Department of Natural Resources

- In calendar year (CY) 2013, there were 729,053 nights used at overnight facilities in Ohio's state parks. Nights used have increased by 38,472 (5.6%) since CY 2011, but are still 7.0% below the 784,191 nights used in CY 2009.
- Of the total nights used in 2013, 557,566 (76.5%) were in state-operated campgrounds, cottages, getaway rentals, or group lodges, while 171,487 (23.5%) were in concession-operated resort lodges, cottages, campgrounds, or getaway rentals. The number of nights used in concession-operated facilities has increased 17.9% since CY 2009.
- Camping remained the most popular form of overnight stay in Ohio's state parks in 2013, comprising 69.6% of all nights used. Resort lodges made up 18.2% of nights used, while cottages comprised 10.5%, getaway rentals comprised 1.7%, and group lodges comprised less than 0.1%.
- The number of campsite rentals increased by 4.6% between CY 2011 and CY 2013, but is still 12.9% below CY 2009 levels. However, the number of nights used at resort lodges has increased every year since CY 2009 for a cumulative total increase of 18.5%.
- In FY 2014, \$57.3 million was spent on state park operations. Of this amount, 52.5% was funded by the GRF and the remainder was funded by fees, charges, and other sources.
- In FY 2014, state parks generated \$26.5 million in revenue, a decrease of 8.5% from FY 2013. The largest source of revenue was camping fees (41.0%), followed by self-operated retail (15.2%), cottage and cabin rentals (11.9%), dock permits (10.0%), and concession fees (4.6%).

Ohio's 4,679 Public Water Systems Serve 10.8 Million People Daily

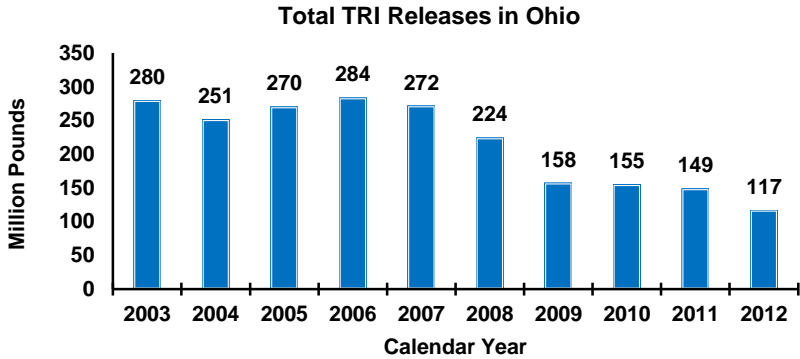
Ohio's Public Water Systems by Category, 2014

Category	Surface Water	Ground Water	Total Systems	Population Served Daily
Community	283	940	1,223	10,266,661
Nontransient Noncommunity	10	669	679	216,537
Transient Noncommunity	7	2770	2,777	373,663
Total	300	4,379	4,679	10,856,861

Source: Ohio Environmental Protection Agency

- Ohio's 4,679 public water systems provide drinking water to 10.8 million people daily. Public water systems, which range in size from large municipalities to small churches and restaurants that rely on a single well, are regulated by the Ohio Environmental Protection Agency (Ohio EPA). Private water systems are regulated by the Ohio Department of Health.
- There are three types of public water systems in Ohio:
 - *Community systems* serve at least 15 water connections used by year-round residents or regularly serve at least 25 year-round residents. Examples include cities and mobile home parks.
 - *Nontransient noncommunity systems* serve at least 25 of the same persons over six months per year. Examples include schools and businesses.
 - *Transient noncommunity systems* serve at least 25 different persons over 60 days per year. Examples include parks and highway rest stops.
- Of the 4,679 public water systems in Ohio, 4,379 (94%) use ground water (wells) and the remaining 300 (6%) use surface water (lakes or rivers).
- In 2013, 98% of community public water systems met all health-based water quality standards.
- In 2013, the Drinking Water Assistance Fund (DWAF), jointly administered by the Ohio Water Development Authority and the Ohio EPA, was used to award 49 below-market interest rate loans totaling \$90.4 million (\$88.5 million for construction and \$1.9 million for planning and design). These loans provide funds for infrastructure improvements undertaken to comply with federal and state drinking water standards.
- The individual 2013 DWAF loans ranged in amounts from \$30,315 (Geneva Hills) to \$13.5 million (Westerville). Cincinnati was awarded the largest total amount, with eight construction loans amounting to \$17.6 million.

Ohio's Toxic Chemical Releases Continue to Decline, but Still Ranked 7th in the Nation in 2012



Source: U.S. Environmental Protection Agency

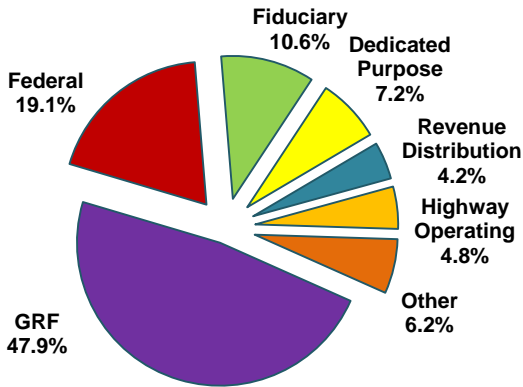
- Over the past ten years, the amount of chemicals included in the Toxic Release Inventory (TRI) that was released or disposed of in Ohio peaked at 283.7 million pounds in 2006. Since then, the amount declined by a total of 58.8%, to 117.4 million pounds in 2012.
- TRI is a database that contains information on the amount of over 650 toxic chemicals that is released into the environment or managed through recycling, energy recovery, and treatment.
- The federal Emergency Management Planning and Right-to-Know Act of 1986 requires certain industrial facilities to report these data to the U.S. EPA, which maintains TRI and issues an annual TRI report.
- Ohio ranked 7th nationally in total TRI releases in 2012. Three industries – electric utilities (34.6 million pounds), chemicals (27.2 million pounds), and primary metals (25.4 million pounds) – were together responsible for 74.3% of Ohio's total TRI releases in that year.
- In 2012, Alaska released the largest amount of TRI materials at 876.7 million pounds while Rhode Island released the least at 268,631 pounds. As seen in the table below, Ohio ranked above all its neighboring states except Indiana.

Total TRI Releases and Rankings for Ohio and Neighboring States, 2012

State	National Rank	Toxic Releases (Pounds)
Indiana	6	139,663,317
Ohio	7	117,444,213
Pennsylvania	9	97,977,537
Kentucky	13	77,996,859
Michigan	15	70,386,403
West Virginia	23	39,739,178

General Revenue Fund Accounted for Just Under 48% of State Operating Spending in FY 2014

State Operating Spending by Fund Group, FY 2014

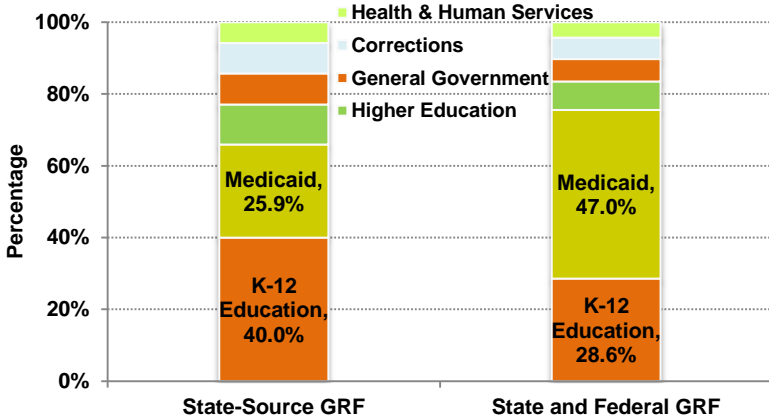


Source: Ohio Administrative Knowledge System

- In FY 2014 state operating spending totaled \$60.30 billion, of which \$28.90 billion (47.9%) was expended from the GRF. The GRF is mainly supported by state tax revenues but also receives federal reimbursements for Medicaid and certain other human service programs.
 - Medicaid comprised the largest share of total GRF spending at \$13.57 billion (47.0%) in FY 2014, followed by K-12 education (\$8.26 billion or 28.6%) and higher education (\$2.09 billion or 7.2%).
- The Federal Fund Group accounted for \$11.52 billion (19.1%) of overall operating spending in FY 2014. Moneys distributed under this fund group support various federal programs that are subject to the state appropriation process. Including the \$8.26 billion in federal reimbursements that were deposited into the GRF increases the federal share of total operating spending to 32.8% in FY 2014.
- Main spending items from the Fiduciary Fund Group (\$6.39 billion or 10.6%) and the Revenue Distribution Fund Group (\$2.54 billion or 4.2%) include tax refunds to individual Ohioans, state employee payroll and benefit deductions, payments to local governments for the phase-out of the tangible personal property tax, and tax revenue distributions to local governments.
- Spending from the Dedicated Purpose Fund Group (\$4.36 billion or 7.2%) supports various programs with specific revenue sources while spending from the Highway Operating Fund Group (\$2.88 billion or 4.8%) mainly supports the operations of the Ohio Department of Transportation.
- The remaining \$3.72 billion (6.2%) of FY 2014 total state operating spending was distributed from eight other smaller fund groups.

K-12 Education and Medicaid Are the Two Biggest Spending Areas in State Budget

GRF Spending by Program Area, FY 2014

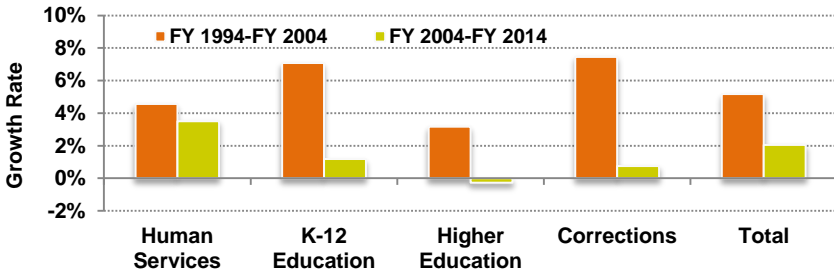


Sources: Ohio Administrative Knowledge System; Ohio Legislative Service Commission

- GRF spending supported by state sources totaled \$20.65 billion in FY 2014. Of this total, 40.0% (\$8.26 billion) went to K-12 Education. K-12 Education has traditionally comprised the largest share of state-source GRF spending, followed by Medicaid, which comprised 25.9% (\$5.35 billion) in FY 2014.
- The remainder of the state-source GRF in FY 2014 went to Higher Education (\$2.30 billion, 11.2%), General Government (\$1.80 billion, 8.7%), Corrections (\$1.74 billion, 8.4%), and Health and Human Services (\$1.20 billion, 5.8%).
- Spending for Medicaid and adoption services is also supported by federal reimbursements. In FY 2014, \$8.26 billion in federal reimbursements was deposited into the GRF, which brought total state and federal GRF spending to \$28.90 billion.
- Medicaid accounted for 47.0% (\$13.57 billion) of total state and federal GRF spending in FY 2014. Medicaid has consistently ranked first in total state and federal GRF spending. Federal reimbursements represented 60.6% (\$8.22 billion) of total GRF Medicaid spending in FY 2014 with the remaining 39.4% (\$4.43 billion) being paid by the state.
- While K-12 Education consumes the largest share of state-source GRF, it ranked second in total state and federal GRF spending, at 28.6% in FY 2014.
- The Higher Education, General Government, Corrections, and Health and Human Services shares of FY 2014 total state and federal GRF spending were 8.0%, 6.2%, 6.0%, and 4.3%, respectively.

Total State and Federal GRF Spending in Past Decade Grew Slower Compared to Prior Decade

Average Annual Growth by Major Program Area

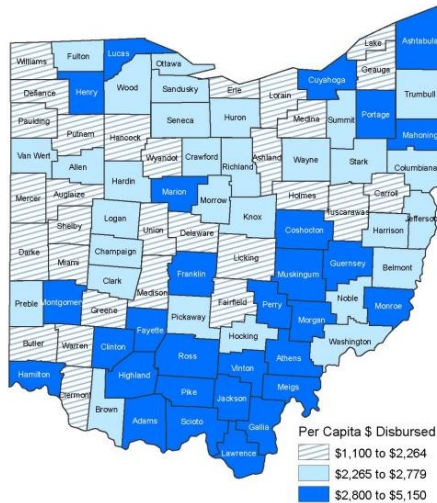


Sources: Ohio Administrative Knowledge System; Ohio Legislative Service Commission

- Total state and federal GRF spending increased by an average rate of 2.1% per year from FY 2004 to FY 2014 compared to 5.2% per year from FY 1994 to FY 2004. During this period, overall GRF spending increased by 100.4%, from \$14.42 billion in FY 1994 to \$28.90 billion in FY 2014.
- Slower growth in total GRF spending over the past decade was heavily influenced by the overall economy and tax policy changes. The Great Recession led to decreases in total GRF tax revenue of 12.0% in FY 2009 and 5.0% in FY 2010. The 4.2% decrease in FY 2014 was due entirely to tax policy changes, mainly an 8.5% reduction in income tax rates for tax year 2013.
- Federal stimulus money provided under the American Recovery and Reinvestment Act of 2009 helped support a 4.1% increase in total GRF spending in FY 2009. However, overall GRF spending decreased 9.9% in FY 2010, the only decline since FY 1975.
- From FY 2004 to FY 2014, Human Services was the only category that grew faster than overall GRF spending; it averaged 3.5% per year. Spending in this area is heavily influenced by conditions in the overall economy and by Medicaid eligibility policy changes.
- K-12 Education spending increased by 1.2% per year on average over the past decade, much slower than the 7.1% annual growth rate for the prior decade. From FY 2009 to FY 2014, K-12 Education spending increased 1.6%.
- Higher Education spending growth has been sensitive to changes in the overall state budget. Over the past decade, Higher Education spending decreased by an average of 0.3% per year due largely to decreases of 10.6% in FY 2010 and 12.5% in FY 2012. FY 2014 spending for Higher Education was 17.4% below the FY 2009 level.
- Due partly to prison population growth, Corrections spending increased 7.5% per year from FY 1994 to FY 2004. Average growth in the past ten years slowed to 0.8% per year.

State Spends More Total Dollars in Urban Counties, but More Dollars Per Capita in Rural Counties

FY 2013 Per Capita State Spending by County

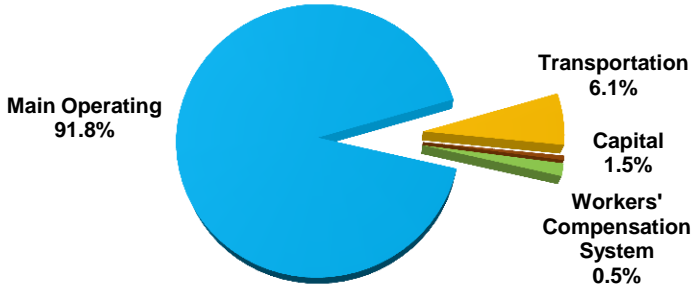


Source: Annual survey of state agencies by LSC

- In FY 2013, the five counties in which the state spent the most total money were Cuyahoga (\$3.72 billion), Franklin (\$3.66 billion), Hamilton (\$2.28 billion), Montgomery (\$1.58 billion), and Lucas (\$1.51 billion).
- That same year, the five counties in which the state spent the most money per capita were Athens (\$5,150 per capita), Pike (\$4,168), Vinton (\$3,960), Gallia (\$3,913), and Lawrence (\$3,839).
- A total of \$30.23 billion was spent on programs and projects in Ohio's 88 counties in FY 2013. Of this total, \$28.76 billion (95.2%) is categorized as subsidies that support Medicaid and public assistance programs, K-12 schools and higher education, distributions to political subdivisions to offset or supplement the costs of certain public services, and loans and grants for economic development.
- The remaining \$1.46 billion (4.8%) was for capital projects to acquire, construct, or improve physical assets such as land, buildings, and infrastructure.
- The largest portion of state subsidy and capital expenditures went toward health and human services (47.8%), followed by education (37.4%), transportation and infrastructure (6.0%), revenue distribution (4.4%), general government (3.0%), and justice and corrections (1.4%).

Main Operating Budget Authorized 91.8% of Total State Spending in FY 2014

State Spending by Budget, FY 2014
Total: \$61.22 billion



Source: Ohio Administrative Knowledge System

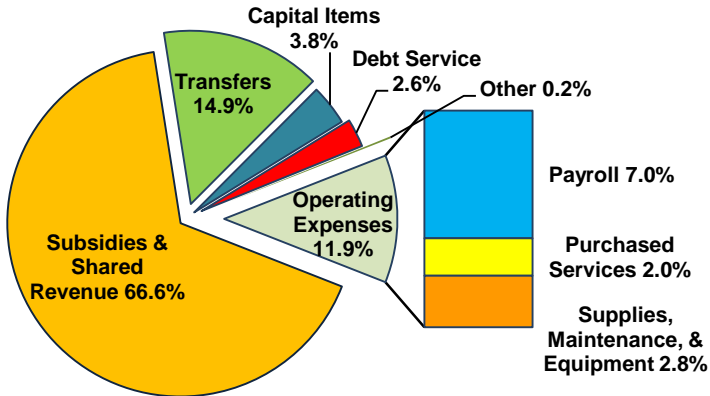
- In FY 2014, state spending totaled \$61.22 billion across all funds. Of this total, \$56.23 billion (91.8%) was authorized by the main operating budget act, \$3.74 billion (6.1%) by the transportation budget act, \$919.7 million (1.5%) by the capital budget act, and \$324.9 million (0.5%) by the two budget acts for the workers' compensation system.
- The four noncapital budget acts are commonly referred to as the operating budget.¹ While capital appropriations are primarily funded by bonds, operating appropriations are supported by cash from sources such as taxes, fees, and federal grants. The Ohio Constitution requires a balanced operating budget.
- The main operating budget provides funding for all state agencies except the Bureau of Workers' Compensation (BWC) and Ohio Industrial Commission (OIC). BWC and OIC each has its own budget. While the departments of Transportation (DOT) and Public Safety (DPS) receive some funding from the main operating budget, the transportation budget provides the vast majority of funding for DOT and DPS.
- The departments of Medicaid and Education dominate state spending, comprising 32.2% (\$19.45 billion) and 18.6% (\$11.23 billion), respectively, of total operating spending in FY 2014.²

¹ See pages 19 and 23 for more information on state operating spending and page 47 for more information on capital spending.

² See pages 58 and 70 for additional information on these two agencies' operating spending.

State Payroll Amounted to 7.0% of the Total State Operating Budget in FY 2014

State Operating Budget by Category, FY 2014

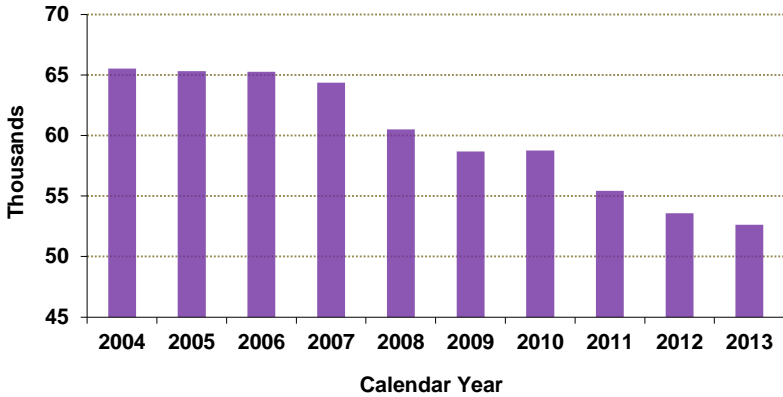


Source: Ohio Administrative Knowledge System

- In FY 2014 state payroll totaled \$4.23 billion across all funds, representing 7.0% of the total state operating budget. Of this amount, \$1.79 billion (42.2%) came from the GRF and the other \$2.45 billion (57.8%) came from various non-GRF funds.
- In addition to payroll, the state spent \$1.24 billion for purchased services and \$1.71 billion for supplies, maintenance, and equipment items. Combined with payroll, these three categories are commonly referred to as state government operating expenses, which totaled \$7.18 billion across all funds, representing 11.9% of the total state operating budget in FY 2014.
- Earned wages, the largest share of payroll costs, totaled \$2.47 billion, or 4.1% of the total FY 2014 state operating budget. This category includes wages for work performed, excluding paid vacation and sick leave time.
- Employee benefits – such as retirement contributions as well as health, vision, dental, and life insurance – represent the second largest portion of payroll costs, amounting to \$1.20 billion in FY 2014.
- The state operating budget for FY 2014 was \$60.30 billion across all funds. Of this total, \$51.43 billion (85.3%) went to three categories: \$40.14 billion (66.6%) for subsidies and shared revenue for various state and local entities, \$9.01 billion (14.9%) for "transfers," including items such as tax refunds and distributions of local taxes collected by the state, and \$2.28 billion (3.8%) for capital items funded with appropriations made in the operating budget, mainly in the transportation budget.

The Number of State Employees Fell to a New Ten-Year Low in 2013

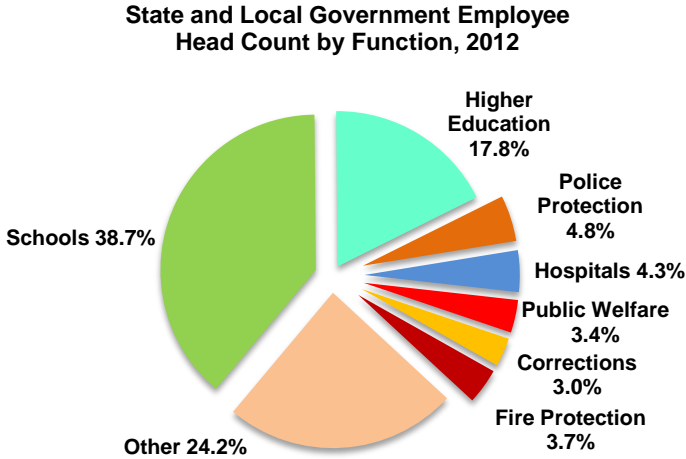
State Employee Head Count by Calendar Year



Source: Ohio Department of Administrative Services

- The number of state employees, including employees in the executive, legislative, and judicial branches, continues to drop, falling to a ten-year low of 52,618 in December 2013. This was 19.7% lower than the 65,527 employees in the state workforce in December 2004. Overall, the number of employees has decreased every year during this span, except for 2010.
- The largest annual decrease in state employees over this ten-year period occurred in 2008, when the number of state employees fell by 6.0%, from 64,352 in 2007 to 60,514 in 2008. The next largest decrease occurred between 2010 and 2011, when the number of state employees dropped from 58,766 to 55,442, a 5.7% decline.
- Of the 52,618 employees on the state payroll in December 2013, 46,885 (89.1%) were employed in permanent full-time positions. Overall, 36,301 employees, or 69.0% of the total, were in bargaining unit positions.
- There were a total of 98 state employers in the executive, legislative, and judicial branches of government as of December 2013. Together, the ten largest employed 36,612 individuals, or 69.6% of all state employees.
- Two state agencies employed one-third of the state workforce in 2013. The Department of Rehabilitation and Correction was the largest state employer, with 11,841 (22.5%) of the total, followed by the Department of Transportation, with 5,501 (10.5%) state employees. In contrast, 38 of the 98 state employers had 20 or fewer employees.

Over Half of Ohio Public Employees Worked for Schools and Institutions of Higher Education in 2012

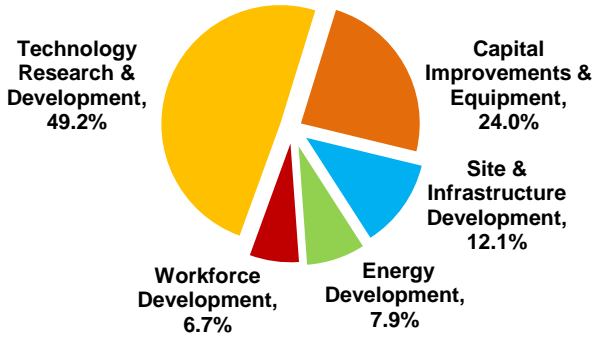


Source: U.S. Census Bureau

- Ohio's state and local government employee head count totaled 712,255 in 2012, of which 38.7% (275,976) worked for public schools and 17.8% (126,708) worked for public colleges and universities. Together, education accounted for 56.5% of total state and local government employment.
- The other major public employee categories include police protection (4.8%, 34,114 employees), hospitals (4.3%, 30,867), fire protection (3.7%, 26,440), public welfare (3.4%, 24,315), and corrections (3.0%, 21,243). Together, these five sectors represented 19.2% (136,979) of the total state and local government employee head count in 2012.
- From 2002 to 2012, the number of public school employees decreased by 3.0% (8,672) from 284,648 to 275,976. Public school enrollment decreased by 2.5% (44,261) from 1.81 million in FY 2002 to 1.76 million in FY 2012.
- Employment at public institutions of higher education increased by 11.6% (13,175) from 113,533 in 2002 to 126,708 in 2012. Meanwhile, higher education enrollment increased by 26.9% (86,996) from 323,390 in FY 2002 to 410,386 in FY 2012.
- In 2012, the public school employee head count consisted of 178,134 (64.5%) instructional employees and 97,842 (35.5%) other employees, while the higher education employee head count included 43,405 (34.3%) instructional employees and 83,303 (65.7%) other employees.
- Ohio's public employee head count total decreased by 3.2% (23,582) from 2002 to 2012. Increases in higher education and hospitals were more than offset by decreases in almost all other categories.

Almost Half of State Economic Development Assistance in FY 2014 Was for Technology R&D Projects

Development Loan and Grant Expenditures by Category, FY 2014



Source: Ohio Administrative Knowledge System

- The Development Services Agency disbursed \$178.2 million in state loans and grants for economic development assistance in FY 2014. Of this total, \$87.7 million (49.2%) was for programs to support research, development, and commercialization of new technologies, including \$60.9 million under the Third Frontier Program.
- Grants and loans issued to support private-sector capital improvements accounted for \$42.8 million (24.0%) of the total. These awards, such as 166 Direct Loans and various business incentive grants, aim to assist businesses in undertaking large capital projects involving machinery and equipment purchases, facility renovations, or real estate purchases.
- Site and infrastructure development grants that help businesses and local governments cover the capital costs involved with business location or expansion amounted to \$21.6 million, representing 12.1% of the total. This included \$11.1 million in Roadwork Development Grant disbursements and \$10.5 million for the now expired Job Ready Sites Program.
- Energy development spending totaled \$14.2 million (7.9%) in FY 2014. Of this amount, \$11.0 million was for assistance under the Advanced Energy Fund and \$3.2 million was for grants under the Coal Research and Development Program.
- Job training grants accounted for the remaining \$11.9 million (6.7%) of the total economic development assistance funding in FY 2014. Of that amount, \$7.2 million was spending from the Incumbent Workforce Training Voucher Program, while the Ohio Workforce Guarantee Program, which is now defunct, accounted for \$4.8 million in expenditures.

Ohio Taxes Were Lower Than the National Average on a Per Capita Basis and About the Same as a Share of Personal Income

Combined State and Local Taxes, FY 2011

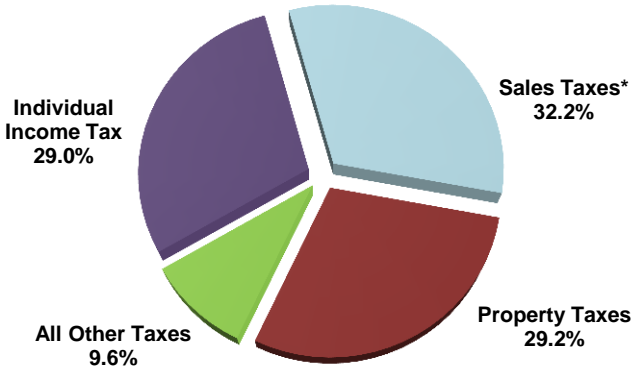
State	Taxes Per Capita	National Rank	Taxes as % of Personal Income	National Rank
National Average	\$4,311	--	10.43	--
Ohio	\$3,908	26	10.42	17
Neighboring States				
Indiana	\$3,560	33	10.06	27
Kentucky	\$3,341	40	9.90	31
Michigan	\$3,656	30	10.11	26
Pennsylvania	\$4,382	18	10.21	21
West Virginia	\$3,761	28	11.46	8

Sources: U.S. Census Bureau; Ohio Legislative Service Commission

- Ohio's combined state and local tax burden, measured by taxes per capita, was \$3,908 in FY 2011. This was lower than the national average of \$4,311 but higher than that of all neighboring states except Pennsylvania.
- Measured relative to personal income, Ohio's tax burden of 10.42% was about equal to the national average. Compared to its neighboring states, Ohio had higher taxes as a percentage of personal income than all except West Virginia.
- For FY 2011, Ohio's state taxes were \$2,167 per capita, below the national average of \$2,449. Local taxes in Ohio averaged \$1,741 per capita, also below the national average of \$1,862.
- For FY 2011, Ohio's state taxes were 5.8% of personal income, below the national average of 5.9%. Ohio's local taxes were 4.6% of personal income, above the national average of 4.5%.
- In FY 2011, Alaska had the highest per capita combined state and local tax burden at \$10,147, while Alabama had the lowest at \$2,895.
- Alaska also had the highest level of combined state and local taxes as a percentage of personal income at 21.64% in FY 2011. South Dakota had the lowest at 7.69%.

Ohio's State and Local Taxes Distributed Fairly Equally Among Income, Sales, and Property

Ohio Combined State & Local Tax Revenue by Source, FY 2011

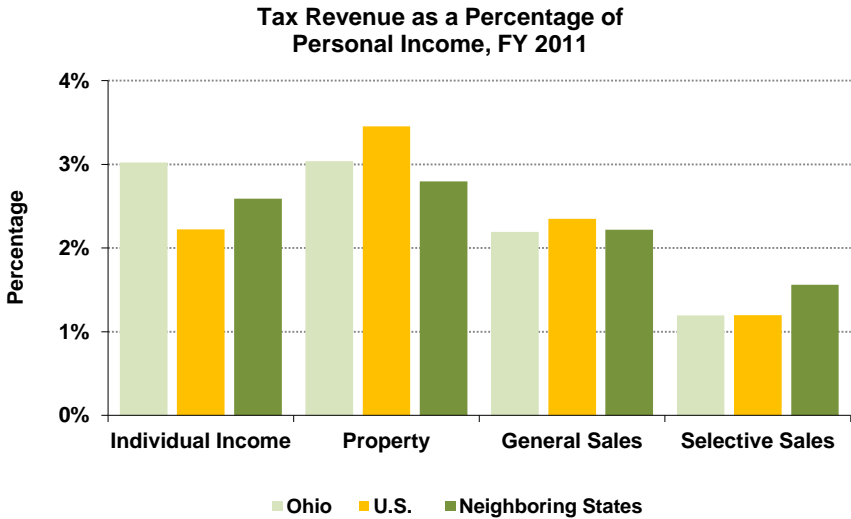


*Sales taxes include general state and local sales tax and gross receipts taxes on sales of specific products, including tobacco products, alcoholic beverages, motor fuels, and utility services.

Sources: U.S. Census Bureau; Ohio Legislative Service Commission

- In FY 2011, state and local taxes on individual income, sales, and property in Ohio raised 90.4% of tax revenues, of which each of the three taxes accounted for about one-third.
- State taxes accounted for 55.4% of Ohio's combined state and local tax revenue in FY 2011. For the U.S. as a whole, state taxes were 56.8% of combined state and local tax revenue.
- Of Ohio's state tax revenue, 50.3% came from sales and gross receipts taxes – of which 31.0% was from the general sales tax – and 35.3% came from the individual income tax. Nationwide, 48.4% of state taxes came from sales and gross receipts taxes – with 31.0% from general sales taxes – and 34.1% of state taxes came from individual income taxes.
- Local taxes comprised 44.6% of Ohio's combined state and local tax revenue in FY 2011. For the U.S. as a whole, local taxes were 43.2% of combined state and local taxes.
- Of Ohio's local taxes, 65.4% came from property taxes, 21.3% from individual income taxes, and 9.6% from sales and gross receipts taxes. Nationwide, 74.2% of local taxes were derived from property taxes, 4.4% from individual income taxes, and 16.1% from sales and gross receipts taxes.

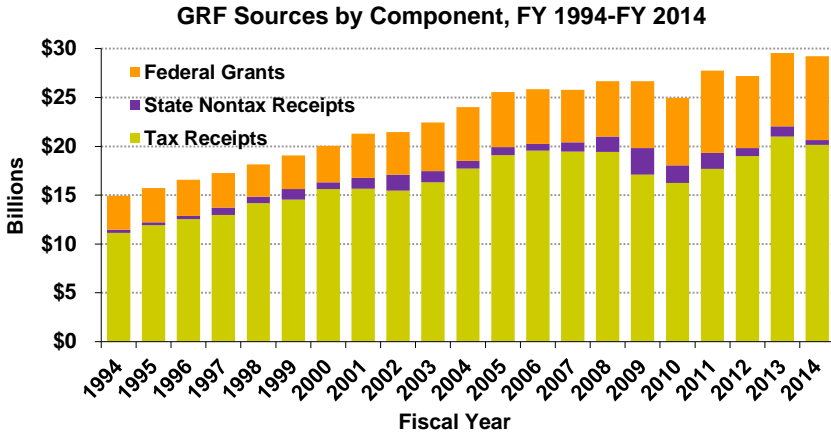
Government in Ohio Relies More on Income Taxes Compared to Other States



Sources: U.S. Census Bureau; Ohio Legislative Service Commission

- In FY 2011, Ohio's state and local individual income taxes were 3.0% of total personal income, which was higher than the national average (2.2%). Compared to the five neighboring states, Ohio's percentage was lower than that of Kentucky (3.1%), but higher than that of Indiana (2.7%), West Virginia (2.7%), Pennsylvania (2.6%), and Michigan (1.9%). Ohio's percentage was 3.7% in FY 2006, but has been decreasing in recent years.
- Ohio's property taxes were also 3.0% of total personal income, which was less than the national average (3.5%). Ohio's percentage was on par with that of Pennsylvania (3.0%), but higher than that of Indiana (2.7%), West Virginia (2.3%), and Kentucky (2.0%). Michigan (3.8%) had the highest level of property taxes as a percentage of personal income among neighboring states.
- Ohio's general sales tax receipts were 2.2% of total personal income, which was lower than the national average (2.3%). Ohio's percentage was lower than that of Indiana (2.7%) and Michigan (2.7%), but higher than that of Kentucky (2.0%), West Virginia (2.0%), and Pennsylvania (1.8%).
- Ohio's selective sales tax receipts were 1.2% of total personal income, which was the same as the national average and that of Indiana. Ohio's percentage was higher than Michigan's (1.0%), but lower than that of West Virginia (2.3%), Kentucky (1.7%), and Pennsylvania (1.5%). Selective sales taxes apply, for example, to motor fuel, alcoholic beverages, tobacco products, and public utilities.

GRF Tax Receipts Peaked in FY 2013

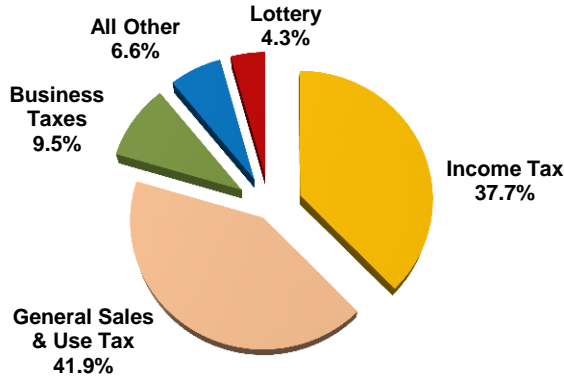


Sources: Ohio Administrative Knowledge System; Ohio Legislative Service Commission

- Tax receipts, the largest component of GRF sources, reached an all-time high of \$21.02 billion in FY 2013. These receipts were 7.4% (\$1.45 billion) above the previous peak of \$19.56 billion in FY 2006, and 10.6% (\$2.01 billion) higher than FY 2012. The continuing economic recovery accounted for about 69% of the increase from FY 2012 to FY 2013. The other 31% was due to policy changes that increased the GRF share of tax receipts.
- GRF tax receipts decreased by \$881.1 million (4.2%) from FY 2013 to FY 2014. This decrease was due entirely to tax policy changes, mainly an across the board income tax rate reduction of 8.5% in tax year (TY) 2013. GRF tax receipts also decreased in FY 2009 (12.0%) and FY 2010 (5.0%) due primarily to the Great Recession.
- From FY 1994 to FY 2006, on average, tax receipts made up 75.1% of total GRF sources. This average dropped to 69.4% for the period from FY 2007 to FY 2010. In FY 2014, tax receipts represented 68.9% of total GRF sources.
- Stimulus money provided under the American Recovery and Reinvestment Act of 2009 increased the federal grant share of GRF sources. From FY 2009 to FY 2011, federal grants made up an average of 27.9% of total GRF sources each year, compared to 21.0% for the period from FY 1994 to FY 2008. The federal grant share was 29.3% (\$8.58 billion) in FY 2014.
- State nontax receipts include fees, earnings on investments, and various transfers that are deposited into the GRF. In FY 2014, state nontax receipts represented 1.8% (\$520.2 million) of total GRF sources.
- During the past two decades, total GRF sources increased by 95.8% from \$14.93 billion in FY 1994 to \$29.23 billion in FY 2014.

Income and General Sales Taxes Dominate State-Source GRF and Lottery Profits Receipts

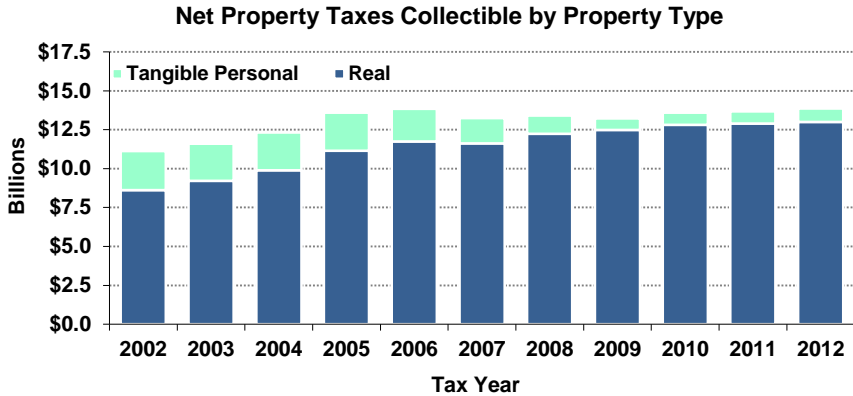
Composition of State-Source GRF and Lottery Profits Receipts, FY 2014



Source: Ohio Office of Budget and Management

- In FY 2014, total state-source GRF and lottery profits receipts amounted to \$22.31 billion. The general sales and use tax (\$9.34 billion) and the personal income tax (\$8.41 billion) were the two largest revenue sources. Together, they accounted for 79.6% of total receipts in FY 2014, down from 80.2% in FY 2004.
- In FY 2014, revenue from the general sales and use tax exceeded personal income tax revenue for the first time since FY 1986. This change was the result of a state sales tax rate increase from 5.5% to 5.75% beginning September 1, 2013 and an 8.5% reduction in income tax rates in tax year 2013.
- State-source GRF and lottery profits receipts decreased by 5.2% from FY 2013 to FY 2014, primarily due to tax policy changes. Revenue grew by an average of 1.1% per year from FY 2004 to FY 2014, but growth varied greatly from year to year, from an 8.7% decline in FY 2010 to a 9.3% increase in FY 2013.
- In FY 2014, business taxes – the commercial activity tax, corporation franchise tax (CFT), financial institution tax (FIT), public utility taxes, and insurance taxes – accounted for 9.5% of total state-source GRF and lottery profits receipts, up from 7.7% of the FY 2012 total, also due to tax policy changes.
- Starting in tax year 2014, the FIT is a new business tax on each financial institution conducting business or having nexus in Ohio that was previously subjected to the CFT or the dealers in intangibles tax.
- Lottery profits, which totaled \$958.6 million in FY 2014, are used to help fund state education aid for schools.

Property Tax Revenues Reached a New High in Tax Year 2012

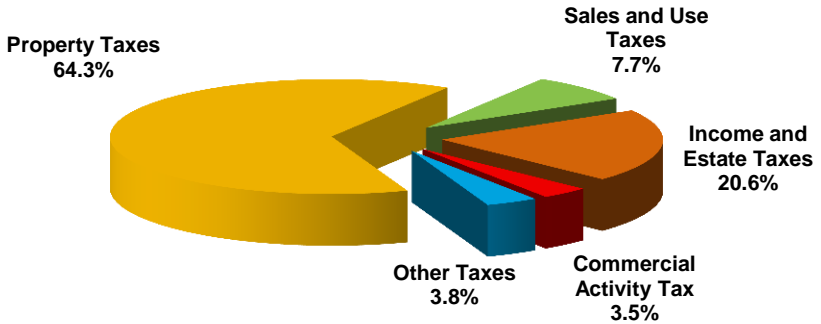


Sources: Ohio Department of Taxation; Ohio Legislative Service Commission

- Net property taxes collectible for tax year (TY) 2012 reached an all-time high of \$13.87 billion. This was an increase of 1.5% (\$0.2 billion) from TY 2011, and was 0.2% (\$31.2 million) above the amount collected in the previous peak year of 2006.
- The tangible personal property tax on general business was phased out completely in TY 2009. The tax on telephone and inter-exchange telecommunications companies was phased out completely in TY 2011. Public utilities remain subject to the tax.
- Increases in property taxes in recent years came mainly from higher taxes on real property. From TY 2002 to TY 2012, net taxes collectible on real property rose 51%, while taxes on tangible personal property fell 66%.
- Property taxes in Ohio fund local governments, except for a small deduction retained by the state for costs of tax administration. About \$2 of every \$3 in property taxes collected go to school districts.
- Generally, taxes owed on residential and agricultural real property are net of a 10% reduction, an additional 2.5% reduction on owner-occupied residences, and a homestead exemption for certain homeowners who are age 65 or older or disabled. The state reimburses local governments for these tax rollbacks. H.B. 59 of the 130th General Assembly eliminated the rollbacks for levies approved after the November 2013 election.
- In TY 2007, the homestead exemption was increased to \$25,000 of market value and an income test to qualify was eliminated. A new income test was enacted by H.B. 59 for all new applicants who become eligible on the basis of age or disability status after 2013.

Property Taxes Accounted for Over 64% of Local Government Tax Revenue in 2011

Ohio's Local Tax Revenue by Source, 2011

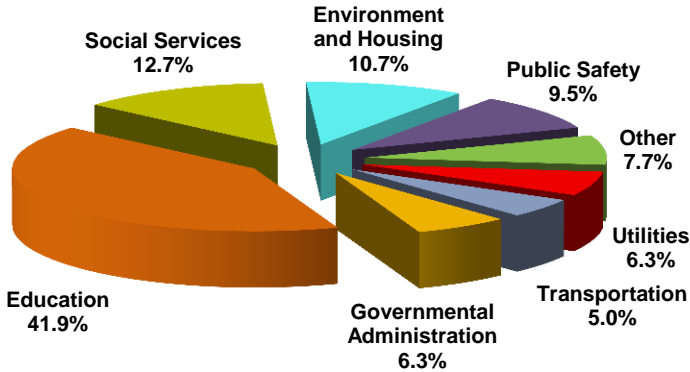


Sources: Ohio Department of Taxation; Ohio Office of Budget and Management

- In calendar year 2011, local tax revenue in Ohio totaled \$23.70 billion. Property taxes amounted to \$15.24 billion. Receipts from municipal and school district income taxes and the local share of the estate tax were \$4.89 billion. Sales and use taxes provided \$1.83 billion. The commercial activity tax (CAT) added \$0.84 billion. Other taxes (admission, alcohol, cigarette, lodging, motor vehicle fuel, and motor vehicle license) generated the remaining \$0.94 billion.
- Property taxes accounted for 64.3% of total local tax revenue in 2011, down from a high of 67.9% in 2005. The decrease is primarily the result of the phase-out of taxes on business tangible personal property (equipment, inventories, furniture, and fixtures) for general business from 2006 to 2009 and for telephone and inter-exchange telecommunications companies from 2007 to 2011.
- Over the ten years from 2001 to 2011, total local tax revenue grew at an average of 3.3% per year. Growth rates were higher in the earlier years, but slowed in 2008, and revenue decreased by 0.4% in 2009. Tax revenue increased by 3.7% and 0.5% in 2010 and 2011, respectively.
- From 2001 to 2011, growth in the "Other Taxes" category was the fastest of all local taxes, averaging 4.3% annually. Local sales and use taxes followed at an average of 3.2% per year. Property tax growth was 2.9% per year. Income and estate taxes grew at an average of 2.7% annually.
- The state distributes CAT receipts to local governments to replace lost tangible personal property tax revenue. CAT receipts accounted for 3.5% of total local tax revenue in 2011, down from 6.5% in 2010.

Local Government Expenditures in Ohio Totalled \$55.44 Billion in FY 2011

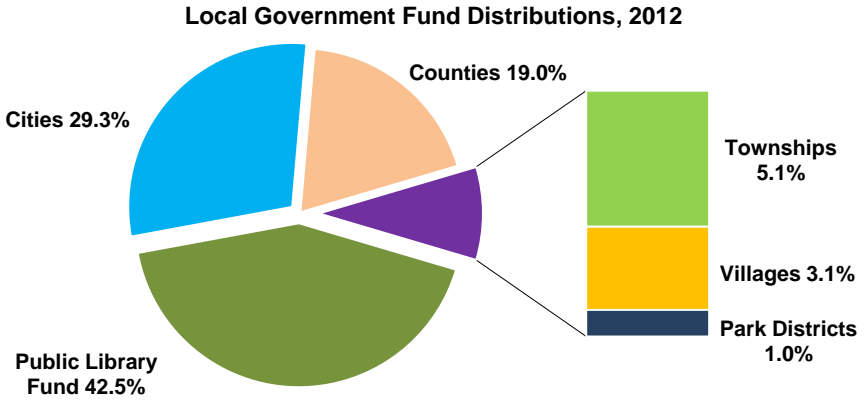
Ohio's Local Government Spending by Category, FY 2011



Source: U.S. Census Bureau

- Operating and capital expenditures made by local governments across Ohio totaled \$55.44 billion in FY 2011, of which \$7.19 billion (13.0%) was for capital outlays.
- Almost three-quarters of local government spending in FY 2011 went to the following four categories: Education (\$23.23 billion, 41.9%), Social Services (\$7.03 billion, 12.7%), Environment and Housing (\$5.91 billion, 10.7%), and Public Safety (\$5.26 billion, 9.5%).
- Salaries and wages amounted to \$20.84 billion in FY 2011, representing 37.6% of the total.
- The \$55.44 billion expenditures in FY 2011 encompass spending by Ohio's 88 counties, 937 municipalities, 1,308 townships, 668 public school systems, and 841 special districts. As of June 30, 2012, Ohio ranked 5th among the 50 states in number of local governments.
- Local government revenue totaled \$55.42 billion in Ohio for FY 2011, of which \$52.48 billion was general revenue.
- In FY 2011, local governments generated \$29.94 billion (57.0%) of general revenue from their own sources, including \$13.16 billion from property taxes, \$6.95 billion from income, sales, and other taxes, and \$9.83 billion from charges and other earnings.
- Transfers from the state or the federal government accounted for 38.2% (\$20.07 billion) and 4.7% (\$2.47 billion), respectively, of the local government general revenue total in FY 2011.

Libraries and Cities Receive the Largest Shares of Distributions From the Local Government Funds

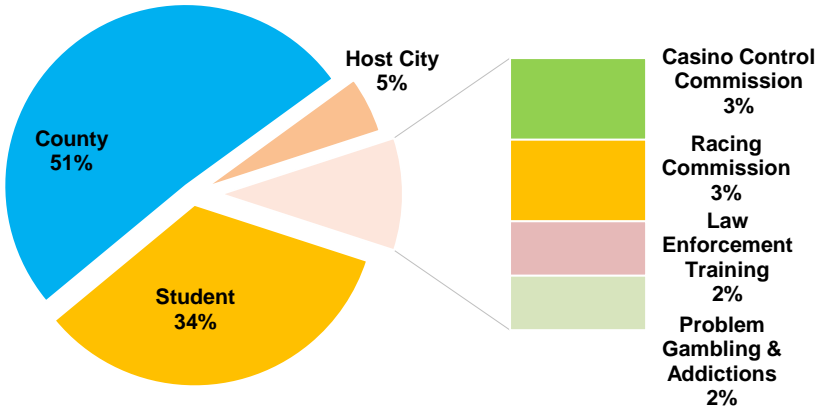


Source: Ohio Department of Taxation

- In 2012, a total of \$809 million was distributed to subdivisions in Ohio from the two funds that support local governments using revenues from state taxes, the Local Government Fund (LGF) and the Public Library Fund (PLF).
- Of this total, \$344 million (42.5%) was distributed from the PLF, nearly all to public libraries, with a small amount to local governments. LGF distributions went to cities (\$237 million or 29.3% of total distributions from the two local government funds), counties (\$154 million or 19.0%), townships (\$41 million or 5.1%), villages (\$25 million or 3.1%), and park districts (\$8 million or 1.0%).
- Counties distribute money from the local government funds to subdivisions, including county government itself, based on state-determined formulas and on rules set by each county budget commission. In addition, municipalities receive direct LGF distributions. To qualify, they must have received such distributions from the state in 2007, based on levying income taxes.
- Beginning in FY 2014, the LGF and PLF each receive 1.66% of GRF tax revenues. H.B. 153 of the 129th General Assembly reduced revenue sharing to both funds gradually during FY 2012 and FY 2013.
- Due in part to provisions of H.B. 153 and in part to other factors (i.e., decreased GRF tax revenue during the Great Recession, and a provision of H.B. 1 of the 128th General Assembly affecting the PLF), the total distributions from the two funds decreased from \$1.2 billion in 2008, to \$1.0 billion in 2010, and to \$0.8 billion in 2012. Most of the funding reduction, \$292 million of the \$399 million reduction from 2008, was made to the LGF.

Casino Tax Revenue Totaled \$256.2 Million in 2013

Casino Tax Revenue by Fund, 2013

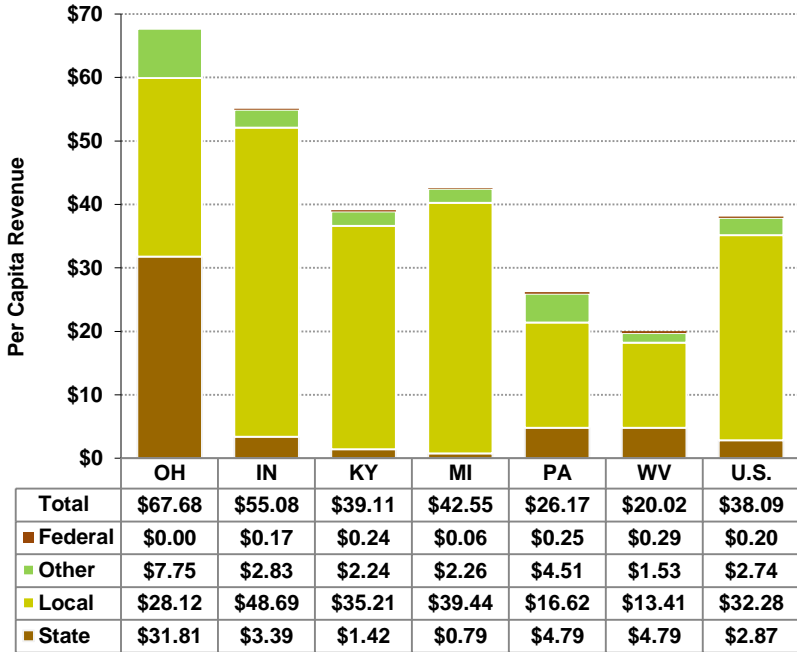


Source: Ohio Department of Taxation

- In 2013, casino tax revenue totaled \$256.2 million. Of this total, \$130.7 million (51%) was deposited into the County Fund, \$87.1 million (34%) to the Student Fund, \$12.8 million (5%) to the Host City Fund, \$7.7 million (3%) each to the Casino Control Commission and Racing Commission funds, and \$5.1 million (2%) each to the Law Enforcement Training and Problem Gambling and Addictions funds.
- Gross casino revenue is subject to the tax at a rate of 33%.
- Moneys from the County Fund are distributed to all 88 counties, on a quarterly basis, based on each county's share of Ohio population. The cities of Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown each receive 50% of their respective county's allocation.
- Moneys from the Student Fund are distributed to all school districts, in January and August, based on each school district's student population.
- As host cities, Cincinnati, Cleveland, Columbus, and Toledo receive 5% of the tax revenue generated from the casino located within their territory.
- In November 2009, Ohio voters approved a constitutional amendment to authorize casino gambling in Cincinnati, Cleveland, Columbus, and Toledo. H.B. 519 of the 128th General Assembly implemented the amendment and established the Casino Control Commission to oversee casino gambling.
- The casinos in Cleveland and Toledo opened in May 2012. The casino in Columbus opened in October 2012 while the casino in Cincinnati opened in March 2013.

Ohio Leads Country in State Funding for Public Libraries

Per Capita Operating Revenue of Public Libraries, FY 2011

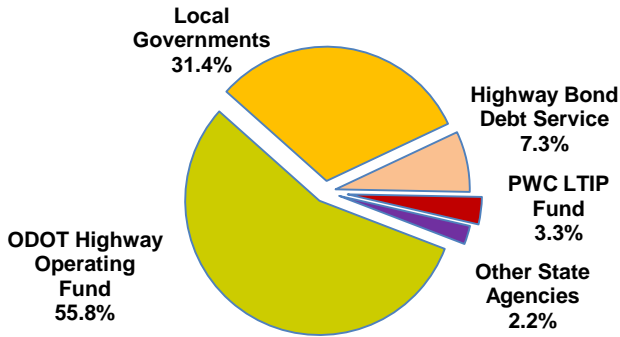


Source: Institute for Library and Museum Services

- Ohio leads the country in state per capita operating revenue of public libraries. In FY 2011, the state per capita operating revenue of public libraries in Ohio was \$31.81, over 11 times higher than the U.S. average of \$2.87 and far exceeding that of neighboring states.
- Ohio's per capita state funding increased 5.8% from its FY 2010 level of \$30.08, but is lower than ten years ago in FY 2001 when it was \$43.96.
- As state funding per capita decreased in Ohio, local funding per capita increased from \$11.14 in FY 2001 to \$28.12 in FY 2011. However, local funding per capita remains below the U.S. average of \$32.28 in FY 2011.
- In addition to having the highest state funding per capita, Ohio has the highest total funding per capita in the U.S. Ohio's total of \$67.68 is 77.7% higher than the U.S. average of \$38.09 and 3.9% higher than the second highest state, Illinois (\$65.15).
- Ohio has over 700 individual library locations in 251 public library systems.

Motor Fuel Tax Revenue Supports State and Local Highways and Roads

Motor Fuel Tax Distribution in FY 2014



Sources: Ohio Administrative Knowledge System; American Petroleum Institute

- Revenue from the motor fuel tax (MFT) is distributed to various state agencies and local governments using a statutory formula. The Highway Operating Fund, which is used by the Ohio Department of Transportation (ODOT) to finance road and bridge construction and maintenance, received the largest share at 55.8% (\$1.01 billion) of total MFT revenue in FY 2014, followed by local governments at 31.4% (\$569.8 million).
- In FY 2014, 7.3% (\$132.5 million) of MFT revenue was used to cover debt service on highway capital improvement bonds issued to fund highway construction and pavement and bridge preservation projects.
- One cent per gallon of the MFT, amounting to 3.3% (\$59.7 million) of the total distributed in FY 2014, is directed toward the Public Works Commission's Local Transportation Improvement Program (LTIP), which provides additional funding to local governments for road and bridge projects.
- Net MFT receipts in FY 2014 were \$1.79 billion, about 4.8% above the \$1.71 billion collected in FY 2013. After a modest decline in FY 2012, revenue from the MFT has rebounded somewhat as the economy continues to recover.
- Ohio's motor fuel excise tax is 28¢ per gallon for both gasoline and diesel fuel. Coupled with the federal taxes on gasoline (18.4¢ per gallon) and diesel (24.4¢ per gallon), the price of motor fuel purchased in Ohio includes total taxes of 46.4¢ per gallon on gasoline and 52.4¢ per gallon on diesel. As of July 2014, Ohio's total MFT rates rank 22nd in the nation for gasoline and 24th in the nation for diesel.

Ohio's Motor Vehicle License Taxes Generated \$467 Million in 2013 for Local Transportation Infrastructure

Distributions to Local Governments for Roads and Bridges, 2013 (\$ in Millions)			
Local Government	State Motor Vehicle License Tax	Permissive Local Motor Vehicle License Taxes	Total
Counties	\$229.6	\$94.5	\$324.1
Municipalities	\$58.6	\$50.2	\$108.8
Townships	\$15.2	\$18.8	\$34.0
Total	\$303.4	\$163.5	\$466.8

Note: Totals may not add due to rounding.

Source: Ohio Department of Public Safety

- In 2013, a total of \$466.8 million in motor vehicle license tax revenues was distributed to counties, municipalities, and townships for the planning, construction, and maintenance of roads and bridges. This total consisted of \$303.4 million in state motor vehicle tax license revenues and \$163.5 million in local permissive motor vehicle tax license revenues.
- Over the past ten years, the state and local permissive motor vehicle license tax revenues distributed to local governments averaged \$461.4 million per year, ranging from a low of \$449.5 million in 2009 to a high of \$466.9 million in 2012.
- All motor vehicles generally must be registered annually, for which drivers pay a state motor vehicle license tax of \$34.50 for a passenger car. The tax for other vehicles varies, with commercial trucks and tractors taxed according to weight.
- Permissive motor vehicle license taxes are levied by local governments in \$5 increments. The total amount cannot exceed \$20 per vehicle.
 - Counties may levy up to \$15.
 - Municipalities may levy from \$5 to \$20, depending on the amount levied by the county.
 - Townships may levy \$5.
- The total amount of state and local permissive motor vehicle license taxes for a passenger car ranges from \$34.50 to \$54.50.
- In 2013, the state processed more than 11.9 million vehicle registrations, including over 8.3 million passenger cars.

Local Governments Are Responsible for Most of Ohio's Roadways

Centerline Miles by Roadway Type			
Roadway Type	ODOT Maintained	Locally Maintained	Total
Interstate Routes*	1,332	0	1,332
U.S. Routes	3,026	887	3,913
State Routes	11,669	2,311	13,980
Local Public Roadways	0	102,166	102,166
Total	16,027	105,364	121,391

*Excludes the Ohio Turnpike, which is maintained by the Ohio Turnpike and Infrastructure Commission.

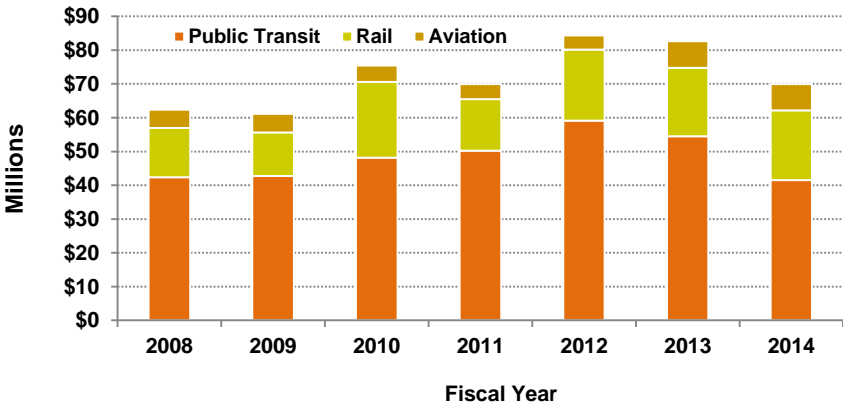
Source: Ohio Department of Transportation

- Ohio's public roadway system, consisting of numbered interstate routes, U.S. routes, state routes, and local public roadways, contains 121,391 centerline miles¹ of roadway. Of this total, local governments are responsible for maintaining 86.8% or 105,364 centerline miles while the Ohio Department of Transportation (ODOT) is responsible for maintaining the other 13.2% or 16,027 centerline miles.
- ODOT is responsible for maintaining all interstate highways (excluding the Ohio Turnpike) and U.S. and state routes outside municipal boundaries. Municipal corporations (cities and villages) are responsible for U.S. and state routes within their borders. Local governments are also responsible for all local public roadways.
- As of May 2013, there were 184.1 million daily vehicle miles traveled on Ohio's state highway system, on average. Of these, 161.6 million vehicle miles (87.8%) were traveled by passenger vehicles, and 22.5 million vehicle miles (12.2%) were traveled by trucks.
- Most of the capital spending on Ohio highways is devoted to the state-administered highway system. Ohio's highway capital expenditures in 2012 totaled \$2.44 billion, of which \$2.14 billion (88.0%) was spent on state-administered roads.
- Overall, Ohio's highway transportation infrastructure system ranks 8th in the nation in the number of centerline miles of public roadway with just over 120,000, and ranks 2nd in the number of bridges with about 28,000.

¹ Centerline miles are used to measure the total linear mileage of a roadway, regardless of the number of lanes. A one-mile road with a lane in each direction and one mile of a divided freeway with four lanes in each direction count equally in terms of centerline miles.

Non-Highway Transportation Spending Decreased in FY 2014

Non-Highway Transportation Spending, FY 2008-FY 2014

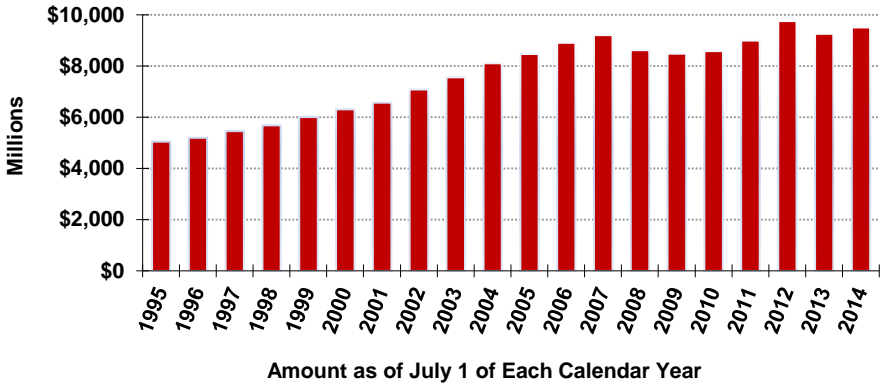


Source: Ohio Administrative Knowledge System

- Total expenditures on non-highway modes of transportation (public transit, rail, and aviation) made by the Ohio Department of Transportation (ODOT) decreased by 17.0% between FY 2012 and FY 2014, from \$84.3 million to just under \$70.0 million. This decrease comes after non-highway spending grew by 35.2% between FY 2008 to FY 2012.
- Of ODOT's total non-highway transportation spending in FY 2014, 59.3% was for public transit, the lowest percentage since FY 2008. Transit's share of non-highway expenditures peaked at 71.8% in FY 2011. ODOT spent \$41.5 million on public transit in FY 2014, 29.9% below the FY 2012 peak of \$59.2 million.
- Rail comprised 29.5% of ODOT's non-highway transportation spending in FY 2014, its highest share since FY 2010. Rail spending grew by 41.2% between FY 2008 and FY 2014, from \$14.6 million to \$20.6 million, peaking at \$22.5 million in FY 2010.
- Aviation made up 11.2% of ODOT's FY 2014 non-highway transportation spending, up from a low of 4.9% in FY 2012. Total aviation spending in FY 2014 was \$7.8 million, up 45.6% since FY 2008.
- Federal funds provided 67.0% of all non-highway transportation spending in FY 2014, including 72.9% of public transit spending, 75.6% of rail spending, and 13.3% of aviation spending.
- Overall, spending on non-highway modes comprised 2.3% of the \$3.10 billion in total ODOT spending in FY 2014. Highway spending comprised 92.2% of the total, while the remaining 5.5% consisted of spending on planning, administration, and other costs.

Outstanding GRF-Backed Debt Peaked in 2012

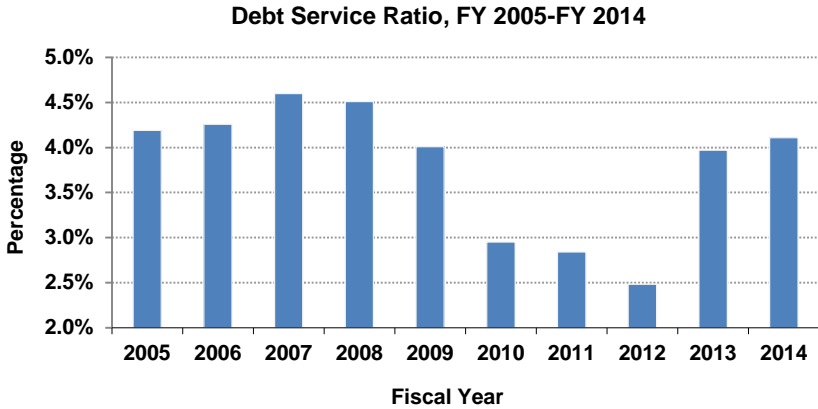
Total Outstanding GRF-Backed Debt



Source: Ohio Office of Budget and Management

- Ohio's outstanding debt payable from the GRF peaked at \$9.76 billion as of July 1, 2012. This is 6.0% (\$549 million) more than the previous high of \$9.21 billion as of July 1, 2007.
- Ohio's outstanding debt payable from the GRF totaled \$9.52 billion as of July 1, 2014. This is an increase of 2.7% (\$254 million) from 2013 but remains 2.5% (\$243 million) below the 2012 peak.
- From 1995 to 2014, total GRF-backed debt grew by 88.5%, with an average growth rate of 3.5% per year.
- Total GRF-backed debt declined in 2008 and 2009 due to the use of cash for various capital projects. After that, outstanding debt grew three years in a row and reached its peak level in 2012.
- Of the total debt on July 1, 2014, \$7.80 billion was general obligation (GO) debt and \$1.71 billion was special obligation (SO) debt. The issuance of both GO and SO bonds must be authorized by the Ohio Constitution. Whereas debt service payments for GO bonds are secured by the full faith, credit, and taxing power of the state, debt service payments for SO bonds are subject to appropriations of the General Assembly.
- GO bonds have been issued for the following purposes: primary and secondary education; higher education; natural resources; conservation; local infrastructure; coal development; Third Frontier research and development; the development of sites for industry, commerce, distribution, and research and development; and veterans' compensation.
- On a per capita basis, Ohio's outstanding debt payable from the GRF has grown from \$709 in 2004 to \$822 in 2014, an increase of 16.0%.

Ohio's Debt Service Ratio Returns to Historically Typical Levels in Recent Years



Source: Ohio Office of Budget and Management

- Ohio's debt service ratio was 3.97% at the end of FY 2013 and 4.11% at the end of FY 2014. These ratios represent a return to more typical levels following a period of decreases. The debt service ratio decreases from FY 2008 to FY 2012 were primarily due to debt restructuring and tobacco securitization, which reduced GRF debt service payments.
- The debt service ratio is measured by calculating debt service payable from the GRF as a percentage of the total combined revenue from the GRF and net lottery profits.
- As a percentage of personal income, the state's total debt service payable from the GRF decreased from a peak of 0.30% in FY 2007 to 0.25% in FY 2014.
- In FY 2000, Ohio's Constitution established a 5% "cap" on the amount of GRF-backed debt that the state may incur in a given fiscal year. That is, the state cannot issue additional GRF-backed debt if total debt service payments in any future fiscal year would exceed 5% of the total GRF and net lottery profits revenue in the year of issuance, unless the 5% cap is waived by voters or by a three-fifths vote of each house of the General Assembly.
- As of July 1, 2014, Ohio general obligation (GO) bonds received the second highest possible rating from all three major rating agencies, AA+ by Standard & Poor's, AA+ by Fitch, and Aa1 by Moody's. Bond ratings indicate a rating agency's opinion on an issuer's ability to manage its debt effectively and make the required payments on schedule.

Spirituos Liquor Sales Continue to Rise



Source: Ohio Department of Commerce

- Total dollar sales of spirituous liquor (liquor containing more than 21% alcohol by volume) amounted to \$898.2 million in calendar year (CY) 2013, an increase of 5.8% (\$49.2 million) over sales of \$849.0 million in CY 2012. This growth rate was lower than the 7.0% increase in CY 2012 but higher than the average annual growth of 4.6% in liquor dollar sales over the six-year period from CY 2008 to CY 2013.
- In CY 2013, retail dollar sales – made by contract liquor agencies directly to consumers – were \$634.6 million, a 7.4% increase from CY 2012. Wholesale dollar sales, which are sales made by the agencies to retailers such as bars and restaurants, amounted to \$263.6 million in CY 2013, a 2.3% rise. Retail sales generally comprise around 65% to 70% of total liquor dollar sales in Ohio.
- While the number of gallons of spirituous liquor sold continues to rise annually, the increase in total dollar sales is largely attributable to consumers opting for higher-priced liquors in place of lower-shelf products. Total liquor sold was 12.3 million gallons in CY 2013, a 3.0% increase over CY 2012.
- Effective February 1, 2013, JobsOhio, the state's nonprofit economic development corporation created by H.B. 1 of the 129th General Assembly, leased the rights to Ohio's spirituous liquor distribution and sales system for 25 years. The net liquor profits are to be used by JobsOhio to fund job creation and business investment incentives in the state.
- Prior to the lease, the proceeds of liquor sales were used to retire certain state bonds issued for economic development and environmental purposes, and to fund liquor regulatory duties, liquor law enforcement, and alcoholism treatment. After these expenses, liquor profits were transferred to the GRF.

Clean Ohio Awards \$806.9 Million Since FY 2003

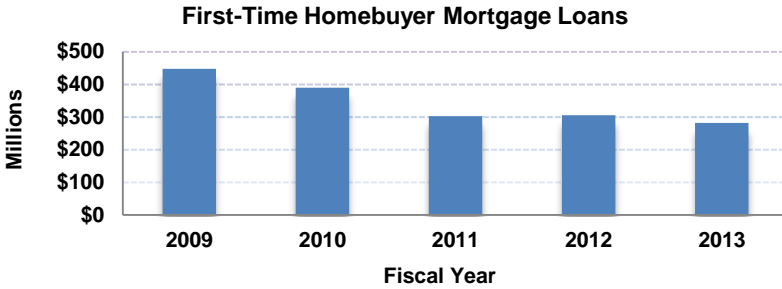
Clean Ohio Awards, FY 2003-FY 2014		
Program	Number of Awards	Total Amount Awarded
Development Services Agency		
Clean Ohio Revitalization Fund	164	\$331,816,031
Clean Ohio Assistance Fund	244	\$82,055,347
Public Works Commission		
Green Space Conservation Program	880	\$290,866,298
Department of Natural Resources		
Recreational Trails Program	184	\$50,491,744
Department of Agriculture		
Agricultural Easement Purchase Program	268	\$51,664,434
Total	1,740	\$806,893,854

Sources: Ohio Development Services Agency; Ohio Public Works Commission; Ohio Department of Natural Resources; Ohio Department of Agriculture

- Since FY 2003, four state agencies have awarded \$806.9 million in grant funding¹ for 1,740 projects under the Clean Ohio initiative. The first \$400 million in bond funding for the initiative was approved by voters in 2000, with an additional \$400 million authorized in 2008.
- The Development Services Agency's two Clean Ohio programs have collectively awarded \$413.9 million to local governments for brownfield clean-up and redevelopment projects. These awards comprise 51.3% of the total Clean Ohio funds awarded through FY 2014.
- Altogether, \$290.9 million in grants have been awarded under the Clean Ohio Green Space Conservation Program administered by the Public Works Commission. Local governments and nonprofit organizations compete for this funding to preserve natural areas, watersheds, and other green space.
- Under the Clean Ohio Recreational Trails Program, administered by the Department of Natural Resources, \$50.5 million has been distributed among 184 projects sponsored by local governments and nonprofit community organizations to create or improve recreational trail networks.
- The Department of Agriculture has awarded \$51.7 million under the Clean Ohio Agricultural Easement Purchase Program, enabling 268 easements to preserve over 48,500 acres of productive farmland in Ohio.

¹ Some recipients did not spend 100% of their awards. Unused funds were subsequently reallocated for other projects. As a result, the total grant award of \$806.9 million exceeded the \$800.0 million in total Clean Ohio bond funds authorized by voters.

OHFA's First-Time Homebuyer Mortgage Loans Totaled Almost \$282 Million in FY 2013

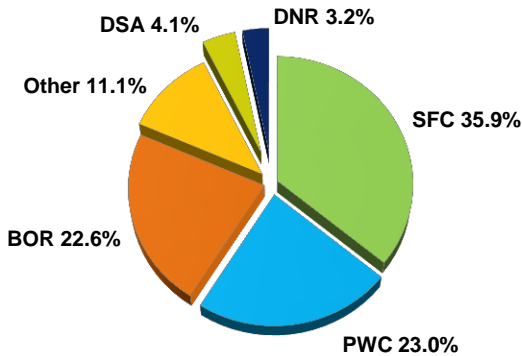


Source: Ohio Housing Finance Agency

- In FY 2013, the Ohio Housing Finance Agency (OHFA) assisted 2,902 households in 72 counties to obtain \$281.9 million in reduced-rate mortgage loans from private lenders through the First-Time Homebuyer Program. This included \$50.1 million in mortgage loans to 451 military members, emergency responders, health care professionals, law enforcement officers, and teachers under the Ohio Heroes Program, which provides an additional interest rate reduction of up to 0.25 percentage points.
- FY 2013 saw the lowest number of households assisted and the lowest mortgage loan volume under the program in five years, reflecting the weaker housing market and overall economy as well as tightening credit standards after the Great Recession.
- In FY 2013, the average household income for First-Time Homebuyer Program participants was \$45,084 while the average price for homes purchased under the program was \$98,825.
- OHFA provided \$5.3 million in down payment assistance (up to 2.5% of the purchase price) to 2,099 eligible homebuyers in FY 2013, including just over \$1.0 million provided to 337 homebuyers under the Grants for Grads Program. This program targets first-time homebuyers with post-secondary degrees who promise to reside in Ohio for at least five years.
- OHFA's homebuyer assistance programs are funded through the sale of tax-exempt mortgage revenue bonds. The proceeds are used to buy down the interest rate on mortgages offered by private lenders to qualified first-time homebuyers and to provide down payment assistance.
- In FY 2011, Ohio was allocated \$570.4 million in federal funding for foreclosure assistance under the U.S. Treasury's Hardest Hit Fund. By March 2014, OHFA had provided just over 18,000 homeowners with \$256.3 million in rescue payments, lien cancellations, and other foreclosure avoidance help under the program.

School Facilities Commission Comprised Over One-Third of FY 2014 Spending From Capital Appropriations

Capital Appropriation Expenditures by Agency, FY 2014



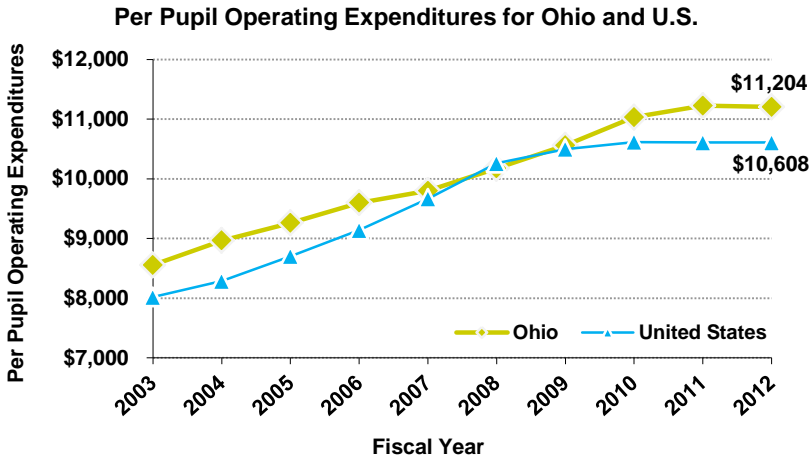
Source: Ohio Administrative Knowledge System

- In FY 2014, expenditures made from capital appropriations totaled \$919.7 million.¹ Of this total, \$330.2 million (35.9%) was expended by the School Facilities Commission (SFC), an independent agency within the Ohio Facilities Construction Commission, to support K-12 school facilities assistance programs. Lower wealth school districts generally receive a greater share of state assistance than higher wealth districts, and also generally receive state assistance sooner.²
- The Public Works Commission (PWC) distributed \$211.9 million (23.0%) for local infrastructure and conservation projects. These funds are largely distributed to the state's 18 PWC districts on a per capita basis.
- The Board of Regents (BOR) distributed \$207.9 million (22.6%) for the construction and renovation of academic facilities at Ohio's public colleges and universities.
- Other agencies with large capital expenditures include the Development Services Agency (DSA) at \$37.5 million (4.1%), mainly for brownfield cleanup and redevelopment projects, and the Department of Natural Resources (DNR) at \$29.7 million (3.2%), mainly for state and local parks.
- As the K-12 school facilities programs start serving higher wealth districts, the state share decreases. From FY 2008 to FY 2011, the state expended an average of \$987.1 million per year for K-12 school facilities, compared to an average of \$391.1 million for the period from FY 2012 to FY 2014.

¹ This number excludes capital expenditures made from operating appropriations, such as state and federal funding for highway construction and maintenance.

² See page 61 for additional information on the K-12 school facilities assistance program.

Ohio's Public School Per Pupil Operating Expenditures Continue to Exceed National Average in FY 2012



Source: U.S. Census Bureau

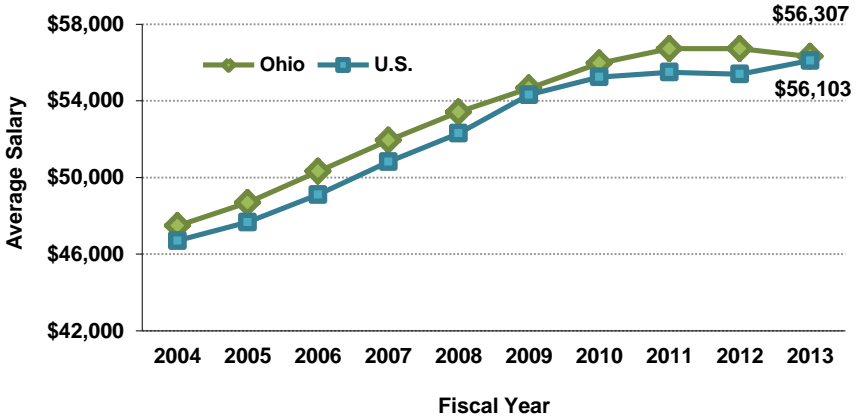
- In FY 2012, Ohio's public school per pupil operating expenditures were \$11,204, \$596 (5.6%) above the national average of \$10,608.
- Except for FY 2008, Ohio's per pupil operating expenditures have exceeded the national average every year since FY 2003. In FY 2008, Ohio's expenditures were less than 1% below the national average.
- During the ten-year period from FY 2003 to FY 2012, Ohio's per pupil operating expenditures increased by \$2,649 (31.0%) and the national average increased by \$2,589 (32.3%). During the same period, inflation, as measured by the consumer price index (CPI), was 27.0%.
- In FY 2012, Ohio's per pupil operating expenditures of \$11,204 ranked 21st in the nation. As shown in the table below, compared to its neighboring states, Ohio's per pupil operating expenditures were higher than Michigan, Indiana, and Kentucky but lower than Pennsylvania and West Virginia.

Per Pupil Operating Expenditures for Ohio and Neighboring States, FY 2012

State	National Rank	Per Pupil Expenditures
Pennsylvania	13	\$13,340
West Virginia	18	\$11,445
Ohio	21	\$11,204
Michigan	23	\$10,855
Indiana	29	\$9,719
Kentucky	34	\$9,391

Ohio's Average Teacher Salary Remains Above U.S. Average

Average Teacher Salaries for Ohio and U.S.



Source: National Education Association

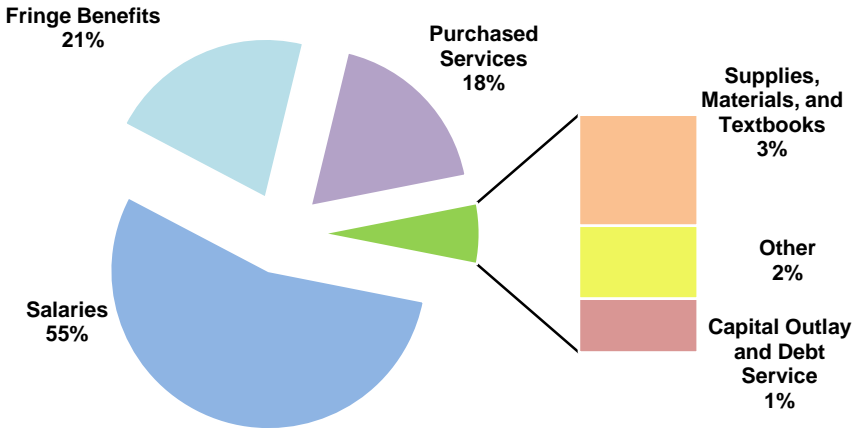
- Ohio's average teacher salary for FY 2013 was 0.4% (\$204) higher than the national average.
- Although Ohio's average teacher salaries have been above the national average since FY 2004, the difference fell from \$1,326 in FY 2012 as Ohio's average teacher salary decreased by \$408 from FY 2012 to FY 2013. Meanwhile, the U.S. average grew \$714 during the same period.
- Ohio's average teacher salary increased by 18.6% from \$47,482 in FY 2004 to \$56,307 in FY 2013. The national average increased by 20.1%, from \$46,704 in FY 2004 to \$56,103 in FY 2013. During the same period, inflation, as measured by the consumer price index (CPI), was 24.3%.
- In FY 2013, Ohio's average teacher salary of \$56,307 ranked 16th in the nation. As shown in the table below, compared to its neighboring states Ohio's average teacher salary was higher than Indiana, Kentucky, and West Virginia, but lower than Pennsylvania and Michigan.

Average Teacher Salaries for Ohio and Neighboring States, FY 2013

State	National Rank	Average Salary
Pennsylvania	10	\$62,994
Michigan	11	\$61,560
Ohio	16	\$56,307
Kentucky	27	\$50,203
Indiana	28	\$50,065
West Virginia	47	\$45,453

School Districts Spend an Average of 76% of Their General Funds on Salaries and Fringe Benefits

Breakdown of a Typical School District Budget, FY 2013



Source: Ohio Department of Education

- Salaries and fringe benefits accounted for approximately 76% of school district general fund budgets statewide in FY 2013. This percentage has decreased only slightly over the past five years, from 77% in FY 2009. This decrease is entirely due to a reduction in the portion spent on salaries, as the portion spent on fringe benefits has increased slightly.
- The cost of fringe benefits as a percentage of the cost of salaries increased to approximately 39% in FY 2013, up from 36% in FY 2009.
- Public schools in Ohio employed about 242,600 full-time equivalent (FTE) workers in FY 2013, including about 113,600 FTE teachers.
- As the percentage of district budgets spent on salaries has declined, the percentage spent on purchased services such as pupil transportation, utilities, maintenance and repairs, and other services not provided by district personnel has increased, from 16% in FY 2009 to 18% in FY 2013.
- State law requires each school district to set aside a uniform per pupil amount for capital and maintenance needs. In FY 2015, the required set-aside amount is about \$172 per pupil. A similar set aside for textbooks and instructional materials ended in FY 2012 after being repealed in H.B. 30 of the 129th General Assembly.

Per Pupil Operating Spending Varies Across Different Types of Ohio School Districts

Spending Per Pupil by District Comparison Group, FY 2013				
Comparison Group – Description		Number of Districts	Enrollment %	Spending Per Pupil
Rural	High poverty, small population	124	10.2%	\$9,247
Rural	Average poverty, very small population	107	6.7%	\$9,259
Small Town	Low poverty, small population	111	11.4%	\$8,864
Small Town	High poverty, average population	89	12.1%	\$9,322
Suburban	Low poverty, average population	77	19.8%	\$10,145
Suburban	Very low poverty, large population	46	15.0%	\$11,210
Urban	High poverty, average population	49	13.7%	\$11,130
Urban	Very high poverty, very large population	6	11.0%	\$13,792
State Total*		609	100.0%	\$10,446

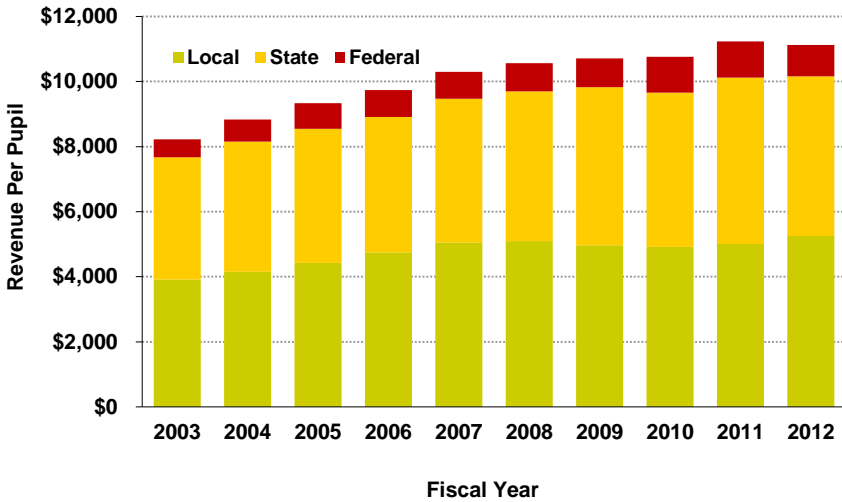
*Three small outlier districts are not included.

Source: Ohio Department of Education

- In FY 2013, the average per pupil spending for different district comparison groups varied from a low of \$8,864 for low-poverty small town districts to a high of \$13,792 for very large urban districts with very high poverty. The state average was \$10,446. Very large urban districts with very high poverty spent 32.0% (\$3,346) above the state average.
- Small town and rural districts tend to have the lowest spending per pupil, averaging \$9,164 for the four comparison groups, which is 12.3% (\$1,282) below the state average. Large suburban districts with very low poverty had the second highest spending per pupil at 7.3% (\$764) above the state average.
- On average, school districts spent 67.8% on classroom instruction, which includes pupil and staff support. Nonclassroom activities, such as administration and building operations, comprised 32.2% of spending.
- Spending allocations vary only slightly across district comparison groups. Rural districts tend to spend a higher than average percentage on building operations, which includes pupil transportation; small town districts tend to spend a higher than average percentage on administration; suburban districts tend to spend a higher than average percentage on instruction; and urban districts tend to spend a higher than average percentage on staff support.

Per Pupil Operating Revenue for Schools Increased 35% From FY 2003 to FY 2012

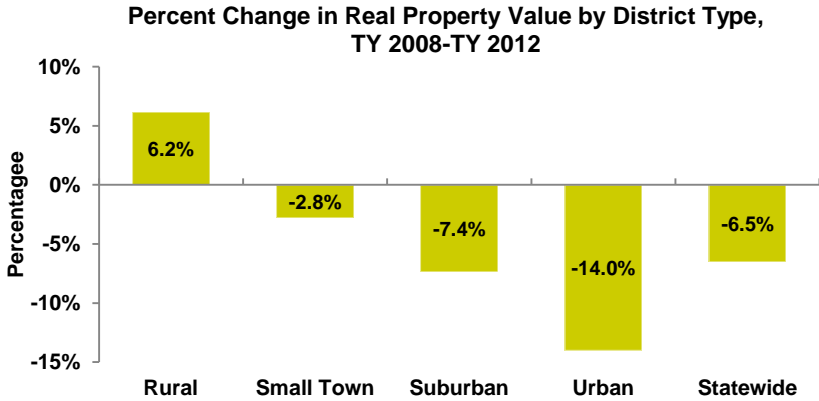
Per Pupil Operating Revenue Statewide



Source: Ohio Department of Education

- Ohio schools' per pupil operating revenue from all sources increased 35.2% from \$8,225 in FY 2003 to \$11,122 in FY 2012.
- During this ten-year period, state revenue per pupil increased 30.5% from \$3,759 to \$4,905; local revenue per pupil increased 34.2% from \$3,916 to \$5,256; and federal revenue per pupil increased 74.7% from \$550 to \$960.
- Per pupil operating revenue increased each year from FY 2003 to FY 2011, but decreased \$110 (1.0%) from FY 2011 to FY 2012. The decrease is mostly due to lower per pupil revenue from state (-\$204) and federal (-\$152) sources, which more than offset a \$245 increase in local revenue per pupil.
- State revenues comprised 44.1% of total school revenues in FY 2012. State funding comes mainly from the General Revenue Fund, which receives revenues primarily from the state income and sales taxes. Most state funds are distributed through the school funding formula, followed by tax reimbursements and competitive and noncompetitive grants.
- Local revenues comprised 47.3% of total school revenues in FY 2012. Locally voted property taxes accounted for 96.1% of local revenues, while school district income taxes accounted for the remaining 3.9%.
- Federal revenues comprised 8.6% of total school revenues in FY 2012. These revenues mainly target special education and disadvantaged students.

Aggregate Real Property Values Fall for All but Rural School Districts Since TY 2008

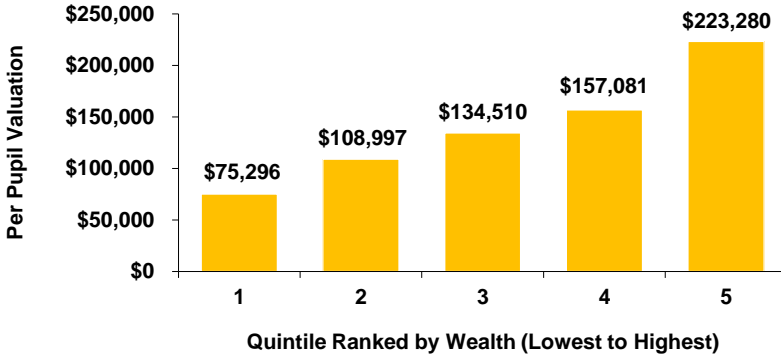


Sources: Ohio Department of Education; Ohio Department of Taxation

- Since school district real property values reached their peak in TY 2008, rural school districts are the only school district type to gain aggregate real property valuation. The other district types – urban, suburban, and small town – have all lost valuation.
- Urban school districts fared the worst, losing 14.0% of their valuation, followed by those in suburban (-7.4%) and small town (-2.8%) areas. Real property valuation for rural school districts increased by 6.2%. The increase for rural districts was due largely to increases in the valuation of agricultural real property. In TY 2012, agricultural real property makes up 26.8% of the valuation in rural districts, but only 5.8% of the valuation statewide. From TY 2008 to TY 2012, agricultural real property valuation increased 27.6%.
- Residential real property accounts for 71.8% of total statewide real property valuation in TY 2012. From TY 2008 to TY 2012, residential real property valuation decreased 8.8% statewide. This decrease, however, was not even across school districts. Residential real property valuation decreased 17.1% in urban districts, 7.8% in suburban districts, 5.6% in small town districts, and only 2.2% in rural districts.
- The remaining 22.4% of real property valuation in TY 2012 is made up of commercial, industrial, mineral, and railroad real property. From TY 2008 to TY 2012, this property valuation decreased 5.6% statewide.
- In TY 2012, real property valuation was \$225.5 billion, representing 95.4% of the total property valuation statewide.

School District Property Values Vary Widely Across Ohio

Average Per Pupil Valuation by Wealth Quintile, FY 2014

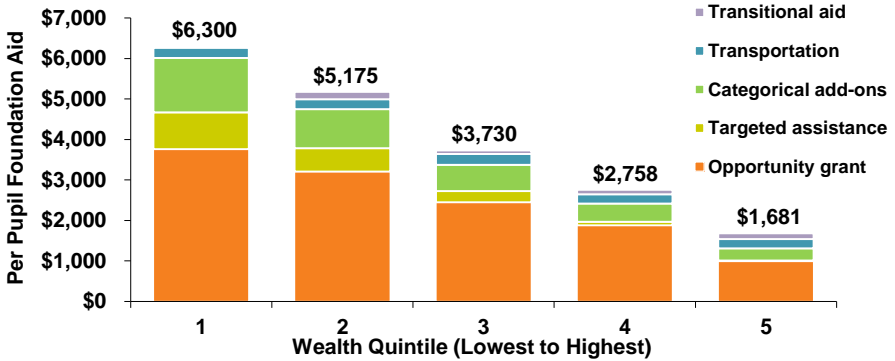


Sources: Ohio Department of Taxation; Ohio Department of Education

- In FY 2014, approximately 20% of Ohio's students resided in school districts with per pupil property valuations that averaged about \$75,000 while another 20% resided in school districts with per pupil property valuations that averaged about \$223,000. The statewide average valuation was \$140,000 per pupil.
- A 20-mill (2%) property tax levy generates \$1,500 per pupil for a district with a valuation per pupil of \$75,000 and \$4,460 per pupil for a district with a valuation per pupil of \$223,000.
- Since locally voted property tax levies represent about 96% of school district local revenues, per pupil valuation (also called district property wealth) indicates each district's capacity to raise local revenue.
- Since FY 1991, a major goal of the state's school funding formula is to neutralize the effect of local property wealth disparities on students' access to a common, basic level of education as defined by the state.
- To achieve this goal, Ohio's current school funding formula uses an index, based on a district's three-year average property valuation and in some circumstances median income, to direct more state funds to districts with lower wealth.
- To create the quintiles used on this and the following three pages, school districts are first ranked from lowest to highest in property valuation per pupil. They are then divided into five groups, each of which includes approximately 20% of total students statewide. As can be seen in the chart above, districts in quintile 1 have the lowest wealth and districts in quintile 5 have the highest wealth.

Low Wealth Districts Receive More State Foundation Aid Per Pupil Than High Wealth Districts

Per Pupil State Aid by Wealth Quintile, FY 2014

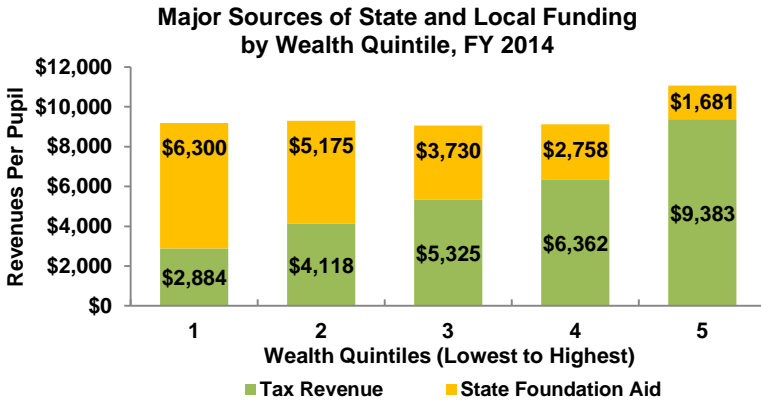


Source: Ohio Department of Education

- Low wealth districts receive more state foundation aid per pupil than high wealth districts. In FY 2014, the average per pupil state foundation aid for wealth quintiles 1 through 5 was \$6,300, \$5,175, \$3,730, \$2,758, and \$1,681, respectively.¹
- The opportunity grant (62.7% of total) is based on a per pupil formula amount (\$5,745 in FY 2014), which is adjusted by the state share index to distribute a higher per pupil amount to lower wealth districts. In FY 2014, the average per pupil opportunity grant for wealth quintiles 1 through 5 was \$3,764, \$3,204, \$2,447, \$1,881, and \$999, respectively.
- Targeted assistance (9.3% of total) provides additional funding to low wealth districts. In FY 2014, the average per pupil targeted assistance for wealth quintiles 1 through 5 was \$905, \$582, \$274, \$83, and \$10, respectively.
- Categorical add-ons include funding for special education (10.8% of total), economically disadvantaged (5.1%), gifted (1.0%), K-3 literacy (1.0%), career-technical education (0.6%), and limited-English proficiency (0.3%). In FY 2014, the average per pupil categorical add-ons for wealth quintiles 1 through 5 was \$1,344, \$960, \$648, \$453, and \$300, respectively.
- Transportation funding (6.3% of total) is distributed to districts based on the number of miles or the number of pupils transported. In FY 2014, the average per pupil transportation funding for wealth quintiles 1 through 5 was \$249, \$250, \$273, \$230, and \$236, respectively.
- Finally, transitional aid (2.8% of total) guarantees a district's state aid allocation for all of its resident students does not fall below its FY 2013 level.

¹ See page 54 for an introduction to this analysis and a description of the quintiles.

State Foundation Aid Helps to Equalize Property Tax Revenues

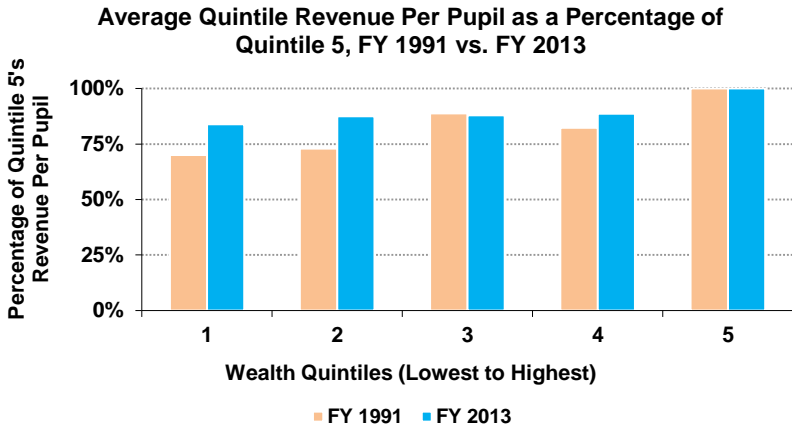


Source: Ohio Department of Education

- State foundation aid helps to equalize school district property tax revenue, although disparities still exist for the highest wealth districts. In FY 2014, tax revenue plus state foundation aid per pupil for wealth quintiles 1 through 5 were \$9,183, \$9,293, \$9,055, \$9,120, and \$11,065, respectively.¹
- The percentage of revenue attributable to state foundation aid is much higher for lower wealth districts. This percentage was 68.6%, 55.7%, 41.2%, 30.2%, and 15.2%, respectively, for wealth quintiles 1 through 5 in FY 2014.
- In the chart, tax revenue includes locally paid school district property and income taxes, and state-paid property tax rollbacks, homestead exemption reimbursements, and tangible personal property (TPP) tax reimbursements.
- Wealthier districts are able to collect significantly more tax revenue per pupil. Per pupil tax revenues for wealth quintiles 1 through 5 were \$2,844, \$4,118, \$5,325, \$6,362, and \$9,383, respectively, in FY 2014.
- In FY 2014, tax revenues in quintiles 1 through 4 were 30.7%, 43.9%, 56.8%, and 67.8%, respectively, of tax revenues in quintile 5. Adding state foundation aid, however, increases those percentages to 83.0%, 84.0%, 81.8%, and 82.4%, respectively.
- Tax revenues are determined by a combination of the wealth of the district as well as the ability and willingness of the district's taxpayers to approve tax levies. In Ohio, there is no limit on the amount of taxes local voters may approve for their schools. In FY 2014, seven wealthy districts raised more than \$15,000 per pupil and four raised more than \$20,000 per pupil.

¹ See page 54 for an introduction to this analysis and a description of the quintiles.

Interdistrict Equity Improves Since FY 1991

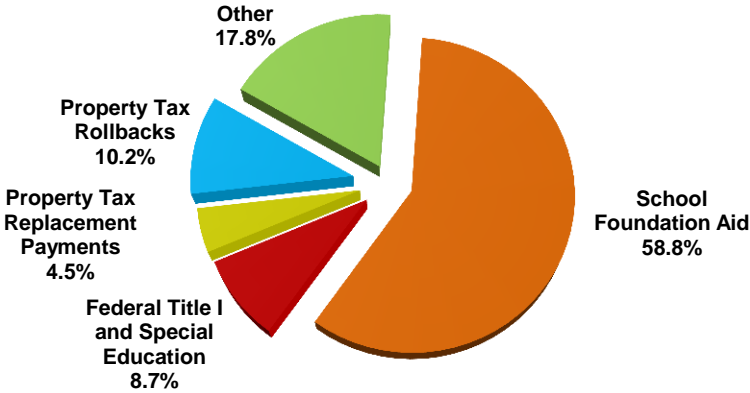


- From FY 1991 to FY 2013, the average revenue per pupil of the districts in the lower wealth quintiles, except for those in quintile 3, moved closer to that of the districts in the highest wealth quintile.¹
- The biggest changes came in the two lowest wealth quintiles. In FY 1991, the districts in quintile 1 had, on average, 70.0% of the revenue received by the districts in quintile 5. This percentage increased to 83.9% in FY 2013. Likewise, the percentage for quintile 2 rose from 72.9% in FY 1991 to 87.4% in FY 2013.
- The percentage for quintile 4 also rose from 82.3% in FY 1991 to 88.7% in FY 2013. Only quintile 3 lost ground, dropping from 88.8% in FY 1991 to 88.0% in FY 2013.
- Revenue on this page includes traditional school district operating revenue from all sources as reported by districts. From FY 1991 to FY 2013, per pupil operating revenue increased by 198.4% (\$7,369) in quintile 1, 198.3% (\$7,681) in quintile 2, 146.4% (\$6,907) in quintile 3, 168.1% (\$7,349) in quintile 4, and 148.8% (\$7,904) in quintile 5. The overall increase was 169.0% (\$7,440).
- In FY 1991, approximately 76% of the variation in per pupil revenue across districts could be explained by the variation in per pupil property value. In FY 2013, this percentage dropped to 36%. This means that, in FY 2013, the amount of financial resources available for the education of a student depends less on the wealth of the district in which the student attends school than it did in FY 1991.

¹ See page 54 for an introduction to this analysis and a description of the quintiles.

School Foundation Aid Comprised Over Half of Department of Education's Total Spending in FY 2014

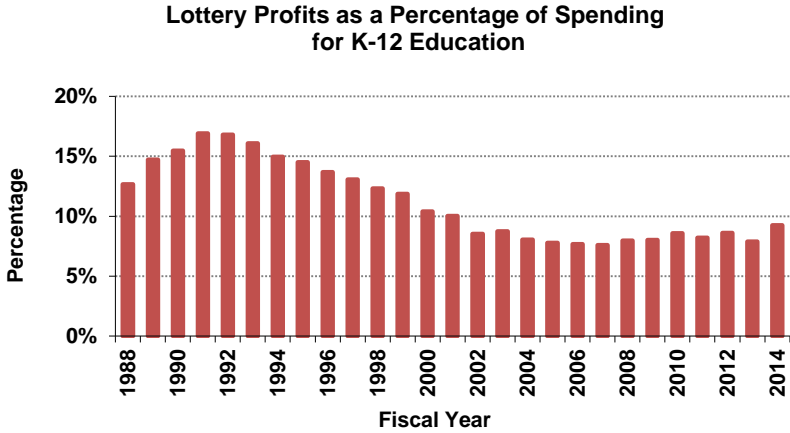
Department of Education's Spending by Component, FY 2014



Source: Ohio Administrative Knowledge System

- In FY 2014, the Ohio Department of Education's (ODE) spending totaled \$11.23 billion across all funds. Of this total, \$6.60 billion (58.8%) was distributed as school foundation aid, the largest source of state funding for school operations. School foundation aid is funded by the state GRF (\$5.82 billion) and lottery profits (\$775.5 million).
- The second largest spending component was property tax rollback payments at \$1.14 billion (10.2%). These payments reimburse school districts for revenue lost due to the 10% and 2.5% property tax rollback programs and the homestead exemption program.
- Federal Title I and special education programs (\$980.0 million or 8.7%) target disadvantaged students and students with disabilities.
- State direct payments for the phase-out of tangible personal property taxes accounted for another \$509.7 million (4.5%) of the total.
- ODE's spending for FY 2014 was mainly supported by the GRF (\$7.90 billion or 70.4%), followed by federal funds (\$1.91 billion or 17.0%).
- In FY 2014, 98.0% (\$11.0 billion) of ODE's total spending was distributed as subsidies to schools and various other educational entities.
- ODE's payroll expenses of \$53.5 million accounted for 0.5% of the total. Excluding purchased service spending for student assessments and supply and maintenance spending for school food programs, ODE's operating expenses totaled \$128.6 million or 1.1% of its total spending in FY 2014.

Lottery Profits Comprise a Small Percentage of State Spending on Primary and Secondary Education

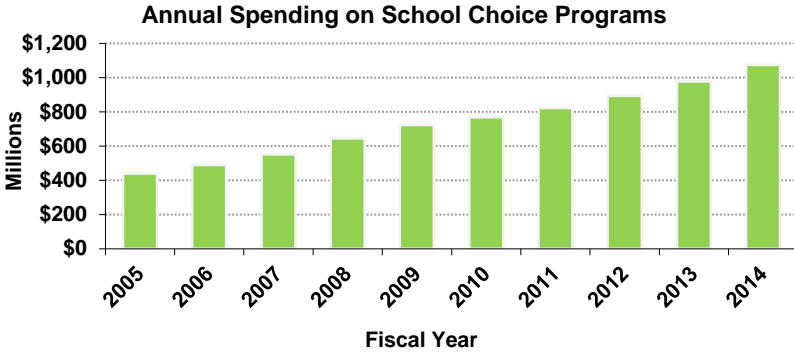


Sources: Ohio Lottery Commission; Ohio Legislative Service Commission

- Lottery profits in Ohio have always been a relatively small percentage of total GRF¹ and lottery spending on primary and secondary education. After reaching a peak of 16.9% in FY 1991, this percentage fell to a low of 7.6% in FY 2007 and has since increased to 9.2% in FY 2014.
- In 1973, voters amended the Ohio Constitution to allow the creation of the Ohio Lottery. In 1987, voters approved an additional constitutional amendment that permanently earmarked lottery profits for education.
- Generally, lottery profits are combined with the GRF to support primary and secondary education in Ohio.
- Lottery profits spending on education reached a record high of \$840.1 million in FY 2014. After topping \$700 million during the period from FY 2009 to FY 2012, lottery profits spending had fallen to \$682.0 million in FY 2013.
- From FY 1988 to FY 2014, total GRF and lottery spending on primary and secondary education increased by \$5.7 billion (164.2%). Of this growth, \$404.5 million (7.2%) was provided by the lottery.
- FY 2014 produced record lottery sales of \$3.2 billion. The increase in sales is due in part to the popularity of Keno and EZPLAY[®] Games, the Ohio Lottery's instant/online game category, as well as the opening of three new video lottery terminal locations. Instant games sales generated \$1.42 billion in FY 2014.

¹ In FY 2010 and FY 2011, GRF spending includes federal stimulus of \$417.6 million and \$515.5 million, respectively. There is no federal stimulus in prior or later years.

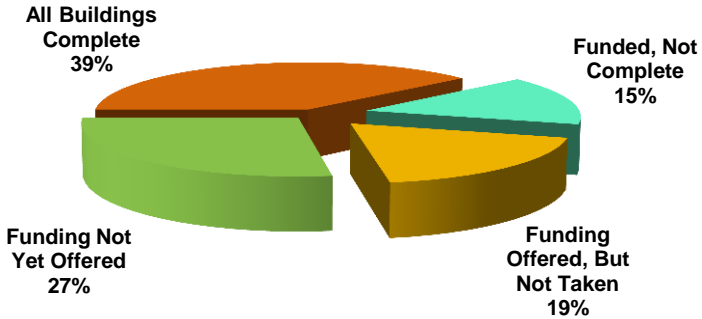
School Choice Program Spending Continues to Increase



- Spending on Ohio school choice programs has increased 144.7% over the last decade, from \$439.7 million in FY 2005 to \$1.08 billion in FY 2014. These programs include community and STEM schools, the Educational Choice (EdChoice) Scholarship, the Autism Scholarship, the Cleveland Scholarship and Tutoring Program (CSTP), and the Jon Peterson Special Needs (JPSN) Scholarship.
- Community and STEM schools are funded primarily through state education aid transfers. In FY 2014, such transfers amounted to \$908.5 million, representing 84.4% of school choice spending. Approximately 122,000 students were enrolled in community and STEM schools in FY 2014.
- The state also provides various scholarships for students to obtain education services from private providers. In most cases, scholarships are financed by deductions to the state education aid of scholarship recipients' districts of residence. However, CSTP is financed by both deductions and direct state payments and income-based EdChoice scholarships are financed solely by direct state payments.
- Within the EdChoice Scholarship Program, 16,987 students received scholarships under the traditional "low-performing school" criteria and 992 students received scholarships under new income-based criteria in FY 2014. Scholarship payments for each group of students totaled \$70.7 million and \$3.8 million in FY 2014, respectively, for a total of \$74.5 million, or 6.9% of school choice spending.
- A combined 11,063 students received scholarships under the remaining three programs in FY 2014: the Autism Scholarship Program (2,623), CSTP (6,337), and the JPSN Scholarship Program (2,103). FY 2014 payments for these scholarship students amounted to \$45.4 million, \$28.8 million, and \$18.7 million, respectively, for a total of \$93.0 million, or 8.6% of school choice spending.

Full-Facility Fixes Completed in 39% of Ohio School Districts and JVSDs

Status of Districts Completing Master Facility Plans, July 2014



Source: Ohio School Facilities Commission

- At the end of FY 2014, 39% of school districts and joint vocational school districts (JVSDs) had completed projects that fully addressed their facility needs as assessed by the School Facilities Commission (SFC). These include 246 (40%) of the 612 regular school districts and 11 (22%) of the 49 JVSDs.
- Another 15% of districts have been funded, but their projects are not complete. These include 97 (16%) regular districts and four (8%) JVSDs. These districts have buildings in the design or construction phase.
- An additional 19% of districts have been offered funding, but have either deferred the offer or allowed it to lapse because they were unable to secure the required local share. These include 115 (19%) regular districts (72 deferred and 43 lapsed) and seven (14%) JVSDs (five deferred and two lapsed). These districts will be eligible for funding in the future.
- The final 27% of districts have not yet been offered funding. These include 154 (25%) regular districts and 27 (55%) JVSDs. Of these, 18 regular districts and three JVSDs are participating in the Expedited Local Partnership Program (ELPP), whereby local funds spent on master facility plans now will be credited to the districts' local shares when they become eligible for state funding. Overall, more than 100 districts have participated in ELPP.
- The total estimated cost of all projects funded by the end of FY 2014 was \$19.2 billion. Of that total, the state share was \$11.7 billion (61%) and the local share was \$7.5 billion (39%).
- Through the end of FY 2014, the General Assembly has appropriated \$12.2 billion and SFC has disbursed a total of \$10.6 billion for school facilities projects.

Over 70% of Districts Receive A's and B's on Performance Measure Components of Report Card

School District Report Card Results,* 2012-2013 School Year					
Component	A	B	C	D	F
Performance Indicators	52.5%	18.7%	13.5%	7.7%	7.6%
Performance Index	4.6%	71.3%	21.0%	3.1%	0.0%
Value-Added Progress Dimension – Overall	46.1%	8.5%	13.8%	8.5%	23.1%
Value-Added Progress Dimension – Gifted	11.1%	13.8%	48.3%	17.5%	9.3%
Value-Added Progress Dimension – Disabled	16.3%	17.6%	42.9%	9.9%	13.3%
Value-Added Progress Dimension – Lowest 20%	14.6%	16.3%	49.7%	12.8%	6.6%
Four-Year Cohort Graduation Rate	48.3%	25.8%	15.1%	6.6%	4.3%
Five-Year Cohort Graduation Rate	35.4%	38.9%	16.1%	5.7%	3.9%
Annual Measurable Objectives	4.6%	30.0%	18.4%	15.9%	31.1%

*These numbers may change as ODE reviews certain district ratings due to certain data issues.

Source: Ohio Department of Education

- For the 2012-2013 school year, over 70% of districts received A's or B's on the performance indicator (71.2%) or performance index (75.9%) components of the report card. The same was true for the four-year (74.1%) and five-year (74.3%) graduation rate components.
- Districts fared less well on the value-added progress dimension components, especially those measuring progress of specific groups. The percentages of A's and B's on the overall value-added measure was 54.6%, whereas the percentages of A's and B's on the measure for gifted, disabled, and lowest achieving student groups were 24.9%, 33.9%, and 30.9%, respectively.
- Based on the total percentage of D's and F's, school districts struggled most with meeting annual measurable objectives, which are designed to measure achievement gaps between certain federally designated groups and all students. Although 34.6% of districts received A's or B's on this measure, 47.0% received D's or F's.
- Under the new report card system mandated by H.B. 555 of the 129th General Assembly, public schools and districts received A through F letter grades on various performance measures for the first time for the 2012-2013 school year. The prior system used ratings ranging from excellent with distinction to academic emergency.
- The new report card system will expand with additional performance measures, components, and grades over the next several years.

School Enrollment in Ohio Declines

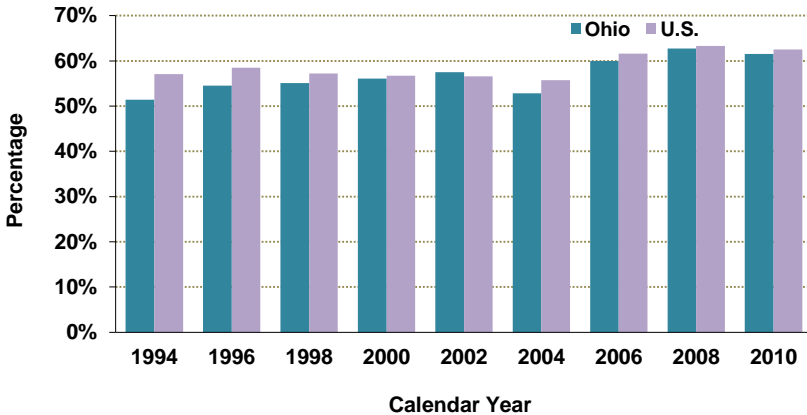
Ohio School Enrollment, FY 2004-FY 2014						
Fiscal Year	Public		Nonpublic		Total	
	Enrollment	Annual Change	Enrollment	Annual Change	Enrollment	Annual Change
FY 2004	1,815,881	4,714	222,830	-9,262	2,038,711	-4,548
FY 2005	1,815,613	-268	213,312	-9,518	2,028,925	-9,786
FY 2006	1,811,708	-3,905	207,054	-6,258	2,018,762	-10,163
FY 2007	1,803,226	-8,482	204,402	-2,652	2,007,628	-11,134
FY 2008	1,794,134	-9,092	200,598	-3,804	1,994,732	-12,896
FY 2009	1,790,809	-3,325	195,343	-5,255	1,986,152	-8,580
FY 2010	1,782,713	-8,096	187,994	-7,349	1,970,707	-15,445
FY 2011	1,774,538	-8,175	181,420	-6,574	1,955,958	-14,749
FY 2012	1,760,902	-13,636	178,702	-2,178	1,939,604	-16,354
FY 2013	1,753,068	-7,834	176,166	-2,536	1,929,234	-10,370
FY 2014	1,747,528	-5,540	173,966	-2,200	1,921,494	-7,740
	Total Change	-68,353		-48,864		-117,217

Source: Ohio Department of Education

- Total school enrollment in Ohio has decreased by 117,217 students over the last decade, from 2.04 million in FY 2004 to 1.92 million in FY 2014.
- Total school enrollment in Ohio has declined every year during this same period.
- Of the total enrollment decrease since FY 2004, 41.7% (48,864) occurred in nonpublic schools and 58.3% (68,353) occurred in public schools. This represents a 21.9% decline in nonpublic school enrollment over those ten years, compared to a 3.8% decline in public school enrollment.
- In FY 2014, nonpublic school enrollment represented 9.1% of total enrollment in Ohio, compared to 10.9% in FY 2004.
- Public school enrollment has decreased every year since FY 2005. During these ten years, the largest annual decrease in public school enrollment was 13,636 students in FY 2012. The smallest annual decrease during this decade was 268 students in FY 2005.
- The decrease in total school enrollment in FY 2014 (7,740) is the lowest decrease since FY 2004 and is roughly half the average annual decrease of the four preceding years (FY 2010 through FY 2013).

Percentage of Ohio High School Graduates Going Directly to College Decreased in 2010

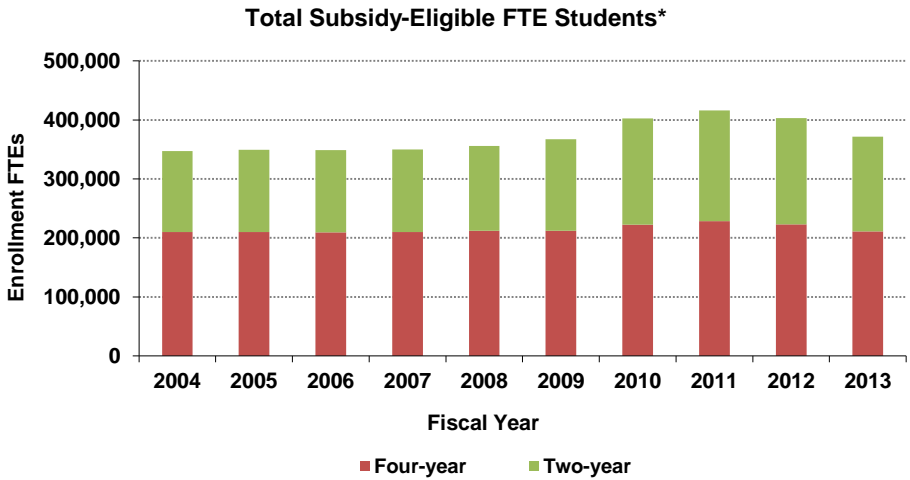
Percentage of High School Graduates Going Directly to College



Sources: ACT; College Board; NCHEMS; Ohio Board of Regents

- The percentage of Ohio high school graduates going directly to college decreased 1.2 percentage points from 62.7% in 2008 to 61.5% in 2010. The national average decreased by 0.8 percentage points in the same period, from 63.3% to 62.5%.
- The percentage of Ohio high school graduates going directly to college has been below the national average in every year since 1994 except for 2002. In 2010, Ohio's percentage was 1.0 percentage point below the national average.
- In fall 2012, 42% of graduates from Ohio public high schools enrolled directly in an Ohio college or university – approximately 31% in a four-year institution and approximately 11% in a two-year institution.
- Over the last several years, about 40% of Ohio public high school graduates enrolled directly in Ohio colleges and universities have taken remedial mathematics or English courses.
- ACT and SAT scores are indicators that help predict how well students will perform in college. Since 1994, ACT and SAT scores for Ohio high school seniors have been consistently higher than the national average.
- The average Ohio ACT score was 21.8 in 2013, in comparison with the national average of 20.9. The mean Ohio SAT score was 1635 in 2013, in comparison with the national mean score of 1498.

Higher Education Enrollment Decreased Again in FY 2013

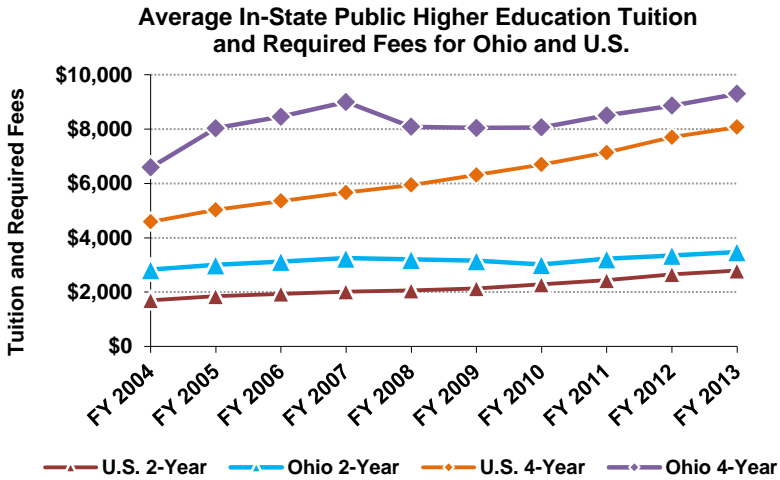


*An FTE (full-time equivalent) student is based on one student taking 15 credit hours per semester or the equivalent. Subsidy-eligible FTEs include all but out-of-state undergraduate students.

Sources: Ohio Board of Regents; State Higher Education Executive Officers (SHEEO)

- In FY 2013, total student enrollment at public colleges and universities decreased by 31,536 FTEs (8.5%) from FY 2012. Enrollment at two-year and four-year campuses decreased by 19,399 FTEs (10.8%) and 12,137 FTEs (5.4%), respectively, in that year. These decreases follow a decline of 12,935 FTEs (3.1%) in total student enrollment from FY 2011 to FY 2012.
- Over the ten years from FY 2004 to FY 2013, total student enrollment increased by 24,238 FTEs (7.0%). Of this growth, 96.8% occurred at two-year campuses.
- The enrollment decreases in FY 2012 and FY 2013 come after strong enrollment growth between FY 2008 and FY 2011, especially on two-year campuses. Total enrollment increased by 60,385 FTEs (17.0%) during that period, of which 44,405 (73.5%) occurred at two-year campuses.
- The FY 2008 to FY 2011 enrollment growth at two-year campuses may be partly due to the Great Recession. High growth in the two-year sector also occurred in prior periods of economic slowdown.
- According to a measure published by SHEEO, Ohio's five-year enrollment growth from FY 2008 to FY 2013 (6.6%) was the 11th lowest of all the states. Compared to neighboring states, Ohio's enrollment growth was higher than Michigan (4.2%) and Pennsylvania (6.2%), but lower than Indiana (9.8%), Kentucky (9.3%), and West Virginia (6.7%).

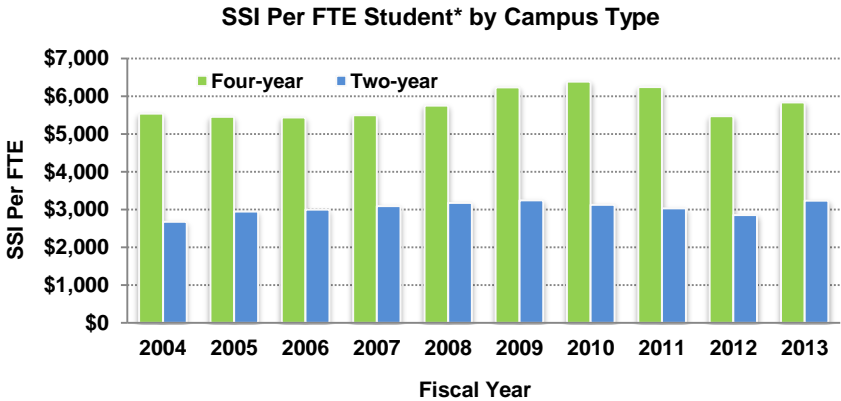
Gap Between Ohio's Average Public Higher Education Tuition and the Nation's Narrows in Recent Years



Source: National Center for Education Statistics

- After increasing from FY 2004 to FY 2007, the gap between Ohio's average public higher education tuition and required fees and the nation's average narrowed from FY 2007 to FY 2013.
- This gap reached a peak in FY 2007 for both 4-year and 2-year institutions. Ohio's averages were \$3,328 (58.7%) and \$1,232 (61.1%) higher than the nation's averages for 4-year and 2-year institutions, respectively, in that year.
- In FY 2013, Ohio's averages remain above the nation's, but by a lower amount. Ohio's averages were \$1,230 (15.2%) and \$688 (24.6%) higher than the nation's averages for 4-year and 2-year institutions, respectively, in FY 2013.
- Compared to other states, Ohio's ranking has dropped from 5th and 7th highest in FY 2007 to 15th and 22nd highest in FY 2013 for 4-year and 2-year institutions, respectively.
- From FY 2004 to FY 2013, average tuition and fees at 4-year institutions in Ohio increased by \$2,712 (41.2%), from \$6,589 to \$9,301. Tuition and fees at Ohio 2-year institutions increased by \$657 (23.3%), from \$2,823 to \$3,480.
- As tuition and fees at 4-year institutions increased faster than at 2-year institutions, the difference between the two types of institutions has increased 54.5% from \$3,766 in FY 2004 to \$5,821 in FY 2013.
- The General Assembly has imposed caps on annual increases in tuition every year since FY 2004. For FY 2012 and FY 2013, the cap on in-state undergraduate tuition increases was 3.5% per year.

State Share of Instruction Per Student Increased in FY 2013



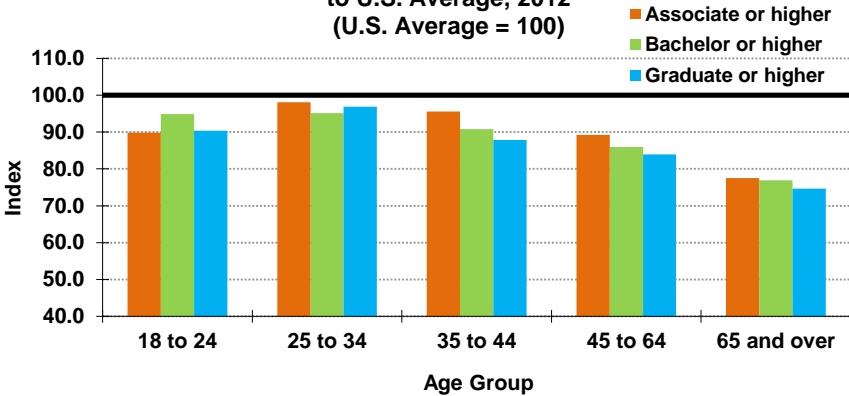
*An FTE (full-time equivalent) student takes the equivalent of 15 credit hours per semester. Out-of-state undergraduate students are not included as they are not eligible for state subsidy.

Source: Ohio Board of Regents

- In FY 2013, the State Share of Instruction (SSI) per FTE student was \$5,842 for four-year campuses, an increase of 6.7% from FY 2012. This was the second largest increase, behind the 8.3% increase in FY 2009, during the ten-year period from FY 2004 to FY 2013. SSI per FTE student for two-year campuses increased by 13.1% to \$3,234 in FY 2013, which was the largest increase during the same ten-year period.
- SSI is the main state subsidy to public colleges and universities to help support the institutions' core academic activities. Total SSI funding increased by 0.9% in FY 2013 to \$1.75 billion. The increases in SSI per student in FY 2013 were mainly due to declining enrollment. Enrollment decreased at both four-year (5.4%) and two-year (10.8%) campuses in FY 2013.
- FY 2012 saw the largest decrease in SSI per student for both four-year (12.4%) and two-year (5.8%) campuses over the past decade, due to the loss of federal stimulus funding through the American Recovery and Reinvestment Act, which provided \$287.8 million for SSI in FY 2011.
- SSI allocations to four-year campuses are higher than those to two-year campuses because four-year campuses offer higher cost baccalaureate, graduate, and professional degree courses.
- Most of the SSI is allocated to campuses through formulas. Prior to FY 2010, SSI was largely based on each campus's enrollment and courses offered. Starting in FY 2010, the formula was changed to include performance incentives for areas such as student course and degree completion.

Postsecondary Educational Attainment of Young Ohioans Approaches National Average

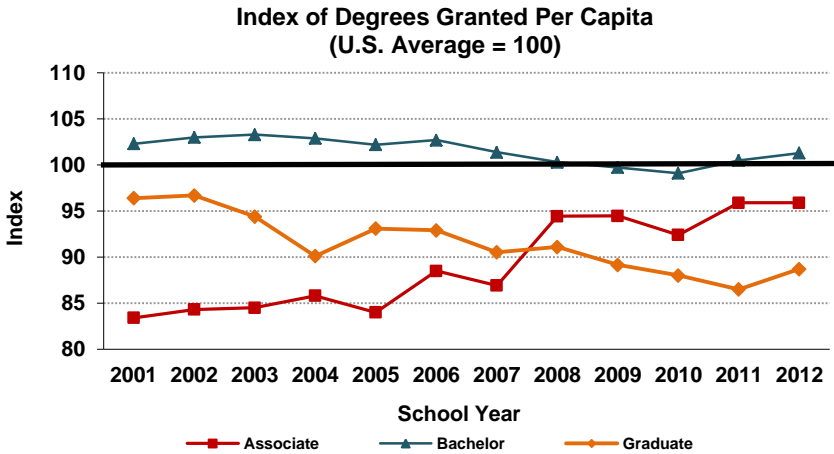
Ohio's Educational Attainment Compared to U.S. Average, 2012
(U.S. Average = 100)



Source: U.S. Census Bureau

- This index compares Ohio's educational attainment to the national average. An index score of 95 indicates that Ohio is 5% below the national average.
- Although the percentage of Ohioans with postsecondary degrees is below the national average for all age groups, the percentages for younger Ohioans are closer to the national average than those for older Ohioans.
- For each age group shown in the chart above (beginning with 18 to 24 year olds), the index for Ohioans with at least a bachelor's degree is 94.9, 95.2, 90.8, 85.9, and 76.9, respectively.
- The percentage of Ohioans within each age group who hold at least a bachelor's degree is 9.0%, 30.7%, 29.6%, 24.8%, and 17.9%, respectively, compared to the national average of 9.4%, 32.2%, 32.6%, 28.9%, and 23.2%.
- Compared to all states plus Washington D.C. and Puerto Rico, Ohio ranks 21st for the percentage of people aged 18 to 24 with at least a bachelor's degree. Ohio ranks 26th for ages 25 to 34, 35th for ages 35 to 44, 41st for ages 45 to 64, and 45th for ages 65 and over.
- Ohio's relatively low educational attainment for older age groups may reflect the state's strong industrial and agricultural economic history. These industries often did not require a college education for many types of jobs.
- Aggregating over all age groups, 23.2% of Ohioans had at least a bachelor's degree in 2012. Ohio ranks 38th in this percentage; the national average is 26.5%. Compared with contiguous states, Ohio's percentage is higher than Indiana (21.4%), Kentucky (19.9%), and West Virginia (17.4%), but lower than Pennsylvania (25.8%) and Michigan (23.7%).

Ohio's Colleges and Universities Rise Above National Average in the Granting of Bachelor's Degrees

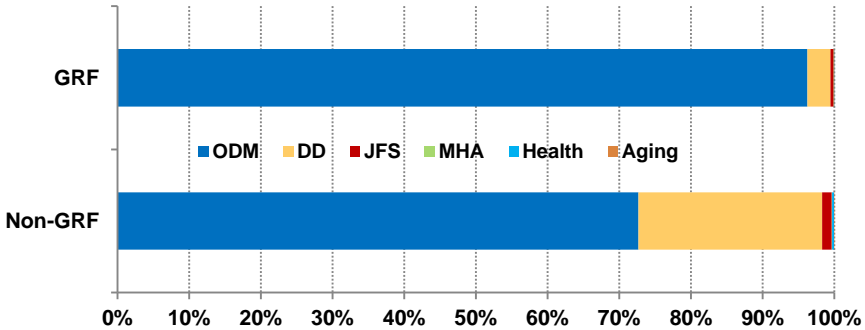


Sources: NCES; U.S. Census Bureau

- This index compares degrees granted by Ohio's colleges and universities to the national average on a per capita basis. An index score of 105 indicates that Ohio is 5% above the national average; an index score of 95 indicates that Ohio is 5% below the national average.
- In 2012, the number of bachelor's degrees granted per capita in Ohio was about 1.3% above the national average. Except for 2009 and 2010, Ohio has been above the national average on this indicator in every year since 2001.
- In 2012, the number of associate degrees granted per capita in Ohio was 4.1% below the national average. Ohio has gotten closer to the national average on this indicator over the last decade. In 2001, Ohio's associate degrees per capita were 16.6% below the national average.
- In 2012, the number of graduate degrees granted per capita in Ohio was 11.3% below the national average. Although Ohio experienced an increase in this indicator from 2011 to 2012, the state has generally moved away from the national average over the last decade. Ohio's graduate degrees per capita were 3.6% below the national average in 2001.
- On a per capita basis, in 2012 Ohio ranked 22nd highest among the states for associate degrees granted and 26th for both bachelor's and graduate degrees. Aggregating all postsecondary degrees granted, Ohio ranked 25th in the nation.
- In 2012, Ohio granted 35,871 associate degrees, 66,736 bachelor's degrees, and 30,140 graduate degrees. Public institutions accounted for 66.6%, 66.9%, and 65.4%, respectively, of the various degrees granted in the state.

Department of Medicaid Disburses the Majority of Payments for Ohio Medicaid

Medicaid Expenditures by Agency, FY 2014

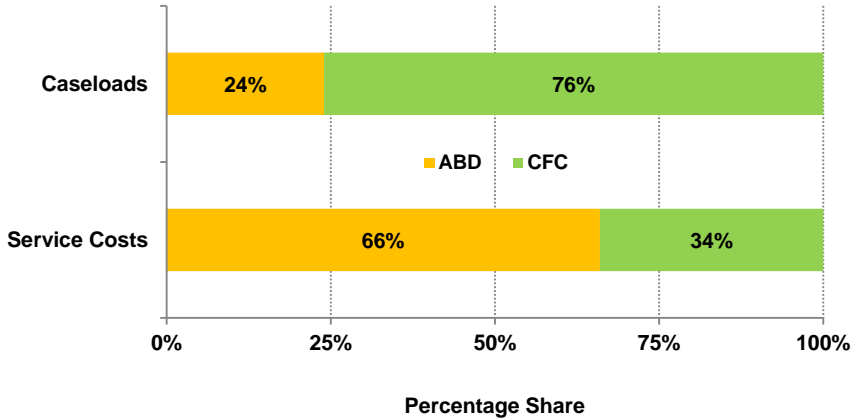


Source: Ohio Administrative Knowledge System

- GRF Medicaid expenditures were \$13.57 billion in FY 2014, of which 96.3% (\$13.07 billion) was disbursed by the Ohio Department of Medicaid (ODM). Non-GRF Medicaid expenditures were \$7.29 billion in FY 2014, of which 72.7% was disbursed by ODM. Across all funds, Medicaid expenditures totaled \$20.86 billion. ODM accounted for 88.0% of this total.
- Ohio Medicaid is administered by ODM with the assistance of five other state agencies – Developmental Disabilities (DD), Job and Family Services (JFS), Mental Health and Addiction Services (MHA), Health, and Aging – and various local entities.
- The Department of Developmental Disabilities had the second largest share of Medicaid expenditures, accounting for 3.2% (\$435.5 million) of the GRF total, 25.6% (\$1.87 billion) of the non-GRF total, and 11.0% (\$2.30 billion) of the all funds total. The other four agencies accounted for the remaining 1% of the all funds total.
- In FY 2014, 96.0% of total Medicaid expenditures went to various service providers. Managed care had the largest share at \$7.76 billion (37.2%), followed by nursing facilities at \$2.41 billion (11.6%) across all funds.
- GRF Medicaid expenditures are paid by the combination of state and federal resources. Of the \$13.57 billion GRF Medicaid expenditures in FY 2014, \$8.22 billion (60.6%) came from federal reimbursements and \$5.35 billion (39.4%) was funded with state resources.
- Beginning on January 1, 2014, Ohio Medicaid extended coverage to certain low-income adults under the federal Patient Protection and Affordable Care Act. All funds expenditures for these individuals totaled \$494.7 million in FY 2014, which was fully reimbursed by the federal government.

Aged, Blind, and Disabled Account for 24% of Medicaid Caseloads but 66% of Service Costs

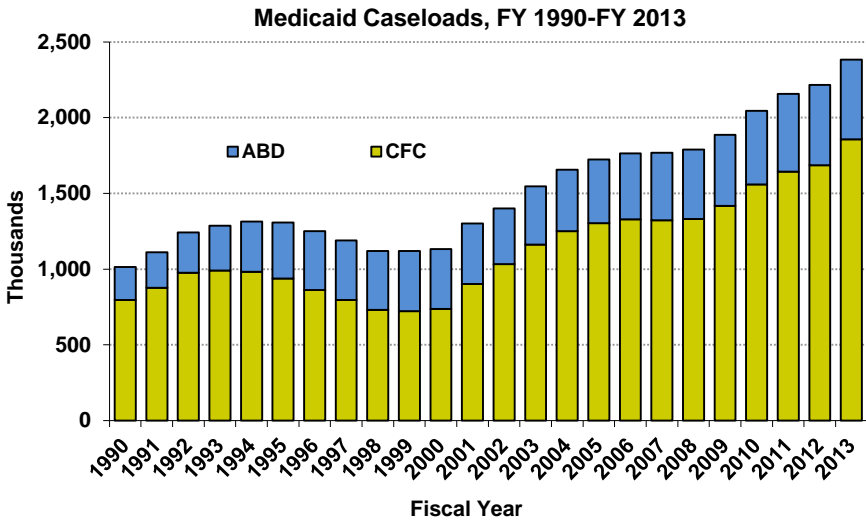
ABD and CFC Shares of Medicaid Caseloads and Service Costs, FY 2012



Source: Ohio Department of Job and Family Services

- In FY 2012, the aged, blind, and disabled (ABD) population made up 24% of the Medicaid caseloads but accounted for 66% of the service costs. In contrast, the covered families and children (CFC) population made up 76% of the Medicaid caseloads but only accounted for 34% of the service costs.
- Medicaid caseloads totaled 2.2 million in FY 2012, of which 0.5 million were ABD and 1.7 million were CFC. Of \$16.9 billion in Medicaid service costs in FY 2012, \$11.1 billion was incurred for the benefits of the ABD population and \$5.8 billion was incurred for the CFC population.
- In Ohio, Medicaid provides health insurance coverage to the ABD and CFC populations. The ABD population includes low-income elderly who are age 65 or older and individuals with disabilities. The CFC population includes children and parents from low-income families and low-income pregnant women.
- In FY 2012, the average monthly Medicaid cost was \$1,752 for an ABD member compared to \$286 for a CFC member.
- The cost of long-term care is one of the reasons for the higher expense of the ABD population. To illustrate, expenditures on nursing facilities alone, which are almost entirely for the benefit of the ABD population, accounted for 14% of the total Medicaid service expenditure in FY 2012.

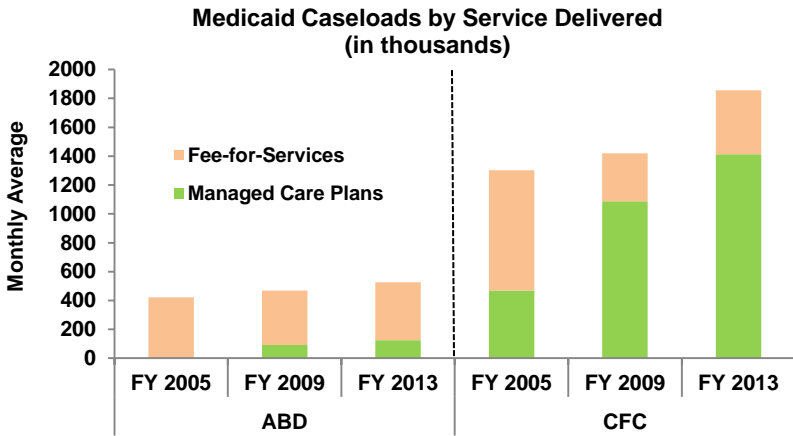
Medicaid Caseloads Continue to Increase



Source: Ohio Department of Medicaid

- Medicaid caseloads grew from 2.22 million in FY 2012 to 2.38 million in FY 2013, an increase of 7.5% (167,000). Of this increase, 67% (112,000) was due to a policy change that allows men and women of childbearing age who are under 200% of the federal poverty guidelines to receive family planning and related services under Medicaid starting January 2012.
- From FY 2011 to FY 2012, Medicaid caseloads grew at a moderate rate of 2.7% as the economy continued to improve.
- Due to the Great Recession, total caseloads increased by 6.4% per year on average from FY 2008 to FY 2011. Medicaid caseloads also increased rapidly in the early 2000s as a result of the economic slowdown and several eligibility expansions for family and child coverage. From FY 2000 to FY 2004, total caseloads increased by 10.0% per year on average.
- During this 24-year period, total caseloads increased by 135.2%, from 1.01 million in FY 1990 to 2.38 million in FY 2013.
- Due to the decline in the Ohio Works First cash assistance caseload as a result of welfare reform, CFC caseloads declined steadily in the late 1990s, reaching a low of 0.72 million in FY 1999.
- ABD caseloads grew 11.1% annually, on average, in the first half of the 1990s. Growth slowed to 1.5% per year on average from FY 1996 to FY 2000, followed by annual growth averaging 2.3% from FY 2001 to FY 2013.

Medicaid Managed Care Caseloads Expand

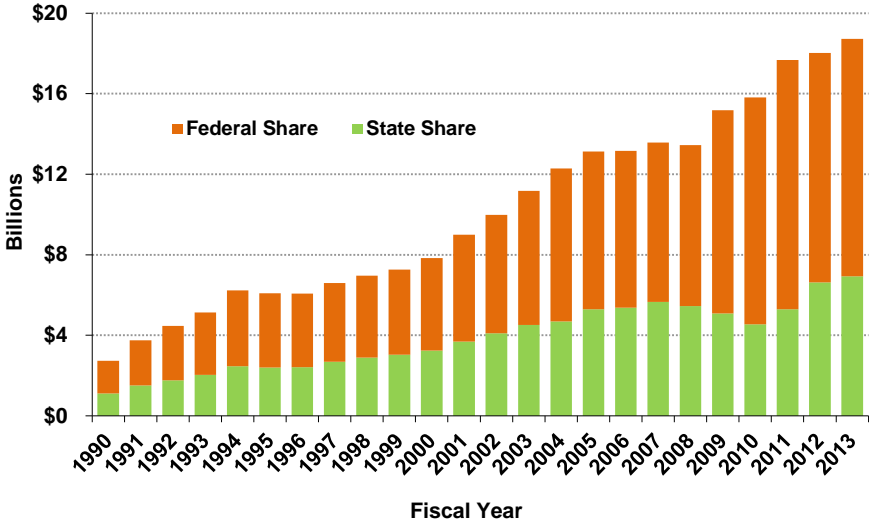


Source: Ohio Department of Job and Family Services

- Due primarily to the statewide expansion implemented in FY 2006, Medicaid managed care caseloads increased by 226% from FY 2005 to FY 2013. The managed care share of total Medicaid caseloads increased from 27% in FY 2005 to 65% in FY 2013.
- For the covered families and children (CFC) category, managed care caseloads grew from 469,000 in FY 2005 to 1.4 million in FY 2013, increasing CFC's managed care share from 40% to 91%. For the aged, blind, and disabled (ABD) category, managed care caseloads grew from 2,000 to 125,000, increasing its share from 0.5% to 24%.
- H.B. 66 of the 126th General Assembly required that the CFC population and certain ABD populations be enrolled in managed care plans.
- Ohio Medicaid began to use managed care in 1978. Prior to the mandated expansion in H.B. 66, Medicaid managed care was limited to large metro areas and exclusively focused on the CFC population.
- Under the fee-for-service system, Medicaid reimburses health care professionals and institutions for providing approved medical services and products based on set fees for the specific types of services rendered.
- Under the managed care system, a Medicaid enrollee typically receives all care through a single point of entry. The state pays a fixed monthly premium per beneficiary for any health care included in the benefit package, regardless of the amount of services actually used.

Medicaid Expenditures Continued to Rise in FY 2013

Medicaid Expenditures, FY 1990-FY 2013



Source: Centers for Medicare & Medicaid Services

- Ohio's Medicaid expenditures continued to rise in FY 2013, but the rate of growth slowed after FY 2011 as the economy gradually expanded. Total Medicaid expenditures increased by 1.9% from FY 2011 to FY 2012 and by 3.9% from FY 2012 to FY 2013. In contrast, Medicaid expenditures grew by 9.6% per year from FY 2008 to FY 2011 as a result of the Great Recession.
- Medicaid expenditures in FY 2013 totaled \$18.7 billion, almost seven times greater than FY 1990 expenditures of \$2.7 billion. The average annual growth rate over this 24-year period was 9.1%.
- Medicaid expenditures also rose rapidly in the early 1990s and early 2000s, averaging 23.2% per year from FY 1990 to FY 1994 and 10.9% per year from FY 2000 to FY 2005. Those high growth rates were a result of an economic downturn, poor labor market conditions, increasing health care costs, and eligibility expansions.
- Generally, the federal government pays for 64% of Ohio's Medicaid expenditures and the state pays the remaining 36%. The federal share is determined annually based upon the most recent per capita income for Ohio relative to that of the nation. For the period of October 1, 2008 through June 30, 2011, federal reimbursement for Medicaid was enhanced under the American Recovery and Reinvestment Act of 2009 and P.L.111-226.

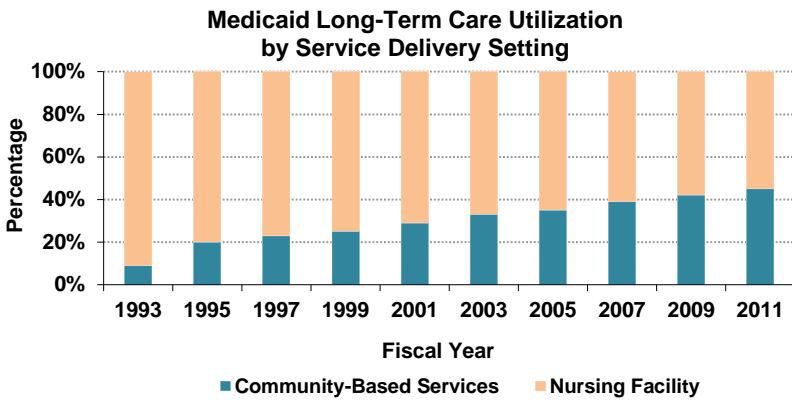
Managed Care Spending Outpaces All Other Medicaid Expenditure Categories

Medicaid Spending by Expenditure Category (\$ in millions)					
Service Category	FY 2003		FY 2013		% Change
	Amount	% of Total	Amount	% of Total	
Managed Care	\$695	6%	\$7,011	40%	908%
NFs & ICFs/IID	\$3,529	32%	\$3,153	18%	-11%
HCBS Waivers	\$753	7%	\$1,952	11%	159%
Hospital	\$2,419	22%	\$1,700	10%	-30%
Drugs & Medicare Part D	\$1,510	14%	\$805	5%	-47%
Physician	\$533	5%	\$319	2%	-40%
All Others	\$1,490	14%	\$2,431	14%	63%
Total	\$10,928	100%	\$17,370	100%	59%

Source: Ohio Department of Job and Family Services

- Over the last decade, Medicaid spending growth has been concentrated in Managed Care. While overall Medicaid spending increased by 59% from \$10.93 billion in FY 2003 to \$17.37 billion in FY 2013, spending for Managed Care grew more than 15 times faster, by 908%. Consequently, Managed Care's share of total Medicaid spending increased from 6% in FY 2003 to 40% in FY 2013.
- The growth in Managed Care spending is largely due to H.B. 66 of the 126th General Assembly, which required that specific Medicaid populations be enrolled in managed care beginning in FY 2006.
- Although spending for nursing facilities (NFs) and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) has declined by 11% from FY 2003 to FY 2013, spending for NFs and ICFs/IID continues to be one of the major Medicaid expenditure categories. It accounted for 18% (\$3.15 billion) of total Medicaid spending in FY 2013.
- Home and Community-Based Services (HCBS) Waiver spending had the second highest growth rate at 159% during this period. HCBS Waivers allow the provision of long-term care services in home and community-based settings for certain Medicaid recipients. They offer a variety of services that can be a combination of standard medical services and nonmedical services.
- Direct payments to hospitals and physicians, and payments for prescription drugs experienced a decrease during this period due largely to the expansion of managed care.

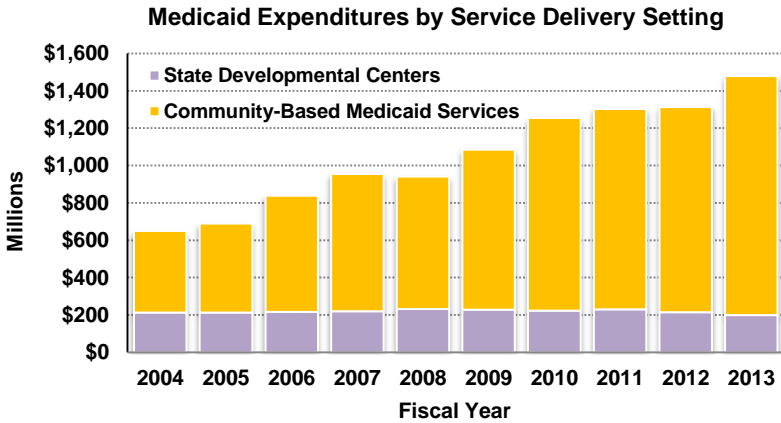
Percentage of Medicaid-Eligible Elderly Opting for Community-Based Long-Term Services Increases



Source: Scripps Gerontology Center, Miami University

- Since FY 1993, the number of Medicaid-eligible elderly choosing community-based long-term care services has increased steadily. Consequently, the share of community-based long-term care services increased from 9% in FY 1993 to 45% in FY 2011. In contrast, the nursing facility share decreased from 91% to 55% over the same period.
- In FY 2011, the average monthly census at nursing facilities for Medicaid consumers age 60 and over was 42,840. These individuals were served at an average cost of \$4,340 per month. Many consumers who enter a nursing facility stay for less than six months to receive rehabilitative or recovery care.
- PASSPORT, the largest Medicaid waiver program, and Choices provide in-home long-term care services to elderly consumers. In FY 2011, an average of 30,573 consumers were served each month by these two programs at an average monthly cost of \$1,460 and \$2,165, respectively.
- Assisted Living provides long-term care services in certified residential care facilities for persons age 21 and older. In FY 2011, an average of 2,412 consumers age 60 or older were served by the program each month at an average monthly cost of \$1,688.
- The Transitions Aging Carve-Out Program provides community-based services to elderly consumers with serious disabilities and unstable medical conditions. In FY 2011, an average of 1,816 consumers were served by the program each month at an average cost of \$3,300.
- The Program for All-Inclusive Care (PACE) provides seniors with site-based managed care services in the Cincinnati and Cleveland areas. In FY 2011, an average of 659 consumers were served by the program each month at an average monthly cost of \$2,851.

Spending on Community-Based Services Increases as Spending on State Developmental Centers Stagnates

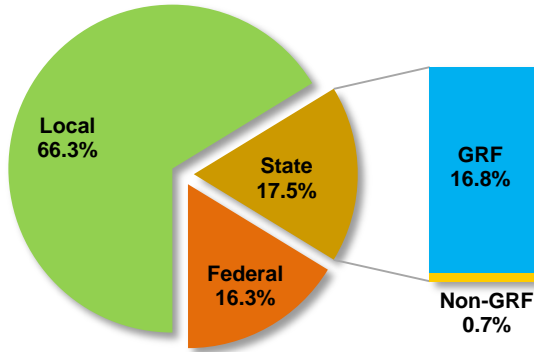


Source: Ohio Department of Developmental Disabilities

- From FY 2004 to FY 2013, Medicaid expenditures for home and community-based services for individuals with developmental disabilities increased 193% from \$436.4 million to \$1.28 billion, while expenditures for individuals in state developmental centers (DCs) averaged \$220 million per year.
- The Department of Developmental Disabilities (DODD) administers four community-based Medicaid waiver programs that enable individuals with developmental disabilities to remain in their homes or community settings. These programs provide services to increase skills, competencies, and self-reliance and to maximize quality of life while ensuring health and safety.
- Enrollment in DODD's waiver programs grew from about 8,200 in FY 2004 to 32,900 in FY 2013, an increase of 301%. In FY 2013, DODD began administering two additional waiver programs. Enrollment levels must be approved by the federal government each year.
- DODD operates regional DCs that provide habilitative environments for individuals with severe disabilities. In FY 2004, there were 12 centers with about 1,695 residents. By FY 2013, two centers had closed and the number of residents had decreased 37% to 1,065.
- In FY 2013, the average monthly cost of an individual in a DC was about \$15,600, while the average monthly cost of an individual on a waiver program was about \$1,000 for Level 1, \$5,200 for Individual Options, \$1,800 for Transitions DD, and \$325 for the Self-Empowered Life Funding waivers.
- In addition to state developmental centers and home and community-based services, Medicaid also pays for individuals in private intermediate care facilities. In FY 2013, payments to these facilities totaled \$558 million.

Locals Provided Two-Thirds of Funding for Non-Medicaid Behavioral Health Services in FY 2013

Non-Medicaid Behavioral Health Services Spending
by Funding Source, FY 2013

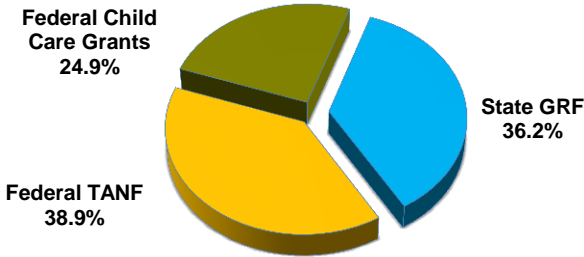


Sources: Ohio Department of Mental Health and Addiction Services; Ohio Department of Medicaid

- In FY 2013, non-Medicaid behavioral health services funding totaled \$539.7 million in Ohio. Local levies and other county funds comprised \$357.7 million (66.3%) of the total. State funds accounted for \$94.2 million (17.4%) of the total, including \$90.6 million (16.8%) from the GRF and \$3.6 million (0.7%) from various non-GRF funds. The federal government provided the remaining \$87.8 million (16.3%).
- The Ohio Department of Mental Health and Addiction Services (OMHAS) is responsible for ensuring that behavioral health services are available across the state through a system of local behavioral health boards and state psychiatric hospitals.
- In FY 2013, Ohio's 53 community-based behavioral health boards served over 443,000 individuals. Boards contract with various service providers to deliver behavioral health services to clients in the community.
- OMHAS operates six regional psychiatric hospitals to provide inpatient services. During FY 2013, state hospitals served 8,424 individuals at a cost of \$214.3 million. Average daily cost per resident was \$584.76.
- Behavioral health services are also provided under Medicaid. In FY 2013, about 346,000 of the individuals served by the behavioral health services system operated by OMHAS were eligible for Medicaid. The costs for serving those individuals totaled \$912.9 million. Of this total, \$597.2 million (64.8%) was the federal share of Medicaid payments and \$315.7 million (35.2%) was the state share.

Two-Thirds of Subsidized Child Care Was Funded by Federal Grants in FY 2013

Child Care Expenditures by Funding Source, FY 2013



Sources: Ohio Department of Job and Family Services; Ohio Administrative Knowledge System

- Of the \$560.9 million Ohio spent on subsidized child care in FY 2013, \$358.1 million (63.8%) was from federal grants. In that year, a monthly average of 117,608 children received subsidized child care, at an average monthly cost of \$397 per child.
- The federal TANF Block Grant totaled \$218.4 million, accounting for 61.0% of federal child care funding and 38.9% of the combined state-federal total. Ohio's TANF Block Grant is \$728 million per year and is also used for cash assistance and other programs for the indigent.
- Federal Child Care and Development Fund (CCDF) grants accounted for \$139.7 million (24.9%) of the total. There are three separate CCDF grants: a discretionary grant, a mandatory grant, and a matching grant.
- State GRF dollars accounted for the remaining \$202.8 million (36.2%). Ohio is required by the federal government to expend about \$84.7 million each year to receive the CCDF mandatory grant and the CCDF matching grant.
- For families enrolled in or transitioning out of the Ohio Works First Program, child care is guaranteed, but for most families, eligibility is based on income level. Families with incomes up to 125% FPG (\$24,732 annually for a family of three) are eligible for initial services if funding is available; families may remain eligible until their incomes rise above 200% FPG (\$39,576 annually). Families pay copayments to providers on a sliding scale based on income.
- The federal CCDF grants are also used for administration, quality activities, and nondirect services. Quality activities include licensing, inspecting, and rating of child care centers and programs. Nondirect services include eligibility determination, rate setting, and staff training. Federal guidelines cap spending for administration at 5% of CCDF funds and require at least 4% to be used to improve child care quality. However, there currently is no specific spending target for nondirect services.

Ohio's Percentage of Preterm Births and Infant Mortality Rate Exceed National Statistics

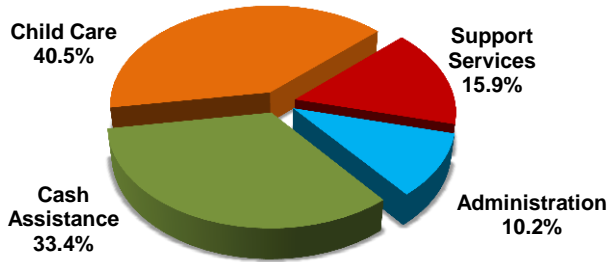
Ohio Infant Health Statistics by Race/Ethnicity		
Category	Ohio	U.S.
% of Preterm Births, 2010	12.2%	12.0%
Non-Hispanic White	11.1%	10.8%
Non-Hispanic Black	17.7%	17.1%
Hispanic	12.6%	11.8%
Infant Mortality Rate (per 1,000 births), 2007-2009	7.7	6.6
Non-Hispanic White	6.3	5.5
Non-Hispanic Black	14.5	12.8
Hispanic	7.3	5.5

Sources: Kaiser Family Foundation State Health Facts; Ohio Department of Health

- In 2010, 12.2% of all births in Ohio were preterm births (less than 37 weeks of gestation) compared to the national average of 12.0%. Similar to the national pattern, the percentage of preterm births in Ohio for non-Hispanic black infants (17.7%) was higher than the percentage for both non-Hispanic white (11.1%) and Hispanic (12.6%) infants.
- In 2010, there were a total of 17,007 preterm births in Ohio. Preterm birth makes infants more vulnerable to developmental and medical problems. The average hospital cost for a premature infant is approximately \$38,400 as compared to \$4,000 for a full-term, healthy infant.
- During 2007-2009, Ohio's overall infant mortality rate of 7.7 (infant deaths per 1,000 live births) ranked 13th highest among the states and was higher than the national rate of 6.6. The rate for non-Hispanic blacks in Ohio and in the United States was more than twice the rate for non-Hispanic white infants.
- The leading medical causes of infant mortality during the first year of life are premature birth, birth defects, and sudden unexpected infant deaths, including sudden infant death syndrome and accidental rollover or suffocation. Factors such as poverty, lack of education and prenatal care, and poor nutrition may increase the risk of infant mortality.

Child Care Accounted for Almost 41% of Ohio's TANF Expenditures in Federal Fiscal Year 2012

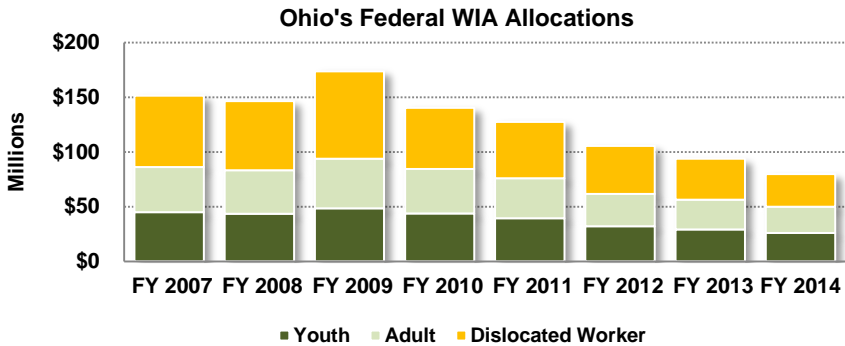
Ohio's TANF Expenditures, FFY 2012



Source: U.S. Department of Health and Human Services

- In FFY 2012, subsidized child care accounted for \$443.9 billion (40.5%) of Ohio's \$1.10 billion in total Temporary Assistance for Needy Families (TANF) expenditures. Subsidized child care is available to children in families with incomes up to 125% of the federal poverty guidelines (\$24,740 for a family of three). In FFY 2012, on average, 112,000 children received subsidized child care each month. In addition to TANF dollars, other state and federal funds are also used to pay child care providers.
- Cash assistance payments provided under the Ohio Works First (OWF) program, accounted for \$366.0 million (33.4%) of total TANF expenditures in FFY 2012. During this same year, an average of 81,331 assistance groups received OWF benefits each month with an average monthly benefit of \$370.
- Eligible OWF assistance groups must include a minor child or pregnant woman and have income of no more than 50% of the federal poverty guidelines (\$9,895 annually for a family of three). Heads-of-households must sign a self-sufficiency contract that includes a work plan. Benefits are time-limited to 36 months, but time and income limits and work requirements do not apply to "child-only" cases, in which a relative caregiver receives the benefit on behalf of a child.
- Support services (\$174.1 million) are short-term noncash benefits provided at the local level and may include shelter, job-required clothing, household necessities, home repair, transportation, and other services allowable under federal law. Administration (\$112.3 million) includes both state and local activities such as eligibility determination and case management.
- Ohio's TANF resources total about \$1.15 billion each year: \$728 billion from the federal TANF Block Grant and \$417 million in state funds to meet the TANF maintenance of effort requirement.

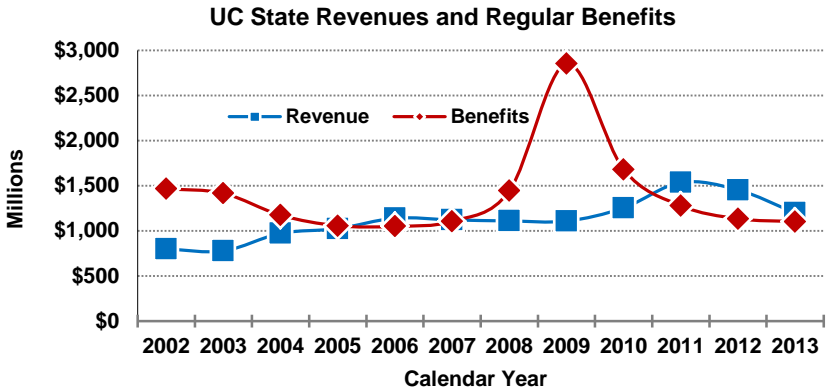
Ohio's Federal Workforce Investment Act Grants Decreased 54% Since FY 2009



Sources: U.S. Department of Labor; Federal Funds Information for States; ODJFS

- Ohio's federal Workforce Investment Act (WIA) grants have decreased steadily over the last five years. The grant total decreased 54.1% from \$173.7 million in FY 2009 to \$79.8 million in FY 2014. Over this time, Ohio's Dislocated Worker grant decreased by 62.7%, while grants for Youth and Adults decreased by 46.7% and 46.9%, respectively.
- The recent decreases are due to reductions in: (1) the national WIA allocations, which are set by Congress each year, and (2) Ohio's proportion of unemployed and economically disadvantaged youth and adults compared to other states. Prior to FY 2010, Ohio's proportion of these individuals was increasing relative to other states, while the national WIA allocations remained fairly level.
- From FY 2009 to FY 2011, the decreases in Ohio's WIA grants were mitigated by \$138.1 million in additional WIA dollars received under the federal American Recovery and Reinvestment Act of 2009 (ARRA). Most ARRA WIA funds were expended in FY 2010; all were expended by the end of FY 2011.
- WIA is a federally funded workforce services program that is administered at the state level by the Ohio Department of Job and Family Services (ODJFS) and locally by 20 regional workforce investment boards. Service delivery is provided by 90 local OhioMeansJobs (One-Stop) centers, with at least one center in each county.
- ODJFS is required to distribute 85% of the state's total annual WIA grants to Ohio's workforce investment boards for service delivery. Boards have two years to expend WIA grants. The remaining WIA dollars are used by ODJFS to help areas in the state that experience mass layoffs (10%) and for administration and other statewide workforce programs (5%). ODJFS may expend WIA funds over three years for these purposes.

Ohio's Unemployment Compensation Revenues Exceeded Benefit Payments by \$96 Million in 2013



Source: Ohio Department of Job and Family Services

- In 2013, regular unemployment compensation (UC) revenues totaled \$1.20 billion, \$96.4 million higher than net benefit payments of \$1.10 billion. Revenues have exceeded benefits for the past three calendar years.
- In 2013, benefits were 61.4% below their peak in 2009, while revenues were 8.2% greater. Generally, revenues decrease during periods of relative economic strength, as employers' state tax rates are adjusted downward to compensate for the decline in benefits paid out.
- State UC revenue is derived from taxes paid by Ohio employers on the first \$9,000 of each employee's wages. Rates are set in state law and are based on an employer's "experience" of unemployment. In 2013, the tax rates ranged from 0.3% to 8.4% and averaged about 2.8%, or \$252 per employee.
- UC benefits exceeded revenues in seven of the past twelve years. During the years of shortfall, the state used the balance in Ohio's Unemployment Compensation Trust Fund to pay benefits. The balance of the fund peaked in August 2000, at \$2.42 billion, and steadily declined until January 2009, when the fund was depleted.
- Once the trust fund was depleted, Ohio began borrowing from the federal government to pay benefits. Ohio has borrowed \$3.39 billion as of July 2014. States must pay back borrowed amounts out of their trust funds once balances have been restored. Through July 2014, Ohio has posted \$2.01 billion in payments on principal with an outstanding balance of \$1.38 billion.
- Interest on federal loans cannot be paid from the state's trust fund. The federal government waived interest in 2009 and 2010. Through July 2014, Ohio has made interest payments totaling \$181.0 million.

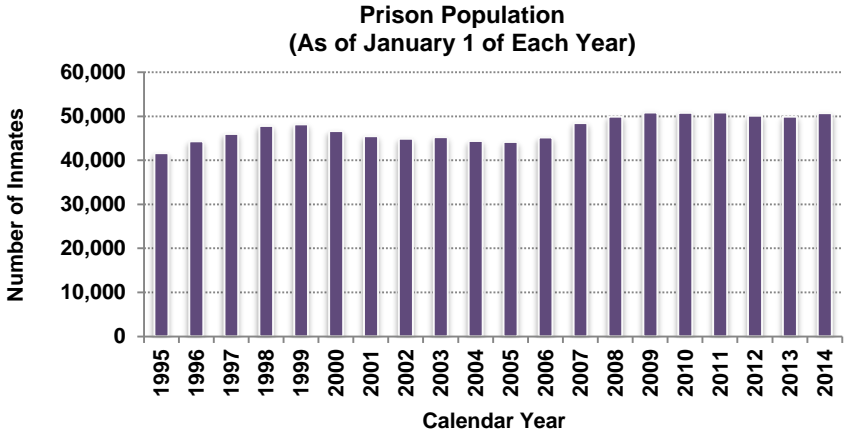
Workers' Compensation Paid Benefits and Claims Decline in Recent Years

Workers' Compensation Claims and Benefits, FY 2009-FY 2013					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Benefits (\$ in millions)					
Medical	\$833.5	\$800.8	\$778.9	\$748.9	\$705.8
Lost Time	\$1,130.8	\$1,085.6	\$1,053.7	\$1,078.7	\$1,076.0
Total	\$1,964.3	\$1,886.4	\$1,832.6	\$1,827.6	\$1,781.8
Number of New Allowed Claims					
Total	118,855	104,151	104,835	101,165	97,041
Number of Open Claims					
Total	1,321,214	1,221,302	1,129,873	1,070,056	958,625

Source: Ohio Bureau of Workers' Compensation

- The benefits paid by the Bureau of Workers' Compensation (BWC) for lost time and medical claims have declined steadily since FY 2009. In FY 2013, lost time and medical benefits paid totaled \$1.78 billion. This was 9.3% less than the \$1.96 billion paid in FY 2009.
- Of the \$1.78 billion paid in FY 2013, 60.4% (\$1.08 billion) was for lost time benefits and 39.6% (\$705.8 million) was for medical benefits.
- From FY 2009 to FY 2013, lost time benefits declined by 4.8% compared with a decrease of 15.3% for medical claim benefits.
- The numbers of allowed and open claims have also declined in recent years. Allowed claims totaled 97,041 in FY 2013, representing a decrease of 4.1% from FY 2012 (101,165) and a decrease of 18.4% from FY 2009 (118,855). Open claims totaled 958,625 in FY 2013, representing a decline of 10.4% from FY 2012 (1.1 million) and a decline of 27.4% from FY 2009 (1.3 million).
- In contrast, BWC's net assets increased from FY 2009 to FY 2013. As of June 30, 2013, BWC had total assets of \$28.24 billion and total liabilities of \$21.46 billion, for a total of \$6.78 billion in net assets. Net assets at the end of FY 2009 were \$2.50 billion. The increase was largely attributable to investment gains.
- BWC issued policies to 254,388 employers in FY 2013, including 3,923 state and local public employers. Slightly more than 1,200 employers qualified to self-insure in FY 2013.
- BWC is revising the payment structure of premiums from a retrospective to a prospective system beginning in policy year 2015 (July 1, 2015) for private employers, and policy year 2016 (January 1, 2016) for public employers.

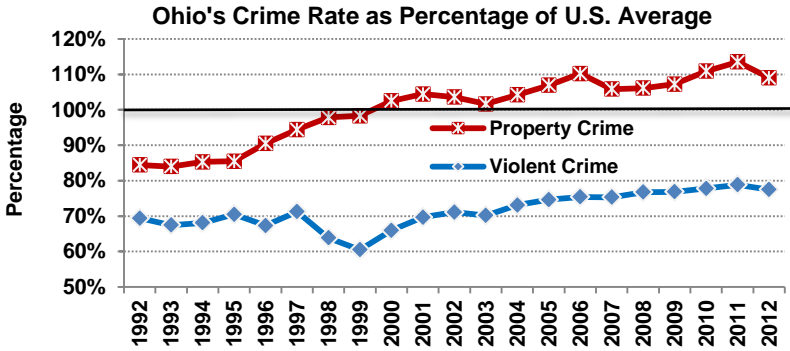
Prison Population Continues to Hover Around 50,000



Sources: Ohio Department of Rehabilitation and Correction; U.S. Bureau of Justice Statistics

- In January 2014, Ohio's prison population totaled 50,674, an increase of 1.5% (746 inmates) from the previous year. Ohio's prison population has hovered around 50,000 in each of the past six years. Overall, it decreased by 0.4% (210 inmates) from FY 2009 to FY 2014.
- During the 20-year period from 1995 to 2014, Ohio's prison population increased by 21.8% (9,065 inmates). In November 2008, Ohio's prison population reached its all-time high at nearly 51,300.
- From 1995 to 2009, Ohio's prison population growth went through three cycles. The population increased by an average of 3.7% per year from 1995 to 1999, followed by an average decline of 1.4% per year through 2005. The population grew again from 2006 through 2009, at an average rate of 3.6% per year.
- As of July 1, 2014, Ohio's adult prison system consisted of 27 correctional institutions, 11,820 staff, and 50,601 inmates.
- As of July 2014, the average cost to incarcerate an inmate in an Ohio prison was \$22,836 per year, or \$62.57 per day. Security, the supervision and control of inmates, typically consumes the largest portion at around 40%.
- Ohio's inmate to correction officer ratio was 7.7 to 1 in 1994. This ratio decreased to 5.5 to 1 by 2001, and then increased to 7.2 to 1 by 2014.
- As of December 31, 2012, Ohio's prison population (50,876) ranked 7th in the nation, behind Texas (166,372), California (134,534), Florida (101,930), Georgia (55,457), New York (54,210), and Pennsylvania (51,125). Illinois (49,348), Michigan (43,636), and Louisiana (40,172) ranked just below Ohio. These ten states accounted for 55.3% of the total population in state prisons.

Ohio Remains Below the U.S. Average in Violent Crime Rate but Exceeds the U.S. Average in Property Crime Rate

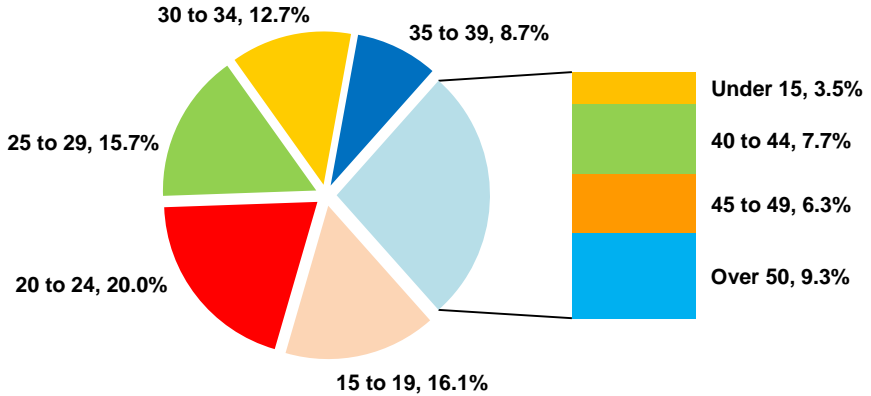


Source: FBI, Uniform Crime Reporting Statistics

- In 2012, Ohio's violent crime rate was 77.5% of the U.S. average while its property crime rate was 109.0% of the U.S. average. Both rates are measured by the number of crimes per 100,000 residents.
- Ohio's violent crime rate has remained below the U.S. average since 1992. However, Ohio's rate in the past decade has inched closer to the U.S. average. From 1992 to 2001, on average, Ohio's violent crime rate was 67.4% of the U.S. average compared to 75.2% for the period from 2002 to 2012.
- Ohio's property crime rate exceeded the U.S. average in 2000 for the first time. Since then it has remained above the U.S. average.
- Ohio's property and violent crime rates have continued to decline in recent years. From 2007 to 2012, Ohio's violent and property crime rates decreased by 15.7% and 10.1%, respectively. The comparable U.S. figures were 18.0% and 12.7%, respectively.
- During the period from 1992 to 2012, both Ohio's and U.S. violent crime rates peaked in 1992 at 526 and 758, respectively. Ohio's rate decreased by 39.8% in the 1990s, reaching 316 in 1999, and then generally increased in the first half of the 2000s before declining again to a rate of 300 in 2012. The 43.0% decrease since 1992 was largely attributable to declines in aggravated assault and robbery. The U.S. rate followed a trend similar to that of Ohio and declined to 387 in 2012, a decrease of 48.9%.
- The property crime rates for Ohio and the U.S. also peaked in 1992 at 4,140 and 4,904, respectively. Ohio's rate has since generally trended downward to 3,117 in 2012, a 24.7% decrease. Approximately two-thirds of the decrease was attributable to a decline in larceny-theft. The U.S. rate declined by 41.7% during this same period.

Ohioans Aged 15-34 Years Accounted for Close to 65% of All Crime Arrests in 2012

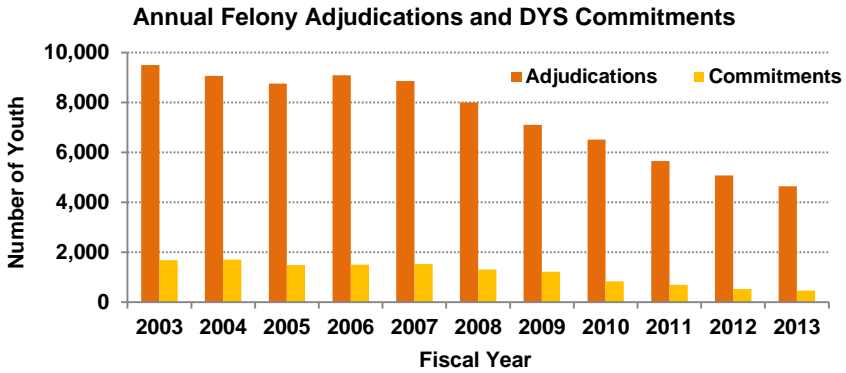
Crime Arrests by Age Group, 2012



Source: FBI, Uniform Crime Report, Supplemental Data 2012

- In 2012, Ohio reported a total of 256,184 arrests to be included in the FBI's annual Uniform Crime Report. Individuals aged 15 to 34 years accounted for 64.5% of the total, including 16.1% (41,138) in the 15-19 age group, 20.0% (51,109) in the 20-24 age group, 15.7% (40,222) in the 25-29 age group, and 12.7% (32,604) in the 30-34 age group.
- Of the total arrests reported by Ohio in 2012, 18.3% (46,829) was for violent and property crimes, which include the offenses of murder, rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. The remaining 81.7% (209,355) was for all other crime arrests except for traffic violations. The comparable U.S. averages were 17.9% and 82.1%, respectively.
- In 2012, 72.5% of Ohio arrestees were males and 71.8% were Caucasian. The corresponding national figures were 73.8% and 69.3%, respectively.
- The 15-19 age group made up the largest share of violent and property crime arrests at 20.2% (9,454). The peak individual age was 18.
- Ohio's violent and property crime arrests represented 2.8% of the national total in 2012. Since peaking at 314,495 in 2008, the total number of violent and property crime arrests reported for Ohio has declined, on average, 5.0% per year.
- The 20-24 age group accounted for the largest share of other crime arrests at 20.2% (42,186). The individual peak age was 21.

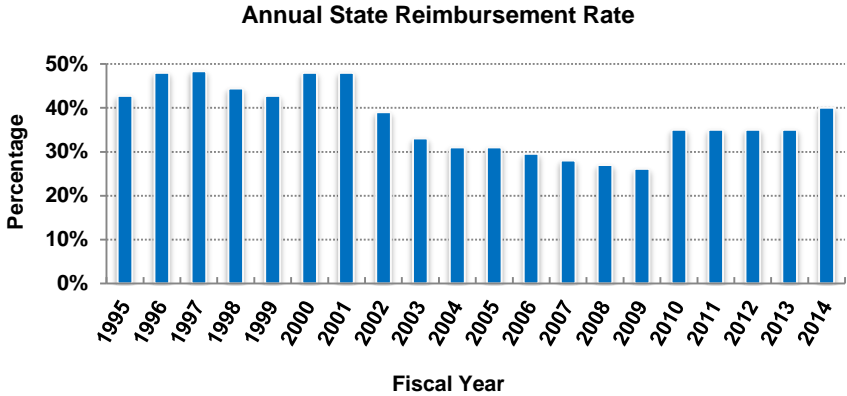
Felony Adjudications and Commitments to DYS Institutions Continue to Decrease



Source: Ohio Department of Youth Services

- The number of felony cases adjudicated in juvenile courts decreased from 9,495 in FY 2003 to 4,636 in FY 2013 with an average declining rate of 6.8% per year. The average annual declining rate since FY 2008, however, was much higher at 10.2%.
- The number of youth committed to institutions operated by the Department of Youth Services (DYS) decreased from 1,679 in FY 2003 to 459 in FY 2013 with an average declining rate of 11.5% per year. The rate of decrease was also much higher in recent years, at 17.7% per year on average since FY 2008.
- The institutional population decrease is partly due to a component of RECLAIM Ohio, which diverts youth from state institutions by subsidizing community residential and nonresidential programs, including community correctional facilities. Funding for this component of RECLAIM Ohio grew from \$42.3 million in FY 2003 to \$49.4 million in FY 2013, an increase of \$7.1 million, or 16.8%.
- In FY 2013, the average daily cost for DHS to house, care for, and treat a juvenile offender was \$555, an increase of \$387, or 230.4%, from the FY 2003 rate of \$168.
- In FY 2003, DHS operated eight institutions with an average daily population of 1,811 youth and 1,343 youth specialists and other direct care staff. By the end of FY 2013, DHS operated four institutions with an average daily population of 535 youth and 713 youth specialists and other direct care staff.
- In FY 2014, DHS closed the Scioto Juvenile Correctional Facility located in Delaware County. This marked the fifth such closure due to the decreasing institutional population and budgetary constraints in the past six years. The three remaining institutions in operation are located in Cuyahoga, Pickaway, and Stark counties.

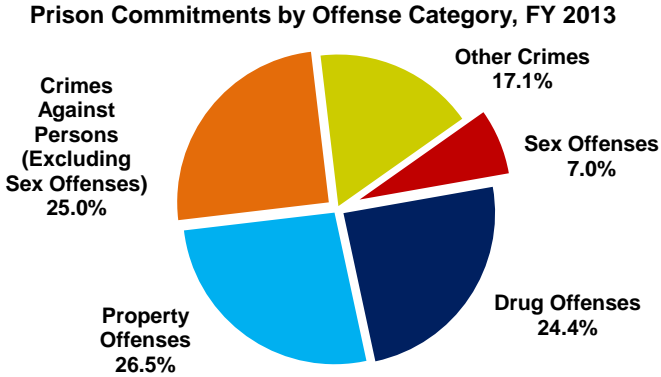
State Reimbursement Rate for County Indigent Defense Costs Increased to 40% in FY 2014



Source: Ohio Public Defender Commission

- The state reimbursement rate for county indigent defense costs increased to 40% in FY 2014 due primarily to a \$7.5 million (369.9%) increase in GRF funding. The FY 2010-FY 2011 biennial budget enacted several new non-GRF funding sources for reimbursement and increased the state reimbursement rate from a 20-year low of 26.2% in FY 2009 to 35% for FY 2010 through FY 2013. The increases since FY 2010 reverse the general decline in the reimbursement rate during the 2000s.
- In Ohio, counties are required to provide and pay for legal counsel for indigent persons when a right to counsel exists. The state reimburses counties up to 50% of allowable costs. If the amount appropriated is insufficient to pay the full 50%, available funds are prorated to the counties.
- FY 1991 was the last year the state reimbursed counties for 50% of their allowable costs.
- From FY 1995 to FY 2014, the total cost to the state and counties for providing indigent defense services increased by 154.7% (\$77.5 million), from \$50.1 million to \$127.6 million. Over the same period, the total number of cases subject to the state's indigent defense reimbursement provisions increased by 67.2% (167,917 cases), from 249,934 to 417,851.
- The board of county commissioners in each county determines the method of providing indigent defense services. Currently, counties use one of four general methods: court appointed counsel (39 counties), county public defenders (29 counties), contract with the state's Office of the Ohio Public Defender (11 counties), or contract with nonprofit corporations (9 counties).

Three Offense Categories Account for More Than 75% of Prison Commitments



Source: Ohio Department of Rehabilitation and Correction

- In FY 2013, 20,533 offenders were committed to prison, of which 15,575 (75.9%) were committed under the categories of property offenses, crimes against persons (excluding sex offenses), and drug offenses.
- Property crime offenders totaled 5,440 in FY 2013, accounting for 26.5% of total commitments. Of this total, 3,867 (71.1%) were convicted of burglary (2,572) or theft (1,295) offenses. The property offense share of total commitments has decreased from around 45% in the 1980s to around 25% starting with FY 1999.
- Offenders committed for crimes against persons (excluding sex offenses) totaled 5,128 in FY 2013, representing 25.0% of total commitments. Of this total, 1,619 (31.6%) were convicted of a robbery-related offense. Since the late 1990s, this category has constituted around 25% of total commitments.
- Drug offenders totaled 5,007 in FY 2013, accounting for 24.4% of total commitments. Of this total, 2,216 (44.3%) were convicted of drug possession and 1,845 (36.8%) were convicted of trafficking in drugs. The drug offense share of total commitments has decreased to around 25% in recent years, down from about 30% between FY 2000 and FY 2007.
- Offenders committed for a sex offense totaled 1,439 in FY 2013, largely consisting of registration violations (353), rape (353), and gross sexual imposition (241). Sex offenders have historically accounted for around 6% of total commitments.
- Other crimes for which offenders were committed to prison in FY 2013 included firearms (1,042), resisting arrest/failure to comply (344), driving under the influence (331), and forgery (308).

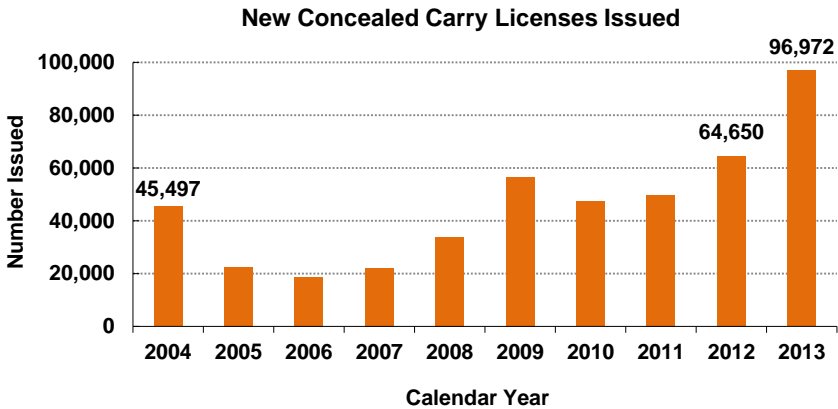
Two-Thirds of New Cases Were Filed in Municipal Courts in 2013

Type of Court	Number of New Cases Filed	% of Total
Supreme Court	2,055	0.07%
Courts of Appeals	9,076	0.31%
Court of Claims	793	0.03%
Courts of Common Pleas	517,540	17.95%
<i>General Division</i>	189,358	6.57%
<i>Domestic Relations Division</i>	65,296	2.26%
<i>Probate Division</i>	88,435	3.07%
<i>Juvenile Division</i>	174,451	6.05%
Municipal Courts	1,928,334	66.88%
County Courts	160,733	5.57%
Mayor's Courts	264,914	9.19%
Total	2,883,445	100.00%

Source: Ohio Supreme Court

- In 2013, a total of just under 2.9 million new cases were filed in Ohio's courts. Of this total, approximately 1.9 million (66.9%) were filed in municipal courts. County courts, which handle similar cases, accounted for another 160,733 (5.6%).
- Of the total number of new filings in 2013, 517,540 (18.0%) were filed in Ohio's courts of common pleas, mostly with two specialized divisions: (1) general, which hears criminal and civil cases, and (2) juvenile, which hears offenses involving minors and most paternity actions.
- In 2013, of the total new cases filed statewide in the general division of the courts of common pleas, 53,163 (28.1%) involved foreclosure. Since peaking at 89,053 in 2009, the new foreclosure filings have steadily decreased.
- Of the 2.9 million new filings in 2013, 53.9% involved traffic law violations, generally under the jurisdiction of municipal, county, and mayor's courts.
- For the fifth consecutive year, the total number of new cases filed has declined. The 2013 new case number represents a decrease of 399,933 (12.2%) from the 3.3 million new case filings in 2009.
- The Supreme Court, the courts of appeals, and the courts of common pleas are created by the Ohio Constitution. The Court of Claims, county courts, and municipal courts are created by statute. Mayor's courts are permitted under Ohio law in certain municipal corporations.

Concealed Carry Licenses Reach an All-Time High



Source: Office of the Ohio Attorney General

- The number of new concealed carry licenses issued reached an all-time high of 96,972 in 2013. This is more than twice the 45,497 new licenses issued in 2004, the year in which Ohio's Concealed Handgun Law went into effect, and 50% higher than the previous high of 64,650 new licenses issued in 2012.
- Since 2004, county sheriffs have issued 458,210 new concealed carry licenses.
- Licenses expire five years after issuance. The first renewal period began in 2008. Since then, 126,229 licenses have been renewed.
- Sheriffs are permitted to issue a temporary emergency license, which allows a person who submits evidence of imminent danger to receive an immediate nonrenewable 90-day license. The number of temporary emergency licenses issued annually has averaged around 68.
- Sheriffs must immediately suspend any license upon notification that the licensee has been arrested or charged with certain offenses or if the licensee is the subject of a protection order issued by a court. The number suspended annually ranged from a low of 78 in 2004 to a high of 1,154 in 2013.
- Sheriffs must revoke the license of any person who no longer meets the eligibility requirements to carry a concealed handgun. The number revoked annually ranged from a low of 42 in 2004 to a high of 741 in 2012. In 2013, 286 licenses were revoked.
- Sheriffs must deny an application by any person who fails to meet the eligibility criteria. The number denied annually ranged from a low of 384 in 2006 to a high of 1,142 in 2013.
- Ohio has reciprocity agreements with 23 other states, including Kentucky, Michigan, and West Virginia.

Ohio Is Below the National Average in Number of Registered Sex Offenders Per 100,000 Population

Number of Registered Sex Offenders, as of June 2014		
State	Per 100,000 Population	Total
U.S.	248	774,600
Pennsylvania	129	16,366
Indiana	143	9,256
Ohio	165	19,065
West Virginia	226	4,180
Kentucky	227	9,865
Michigan	415	41,004

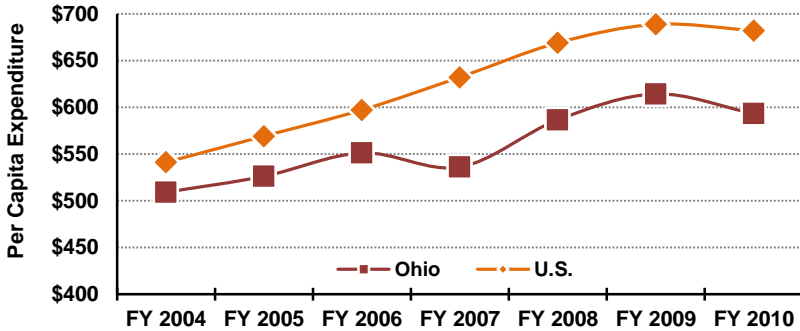
Source: National Center for Missing & Exploited Children

- As of June 2014, Ohio had 165 registered sex offenders per 100,000 population, well below the national rate of 248. Among its neighboring states, Ohio's rate was higher than that of Pennsylvania and Indiana, but lower than that of West Virginia, Kentucky, and Michigan.
- As of June 2014, Ohio had 19,065 registered sex offenders,¹ accounting for 2.5% of the total 774,600 registered sex offenders in the nation.
- In September 2009, Ohio became the first state in the nation to substantially comply with the federal Sex Offender Registration and Notification Act (SORNA) with the enactment of S.B. 10 of the 127th General Assembly, which replaced the state's prior sex offender classification system (Megan's Law) with a system that classifies offenders as Tier I, Tier II, or Tier III sex offenders/child-victim offenders.
- In June 2010, the Ohio Supreme Court invalidated parts of S.B. 10 that retroactively reclassified sex offenders who had been convicted prior to the bill's enactment. As a result, 4,446 offenders reverted back to their prior classifications and registration requirements. Ohio effectively operates two sex offender registration systems, which differ primarily in the length and frequency of time that an offender is required to register.
- As of July 2014, 89 jurisdictions have substantially implemented SORNA's requirements, including 17 states, 69 tribes, and 3 territories. Michigan and Pennsylvania are the other two neighboring states that are also substantially in compliance with federal requirements.

¹ Approximately 10,000 additional sex offenders were incarcerated. In Ohio, registration requirements are suspended while a sex offender is incarcerated.

Ohio's Per Capita Justice Expenditures Remain Below National Average

Per Capita Justice Expenditures for Ohio and U.S.
(Excluding expenditures made by federal agencies)



Source: U.S. Department of Justice, Bureau of Justice Statistics

- In FY 2010, Ohio's per capita justice expenditures were \$593, \$89 (13.0%) below the national average of \$682. Per capita expenditures decreased from FY 2009 to FY 2010 in both Ohio (3.4%) and the U.S. as a whole (1.0%).
- Ohio's per capita justice expenditures for FY 2010 consisted of \$281 for police protection, \$151 for judicial services (including prosecution, courts, and public defense), and \$161 for corrections. The U.S. averages for these components were \$308, \$139, and \$235, respectively.
- From FY 2004 to FY 2010, Ohio's per capita justice expenditures increased by 16.5% (\$84). The national average increased by 26.1% (\$141). Inflation, as measured by the consumer price index, was 15.4% during this period.
- Ohio's justice expenditures totaled \$6.86 billion in FY 2010. Of this total, local governments spent 70.4% (\$4.83 billion), while the state spent the remaining 29.6% (\$2.03 billion).
- In FY 2010, Ohio's per capita justice expenditures ranked 26th highest in the nation. As shown in the table below, Ohio's per capita justice expenditures were higher than those of all neighboring states except for Pennsylvania.

Per Capita Justice Expenditures for Ohio and Neighboring States, FY 2010

State	National Rank	Per Capita Expenditures
Pennsylvania	20	\$630
Ohio	26	\$593
Michigan	29	\$576
West Virginia	45	\$461
Kentucky	48	\$436
Indiana	50	\$425

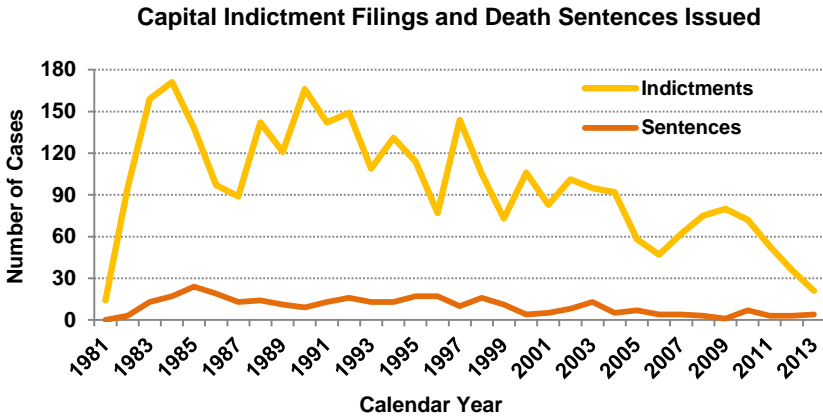
Ohio Is Below the National Average in Full-Time Equivalent Police Protection Personnel Per 100,000 Residents

Full-Time Equivalent Police Protection Personnel Per 100,000 Residents, 2012				
State	Total Personnel		Sworn Personnel	
	Per 100,000 Residents	Rank	Per 100,000 Residents	Rank
U.S.	298	--	225	--
Ohio	278	29	209	27
Indiana	239	40	181	39
Kentucky	230	43	174	41
Michigan	222	49	173	43
Pennsylvania	279	28	225	16
West Virginia	215	51	169	46

Source: U.S. Census Bureau

- Ohio had 278 full-time equivalent police protection personnel per 100,000 residents in 2012, which ranked 29th highest in the nation and was below the national average of 298.
- Ohio had 209 full-time equivalent sworn police protection personnel (defined as those with arrest powers) per 100,000 residents in 2012. This ranked 27th highest in the nation, and was also below the national average of 225.
- Although lower than the national averages, Ohio's total and sworn police protection personnel ratios in 2012 were higher than those of all neighboring states except for Pennsylvania. Washington, D.C. ranked first in the nation for both ratios. West Virginia and the state of Washington ranked last in total and sworn personnel ratios, respectively.
- Of Ohio's total police protection personnel in 2012, 92.3% was employed at the local level and 85.2% worked full time. The comparable U.S. averages were 89.1% and 89.9%, respectively.
- In 2012, Ohio's average annual payroll per full-time sworn officer was \$67,092. This was 7.0% lower than the national average of \$72,120. New Jersey had the highest average annual payroll of \$101,832 in 2012 while Mississippi had the lowest at \$39,180.
- Compared to its neighboring states, Ohio's average annual payroll per full-time sworn officer was higher than West Virginia (\$46,284), Kentucky (\$51,636), and Indiana (\$51,744) but lower than Michigan (\$68,328) and Pennsylvania (\$75,936).

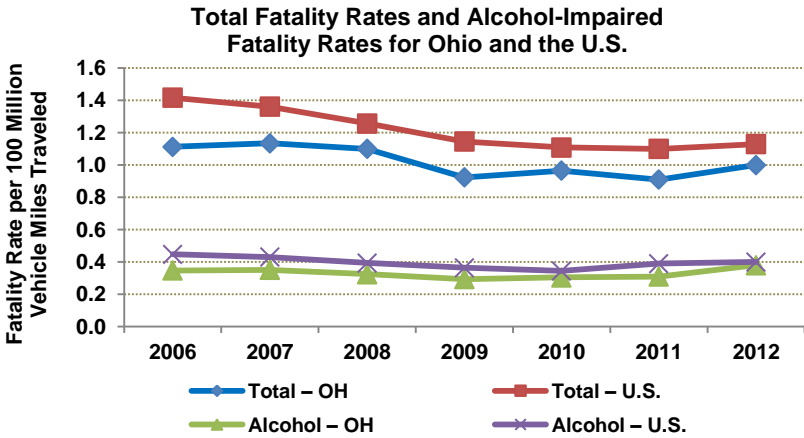
Capital Indictment Filings Vary While Death Sentences Issued Remain Stable



Sources: Office of the Ohio Attorney General; Supreme Court of Ohio; National Association for the Advancement of Colored People Legal Defense and Educational Fund, Inc.

- Since the death penalty was reinstated in October 1981, the number of capital indictments filed per year has varied substantially, ranging from a high of 171 in 1984 to a low of 21 in 2013. The overall number of death sentences issued, however, has remained relatively stable each year, ranging from a high of 24 in 1985 to a low of 1 in 2009.
- Over the past 32 years, a total of 3,217 capital indictments were filed, resulting in 320 death sentences being issued against a total of 316 individuals. Four individuals received two death sentences each.
- At year-end 2013, 52 of the 316 individuals on death row had been executed, 18 received a commutation, 26 died prior to execution, 8 were found ineligible due to developmental disabilities, 68 were removed based on judicial action, and 144 had active death sentences. For those who were executed, the average amount of time spent on death row was 16.58 years.
- As of January 1, 2014, Ohio's death row population (144) ranked seventh in the nation behind California (742), Florida (410), Texas (278), Alabama (198), Pennsylvania (193), and North Carolina (159). Arizona (124), Georgia (94), and Louisiana (88) ranked just below Ohio. Of the total number of death row inmates (3,070) nationwide, these ten states accounted for 2,430, or 79.2%. Ohio is one of 32 states that authorize the death penalty.
- Ohio's death row population is primarily located at the Chillicothe Correctional Institution and all executions take place at the Southern Ohio Correctional Facility in Lucasville. Since November 2001, all death sentences in Ohio have been carried out using lethal injection.

Ohio's Total Traffic Fatality and Alcohol-Impaired Fatality Rates Remain Below National Averages

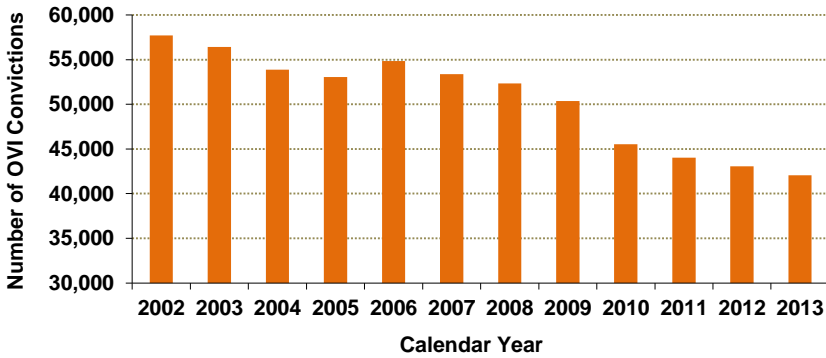


Sources: National Highway Traffic Safety Administration; Ohio Department of Public Safety

- From 2006 to 2012, Ohio's total traffic fatality and alcohol-impaired driving fatality rates, as measured by the number of fatalities per 100 million vehicle miles traveled, were both below the corresponding national rates.
- During this period, alcohol-impaired driving fatalities accounted for about one-third of total traffic fatalities in both Ohio and the nation as a whole. An alcohol-impaired driving fatality involves a vehicle operator with a blood alcohol concentration (BAC) at 0.08% or higher.
- Although below the national average, Ohio's total traffic fatality rate of 1.00 for 2012 was an increase of 9.9% from 2011. Similarly, Ohio's alcohol-impaired driving fatality rate increased by 22.6% to 0.38 in 2012. The corresponding national rates both increased in 2012 to 1.13 (an increase of 2.7%) and 0.40 (an increase of 2.6%), respectively.
- Ohio had 1,123 traffic fatalities in 2012, of which 385 (34.3%) were alcohol-impaired fatalities and 356 (31.7%) were speeding-related fatalities.
- The 16-25 age group had the largest share of the total fatalities in 2012 at 20.6% (231), followed by the 26-35 age group at 16.2% (182) and the 46-55 age group at 16.1% (181).
- Across the state, Franklin County had the highest number of fatal traffic crashes in 2012 at 78, followed by Hamilton County (55), Cuyahoga County (48), and Montgomery County (38).
- Ohio's OVI (operating a vehicle while under the influence of drugs or alcohol) convictions decreased by 21.1% from 2006 to 2012, from 54,841 to 43,045. Less than 1% of the OVI convictions involved a traffic fatality.

OVI Convictions Declined by 27.1% in Past 12 Years

OVI Convictions in Ohio, 2002-2013



Source: Ohio Bureau of Motor Vehicles

- Over the past 12 years, OVI (operating a vehicle under the influence of drugs or alcohol) convictions have declined every year in Ohio except for 2006, which saw an increase of 3.4% (1,798 convictions). Overall, OVI convictions decreased by 27.1%, from 57,704 in 2002 to 42,070 in 2013, with an average decline of 2.8% per year. The majority of drivers convicted of an OVI offense were first-time offenders.
- The largest annual decrease during this 12-year period occurred in 2010, when OVI convictions decreased by 9.6%, from 50,378 to 45,546.
- In Ohio, a driver is considered intoxicated with a blood alcohol concentration (BAC) at or above 0.08%. The penalties may include incarceration, treatment intervention, fine, license suspension, and vehicle immobilization or forfeiture, and are enhanced for BAC levels that are at or above 0.17%. On average, 1,884 drivers tested each year with BAC levels at or above 0.17%.
- The mandatory minimum OVI fine ranges from \$375 to \$1,350, while the driver's license reinstatement fee is \$475. They are earmarked for purposes such as OVI enforcement, incarceration, indigent defense, alcohol and drug addiction services, and alcohol and drug abuse resistance education.
- Ohio's implied consent law requires drivers to submit to a test if suspected of driving while intoxicated. A refusal triggers an immediate administrative license suspension pending a court hearing. On average, 1,256 drivers refused to be tested each year.
- Convictions for operating a motor vehicle after underage alcohol consumption (OMVUAC) decreased 66.8%, from 1,910 in 2002 to 635 in 2013. In total, there were 14,000 OMVUAC convictions during this 12-year period.



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