

Introduction

Each year, the Ohio Legislative Service Commission (LSC) produces the *State Spending by County* report for the members and staff of the General Assembly. Using data provided to LSC by state agencies and the Ohio Administrative Knowledge System (OAKS), this report provides a picture of how state funds are distributed among Ohio's 88 counties. The FY 2015 report shows the funds disbursed by 42 state agencies for programs and projects in each county between July 1, 2014 and June 30, 2015.

The report focuses on two types of expenditures made by state agencies: **subsidy** and **capital**. Operating expenditures, such as payroll and purchased personal services, are excluded from this report. Of the two categories of spending included herein, the **subsidy** category consists primarily of (a) state payments to Medicaid providers and for other public assistance programs, (b) funding for schools and institutions of higher education, (c) moneys distributed to political subdivisions to offset or supplement the costs of certain public services, and (d) loans and grants for economic development. The **capital** category contains disbursements for the acquisition, construction, or improvement of physical assets such as land, buildings, and infrastructure.

This report classifies state subsidy and capital disbursements into six functional categories based on agency responsibilities. These categories are (1) Education, (2) General Government, (3) Health and Human Services, (4) Justice and Corrections, (5) Revenue Distribution, and (6) Transportation and Infrastructure. Spending reported under the Revenue Distribution category consists of state tax revenues and other receipts distributed to local governments according to statutory formulas.¹

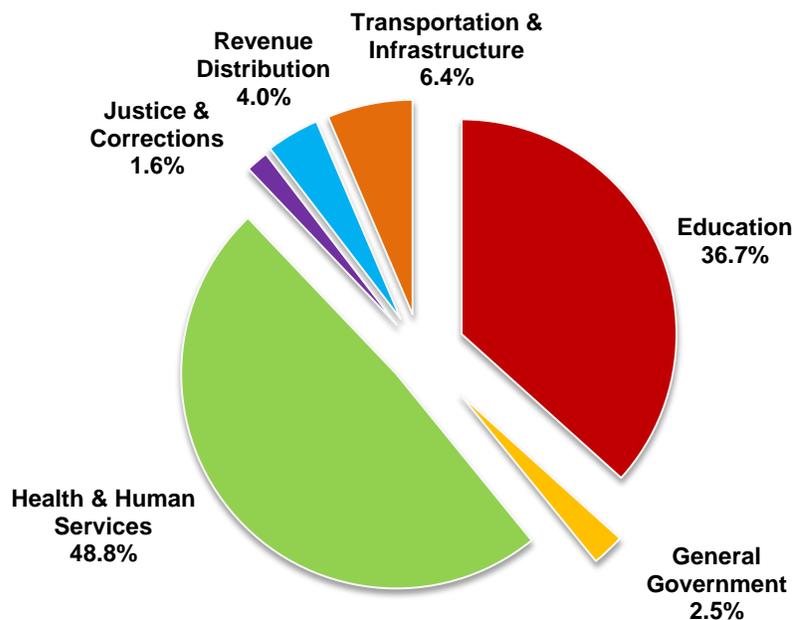
This report consists of two sections. Section 1 summarizes agencies' FY 2015 spending by county. It includes tables listing and ranking the total and per capita spending in each county, as well as a map of per capita spending by county. Per capita spending amounts are based on population figures from 2013 U.S. Bureau of Economic Analysis estimates. Also included in Section 1 is a table showing statewide spending for each of the six functional categories described above. Section 2 of the report contains 88 individual tables, sorted alphabetically by county, detailing agencies' FY 2015 spending in each county. Each table breaks the spending data into subsidy and capital disbursement components and presents the data by agency within each functional category. The report may be viewed on the "Publications" page of LSC's website (www.lsc.ohio.gov/publications) under "Staff Research Reports."

¹ Note that distributions to local governments for road and bridge projects, which, prior to FY 2013, were included in the Revenue Distribution category (for distributions made from motor fuel tax revenue) or the Justice and Corrections category (for distributions made from vehicle registration revenue passed through the Department of Public Safety), are in this report reflected in the Transportation and Infrastructure category under "Highway Distributions to Local Governments."

Summary of FY 2015 Spending

In FY 2015, the state disbursed \$34.43 billion in subsidies and capital funds² for programs and projects in Ohio's 88 counties. Of this amount, 93.8% (\$32.29 billion) fell into the subsidy category and 6.2% (\$2.15 billion) was in the form of expenditures for capital improvement projects. The chart below displays each functional category's share of state spending in FY 2015. Health & Human Services at 48.8% (\$16.79 billion) and Education at 36.7% (\$12.63 billion) together account for the vast majority of total state spending. Transportation and Infrastructure (including distributions for local roads and bridges) ranks third at 6.4% (\$2.21 billion), followed by Revenue Distribution at 4.0% (\$1.37 billion), General Government at 2.5% (\$847.3 million), and Justice and Corrections at 1.6% (\$583.2 million).

State Spending by Functional Category, FY 2015
(Total Spending: \$34.43 billion)



² Subsidy and capital expenditures in this report are based on the classifications used by the Ohio Administrative Knowledge System (OAKS), which the state uses to process and capture information about its financial transactions. Subsidy expenditures are those classified under OAKS Account Category 550, while capital expenditures are those classified under OAKS Account Category 570. The report includes all Account Category 570 expenditures, which are completely funded with state moneys, and Account Category 550 expenditures from all budget fund groups except those from the Federal Fund Group. However, the subsidy figures used in this report include federal reimbursements for Medicaid and certain other public assistance programs that are deposited into the General Revenue Fund as well as some other federal dollars that are deposited into various state special revenue funds for certain activities.

In general, urban counties with large populations receive more state funds than rural counties with fewer residents. As Table 1 below shows, the five counties in which the largest shares of state spending occurred in FY 2015 were the ones that are home to Ohio's largest cities. Cuyahoga County, home of Cleveland, ranked first at \$4.32 billion, followed by Franklin County, home to the state capital in Columbus, at \$4.28 billion. Hamilton (\$2.59 billion), Summit (\$1.77 billion), and Montgomery (\$1.72 billion) rounded out the top five. The five counties in which the least state spending occurred in FY 2015 were all rural counties with smaller populations. Noble County (\$33.3 million) had the fewest total state expenditures, followed by Monroe (\$41.8 million), Harrison (\$46.2 million), Paulding (\$47.3 million), and Morgan (\$48.6 million).

| Table 1. Counties with the Most and Least Total State Spending, FY 2015 | | | | | |
|--|---------------|-----------------------|-----------------------------------|---------------|-----------------------|
| Most Total State Spending | | | Least Total State Spending | | |
| Rank | County | State Spending | Rank | County | State Spending |
| 1 | Cuyahoga | \$4,319,940,800 | 84 | Morgan | \$48,609,533 |
| 2 | Franklin | \$4,276,189,952 | 85 | Paulding | \$47,276,233 |
| 3 | Hamilton | \$2,589,665,199 | 86 | Harrison | \$46,159,369 |
| 4 | Summit | \$1,765,258,918 | 87 | Monroe | \$41,804,672 |
| 5 | Montgomery | \$1,717,903,025 | 88 | Noble | \$33,279,983 |

While populous counties in major metropolitan areas receive more state funds in absolute dollar terms than smaller rural counties, this is not always the case when measuring state spending on a per capita basis. For instance, none of the top five counties in terms of per capita state spending, shown in Table 2 below, are also among the top five in overall spending. These counties are smaller, more rural, and have lower per capita incomes, so state dollars spent there may reflect greater per capita spending on social programs from the Departments of Medicaid and Job and Family Services and on schools from the Department of Education, and in the case of Athens County, the presence of Ohio University, a major state institution of higher education. Conversely, four of the five counties receiving the least state spending per capita (Warren, Geauga, Medina, and Delaware) are suburban counties with higher per capita incomes; they tend to receive less state assistance for social programs and schools.

| Table 2. Counties with the Most and Least State Spending Per Capita, FY 2015 | | | | | |
|---|---------------|-----------------------|--|---------------|-----------------------|
| Most State Spending Per Capita | | | Least State Spending Per Capita | | |
| Rank | County | State Spending | Rank | County | State Spending |
| 1 | Athens | \$5,882 | 84 | Warren | \$1,923 |
| 2 | Pike | \$4,493 | 85 | Geauga | \$1,767 |
| 3 | Vinton | \$4,414 | 86 | Medina | \$1,697 |
| 4 | Scioto | \$4,354 | 87 | Holmes | \$1,456 |
| 5 | Gallia | \$4,143 | 88 | Delaware | \$1,196 |