



Office of Budget
and Management

Fiscal Years
2028-2029

Operating
Budget Guidance



Dear Colleagues,

On behalf of Governor DeWine and the Office of Budget and Management (OBM), thank you for your dedicated service over the past four biennia. Your work to serve Ohioans, strengthen communities, support economic growth, and maintain a balanced budget represents the best of public service. I extend my sincere appreciation to our directors, financial and policy managers, and all members of our state government team. Together, we help ensure Ohio remains The Heart of it All.

As we prepare for the FY 2028–2029 operating budget cycle, our focus remains on the progress we achieved and the meaningful results delivered for Ohioans, while also preparing for new challenges and opportunities.

The Office of Budget and Management continues to modernize the budget process to advance efficiency, transparency, and data-driven decision-making. This cycle, we are even more focused on results and on how those outcomes inform and shape policy priorities across the state. Demonstrating clear, measurable results remains central to aligning agency work with statewide goals and ensuring that public resources are directed where they will have the greatest impact.

Governor Mike DeWine’s administration delivered a period of strong economic momentum, including Ohio securing historic AAA/Aaa credit ratings from Moody’s, S&P, and Fitch, reflecting strengthened reserves, disciplined budget management, and robust economic diversification. CNBC named Ohio the No. 1 state for business in 2026, crediting our low business costs, strong infrastructure, broad market access, abundant electrical power, affordable housing, and extensive shovel-ready sites. The ranking capped a multi-year climb driven by the administration’s long-term investment strategy and continued improvements in competitiveness. We expanded Ohio’s economic-development capacity by investing about \$1 billion since 2021 to clean up contaminated properties and remove blighted structures. We established the All Ohio Future Fund to increase project-ready sites statewide, and the H2Ohio water-quality initiative strengthened the state’s environmental foundation for future growth. Today, we see the results. Our economy is more diversified than ever, the unemployment rate stands at a low 3.4 percent, tying the lowest-ever mark in our state, and more Ohioans are working than ever before.



Ohio's commitment to quality-of-life improvements advanced alongside our economic gains. In 2025, Ohio's state parks earned the National Gold Medal Award for Excellence in Park and Recreation Management, marking national recognition for their stewardship and visitor experience. In 2026, USA Today ranked Mohican State Park No. 2 and Hocking Hills State Park No. 5 among the nation's best, highlighting Ohio's growing reputation for natural beauty, recreation, and conservation leadership.

The state's AAA credit rating delivers tangible savings that strengthen the state's operating budget. By leveraging this top-tier rating, OBM saved taxpayers more than \$35 million in borrowing costs and reduced long-term debt service obligations by more than \$2 billion through disciplined strategies, including early payoffs and targeted refinancing. These efforts lowered state debt backed by the General Revenue Fund to historic levels and generated additional savings, including \$57 million from refinancing higher education bond obligations. Together, these actions reduce financial pressure on the operating budget, free up resources for statewide priorities, and reinforce OBM's commitment to doing the right thing the right way.

Ohio is a national leader in results-focused budgeting, using measurable data, analyzing program outputs, and evaluating outcomes throughout our fiscal planning and implementation processes. As a result, Ohio is recognized with top Platinum certification from Results for America in 2026. The following budget planning guidelines will assist agencies, boards, and commissions as we continue to deliver positive outcomes for Ohioans in every community across our great state. Thank you in advance for your thoughtful preparation and collaboration. Please reach out to me or any member of the OBM budget team with questions as you develop your proposals. Budget Analyst contact information can be found on page 30.

We look forward to working closely with you throughout this planning process.

Very respectfully yours,

A handwritten signature in blue ink that reads "Kimberly Murnieks". The signature is fluid and cursive, with the first name and last name clearly legible.

Director Kimberly Murnieks
Office of Budget and Management

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PROJECTED BUDGET TIMELINE

September 15, 2026	Operating Budget Guidance released
October 13, 2026	Group 1 requests due – Licensing boards and commissions
October 23, 2026	Group 2 requests due – Small to mid-size agencies
October 30, 2026	Group 3 requests due – Cabinet agencies, executive agencies, Legislative, judicial, and statewide elected agencies
November 2026 - March 2027	Office of Budget and Management reviews agency requests and works with the Governor’s Office to develop budget recommendations.
March 15, 2027	Governor’s Executive Budget (Blue Book) published
March 2027 - June 2027*	Budget Bills move through the legislative process.
July 1, 2027*	New Main Operating, Bureau of Workers' Compensation, and Industrial Commission Budget Bills enacted.

*Dates are subject to change.

**Please see [Appendix A](#) for due dates for agency budget requests

RESULTS-FOCUSED BUDGETING

The State of Ohio focuses on collecting data and evaluating results to promote continuous improvement of the services provided to our citizens and ensure the best return on taxpayer investments. The results-focused budgeting framework builds on our efforts to prioritize transparency and data-driven decision-making, including the Ohio Checkbook and the DataOhio portal. By centering the budgeting process on results, Ohio is at the forefront of the outcomes-based governance movement.

To help agencies demonstrate evidence of effectiveness, this guidance provides a logic model template to focus on desired results (outcomes) and to articulate the inputs needed and outputs that can be measured. Agencies are encouraged to use the logic model template to answer the required questions. Logic models are not required to be submitted. Please see the Results-Focused Budgeting Template and data sources in [Appendix B](#) and [Appendix C](#).

Results-focused, or evidence-based, programs and services are supported by research, proven practices, or strong data showing they produce positive outcomes. This includes programs supported by published studies, strategies recognized by experts, or approaches your agency has used over time that consistently demonstrate measurable benefits for the people you serve. We must document data and results throughout the budgeting process.

REQUIRED COMPONENTS OF A BUDGET REQUEST

Agencies will complete one budget scenario representing the agency's total budget request for the fiscal year 2028-2029 biennium.

Office of Budget and Management analysts may provide individualized budget planning parameters specific to your agency. Such targets will be based on fiscal year 2027 appropriation levels following a collaborative discussion with OBM. As always, efficiencies are encouraged, and each agency must use the budget process to identify and eliminate non-value-added processes and workloads and redirect resources to higher-impact priorities.

Agency Budget Request Process

Most budget request tasks will be completed within the Budget Enterprise Application. Agencies will enter budget request amounts by line item in the budget application, respond

to the appropriation line-item and fund questions, and enter information to be used in the Executive Budget document (“Blue Book”). Enter Agency Fee Changes and the Customer Standards Survey directly into the application.

Agencies are responsible for uploading all necessary documents, including, but not limited to, a Cover Page, a Director’s Summary Letter, an Agency Staffing Table, and a Major IT Project Worksheet, into the budget application.

Once agencies enter all budget data and upload the required documents, the application will generate a budget request PDF. The budget application will autogenerate a table of contents for each agency’s budget request. Agencies will then submit their budget request to the Office of Budget and Management within the application.

Office of Budget and Management Review Process

After agencies submit their budget request, Office of Budget and Management analysts will conduct a non-budgetary, technical review. If the analyst needs clarifying information or technical corrections, they will notify the agency. Agencies will update their submissions with any requested changes and then submit a final budget request in the application.

Finally, the Office of Budget and Management will meet with agencies, conduct a thorough analysis, and prepare recommendations for consideration by the Governor’s Office.

Budget Request Components

The table below lists the required components of a budget request. These items are generated using the data entered into the budget application unless otherwise noted.

Order Within Budget Request	Required Budget Request Component
1	Cover Page*
2	Table of Contents
3	Director’s Summary Letter*
4	Agency Staffing Table* (Appendix D)
5	BEA-0004 Executive Agency Budget Request -- Summary (Appendix E)
6	BEA-0002 Operating Budget Request – Detail
7	Agency Level Questions
8	BEA-0003 Fund Activity Summary Report and Fund Questions (Appendix E)



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9	Grants Table* (Appendix F)
10	Appropriation Line Item Narratives
11	Customer Service Standards Survey
12	Agency Fee Change Worksheet
13	Major IT Project Worksheet* (Appendix G)
14	Executive Budget (Blue Book) questions

*Documents will need to be uploaded into the budget application.

Cover Page and Table of Contents

Agencies will upload a cover page to the Budget Enterprise Application. The budget application will autogenerate the table of contents.

Director's Summary Letter

The agency director's summary cover letter to the Director of the Office of Budget and Management must provide a concise, high-level overview of the budget request. The letter should focus on the agency's key budget strategies and results from previous budget periods, and explain how the requested FY 2028-2029 budget will continue to deliver results for Ohioans. The maximum length is two pages.

Agency Staffing Table

Each agency must complete a staffing table reflecting staffing levels for Full-Time Permanent, Part-Time Permanent, and Intermittent positions. The payroll amounts in the staffing table must be based on staffing estimates for both fiscal years. Additionally, agencies must fill out information for each position requested above their fiscal year 2027 ceiling. The Agency Staffing Table template and instructions are found in [Appendix D](#) and in the budget application.

Executive Agency Budget Request Reports

The Executive Agency Budget Request Reports, the BEA-0004 Executive Agency Budget Request – Summary, and the BEA-0002 Executive Agency Budget Request – Detail, are reports in the budget application. For more information on these reports, please refer to the application Reports Summary Sheet in [Appendix E](#).

Fund Activity Summary Report (BEA-0003)

The BEA-0003 Fund Activity Summary Report is in the budget application. For more information on this report, refer to the application Reports Summary Sheet in [Appendix E](#).

Each Fund Activity Summary must reflect a projected ending cash balance (“Net Cash Balance”) equal to or greater than zero for fiscal years 2027, 2028, and 2029. Contact your agency’s assigned budget analyst to see if a fund is projected to have an ending cash balance of less than zero in any of these fiscal years.

For non-General Revenue Funds used by more than one agency, each agency is responsible for entering its portion of revenues and expenses into the budget system.

The Office of Budget and Management will prepare the Fund Activity Statement for the Occupational and Professional Licensing Fund (Fund 4K90).

Agency Level Questions

Each agency will fill out one Agency Level Questions form in the budget application system. Responses should clearly explain the outcomes the agency aims to achieve, present impact data, describe the results-focused, evidence-based programs delivered, and explain how these programs demonstrate impact. This information helps promote what is working across the state, strengthens accountability, and supports effective and efficient use of resources.

Fund Questions and Grant Table

Fund questions and corresponding grant tables, if applicable, must be completed for each agency non-General Revenue Fund. Responses from the fiscal year 2026-2027 Operating Budget will automatically populate within the Budget Enterprise Application. Agencies must review and update responses to match the fiscal year 2028-2029 request and add information for new funds.

Each agency that uses a shared fund must complete the required questions for its portion of the shared fund, even though the fund owner will submit the BEA-0003 report.

When applicable, populate the Grant Table to provide information that helps explain an agency’s grant funding. See [Appendix F](#) for the Grant Table template.

Appropriation Line Item Activity Questions

Agencies must complete appropriation line item activity questions in the budget application for each appropriation line item requested in fiscal year 2028 or fiscal year 2029 for any function other than paying debt service. The appropriation line item questions are available in the budget application.

For the appropriation line-item activity questions, note the definitions of outputs and outcomes.

- Outputs are the direct activities or products of a program, such as the number of people served, trainings delivered, inspections completed, or services provided. Outputs show whether the work is being carried out as intended.
- Outcomes are the changes or benefits that result from those activities, such as improved well-being, increased safety, stronger economic growth and stability, or more efficient systems. Outcomes reflect the real-world impact on individuals, families, or communities and indicate whether a program is achieving its intended goals.

Customer Service Standards Survey

Each agency must complete the Customer Service Standards Survey in the Budget Enterprise Application.

Agency Fee Changes

If an agency proposes a change to a current fee structure or a fee amount, the agency must complete the Fee Change Worksheet in the budget application. This applies to each fee change, including those made by rule, and to any renewal of a fee that would otherwise sunset.

Major Information Technology Project Worksheet

Each agency will complete the Major Information Technology (IT) Project Worksheet. Major IT projects are defined in the Major Project Governance Policy as:

- Projects with a total value that are expected to exceed \$5 million.

- Projects with a total value expected to exceed \$2.5 million and are determined to be high risk or have a high impact.

Major IT projects are an increasing component of agencies' operating budget requests. Agencies must provide as much information as possible when submitting the Major IT Project Worksheet to justify investments from limited state resources.

Please refer to the instructions in [Appendix G](#) to complete the worksheet and upload it to the budget application.

Executive Budget (Blue Book) Items – Budget Enterprise Application Forms

Responses to the Blue Book sections will populate from the fiscal year 2026-2027 Executive Budget text. Agencies must review, update, and add information in accordance with the fiscal year 2028-2029 agency budget request. The Office of Budget and Management may request updates later in the process to ensure that responses correspond to the Governor's Executive Budget funding recommendations.

Role and Overview

The brief description of your agency's role and overview should include:

- Agency mission
- Unique aspects of the agency
- Current number of filled full-time, permanent employees
- Agency web address

Responses must be no more than 2,000 characters.

Agency Budget Highlights

This section includes three to five highlights of what your agency will accomplish with the requested funding level.

Agency Goals and Objectives

Each agency must have three to five goals, and each goal must have one to three objectives for the upcoming biennium. Goals must directly relate to the agency's core mission and may

include targets to increase the number of Ohioans served, improve a program's results, or update major processes.

Objectives are specific, measurable standards or actions that the agency intends to meet or take during the biennium to achieve each goal. For example, a program may aim to increase participation to 90 percent of the eligible population. Potential objectives could include implementing three regional outreach initiatives, training all customer service employees to encourage program participation during their interactions, and completing a major technology upgrade to make it easier for Ohioans to access services.

Results

This section includes three to five informative statistics that demonstrate results achieved with the fiscal year 2026-2027 budget. Each of these statistics must be one to two sentences explaining the impact of the agency's services and programs. Include both outputs and outcomes.

Major Expenditures

Briefly describe the agency's primary expenditures by account category. This field will also populate fiscal year 2026-2027 responses. Agencies must update this information to accurately reflect current major expenditures.

Example: The Department's largest expense category in FY 2026 was Personal Services (80.2%). The second largest expense category was Supplies and Maintenance (12.5%).

GOVERNORIAL TRANSITION BUDGET

The FY 2028-2029 operating budget process begins under Governor DeWine's administration with this guidance and agency submissions. The new governor, elected in November and inaugurated in January, will present budget recommendations to the General Assembly by March 15, 2027. Agency budget requests submitted in accordance with this guidance should reflect the funding necessary to continue fulfilling current constitutional, statutory, and other legal responsibilities through the next biennium. In January, the new governor may request additional information from agencies based on their priorities. Agency fiscal and program staff must maintain communication with the assigned OBM budget analyst throughout the budget development timeline.

SYSTEMS AND APPLICATIONS

Budget Enterprise Application

Agencies will receive training on the Budget Enterprise Application through job aids and videos to help prepare the fiscal year 2028–2029 operating budget request. Please find the training videos in OhioLearn through [MyOhio.Gov](https://myohio.gov). Additional information and job aids on using the Budget Enterprise Application are available at [Finsource.Ohio.gov](https://finsource.ohio.gov).

Payroll and DAS Service Charges Cost Projection Assumptions

State of Ohio Payroll Projection System (SOPPS)

The State of Ohio Payroll Projection System reports provide estimates of employer costs, calculated by individual employees and vacant positions (if selected), for the future biennium.

The projections include the Office of Budget and Management's assumptions for fiscal years 2028 and 2029 personnel costs, including step and longevity increases, benefit selections and rates, and agency checkoff charge rates. The SOPPS PAY-0006 Office of Budget and Management Payroll Projection Assumptions report includes cost assumptions for fringe costs and other personnel charges used by the Office of Budget and Management and the Department of Administrative Services to develop the payroll projections. See [Appendix E](#) for report details.

Other Payroll Assumptions

Additionally, agencies must budget for, and document costs associated with vacant positions planned to be filled, shift differentials, and overtime costs the agency expects to incur.

If it is necessary to use payroll assumptions or projections other than those provided in the State of Ohio Payroll Projection System, the agency must describe the alternative assumptions in detail as a component of the appropriation line item questions and in the Agency Staffing Table.

Charges

The Department of Administrative Services has service charges, including rent for state-owned office buildings, building lease service fees, computer and telecommunications charges, vehicle charges, printing, and other services. The department's website lists the most recently approved administrative service rates.

BUDGET LANGUAGE GUIDELINES

The Executive Budget covers all agency budgets, which the legislature divides into four bills. These bills include the Main Operating Budget bill, the Transportation Budget bill, the Bureau of Workers' Compensation Budget bill, and the Industrial Commission Budget bill.

Agencies may submit language requests for any of the four budget bills – suggesting changes to Ohio Revised Code statutes or temporary budget law – as part of the budgeting process. Language requests must be submitted to the Office of Budget and Management's Language Portal at the same time as the operating budget request.

The Office of Budget and Management will use the Language Request Portal to solicit language requests from agencies. The Office of Budget and Management will provide agencies with training on the portal and language-drafting best practices.

Language Overview

The Ohio Constitution prohibits bills from containing more than one subject. To comply with this provision, language requests must be budget-related. A request could be budget-related if it is:

- Related to expenditures or revenues;
- Required to avoid costs or penalties;
- Required to obtain federal funds; or
- Needed to implement an agency's budget.

Additionally, language requests may do the following:

- Authorize expenditures;
- Authorize new or changed programs for which appropriations are made;

- Prescribe requirements or formulas for expenditures associated with appropriations;
- Create new funds;
- Provide for the deposit of revenue;
- Authorize the award of grants; and/or
- Authorize the transfer of cash.

Agencies must structure each language request to cover a single issue. Although a single language item may seek to amend multiple sections of law, each item should address one overall issue.

The Office of Budget and Management may ask the agency for clarification, additional information, or redrafts. As part of the drafting process, the office sends items to the Legislative Service Commission for drafting. Once the commission drafts the language, the Office of Budget and Management may return it to the agency to ensure it accurately reflects the original submission's intent. Submission to the Legislative Service Commission for drafting does not guarantee inclusion in a budget bill.

Language issues may also arise following bill introduction, with amendments offered in the House, Senate, or in the Conference Committee. Agencies will use the Language Portal to propose amendments throughout the budget process. We will provide specific instructions as the budget process progresses.

Budget Language Summary

Each language request must include a summary that explains the direct connection between the request and the agency's budget. The summary must explain the item's purpose, effect, costs, and relevant background information. The summary plays a central role in helping decision-makers review and evaluate requests. Accordingly, write summaries for a general, non-expert audience, with no code references, technical terms, acronyms, or jargon.

Below is an example of a language request summary:

Requires the Department of Education and Workforce, in consultation with the Department of Higher Education, to adopt rules to establish an alternative military educator license for eligible military individuals. The rules shall ensure that eligible military personnel can obtain an educator license to work as teachers in public schools on an expedited timeline. The rules shall allow eligible military individuals to apply leadership training or other military training toward requirements for college

coursework, professional development, content knowledge examinations, or other licensure requirements. Temporary law requires \$3.2 million to support the Ohio Military Veteran Educators Program.

Codified (Permanent) and Uncodified (Temporary) Law

Budget bills contain two types of budget language: codified and uncodified law.

Codified (Permanent) Law will remain in effect until repealed or amended by the General Assembly. Permanent law is “codified” in the Ohio Revised Code. Agencies must draft permanent law if they wish the language to remain in effect.

Uncodified (Temporary) Law is generally not intended to be permanent and therefore not contained in the Revised Code. Examples of temporary law include appropriations, language describing the use of appropriations, and other provisions that are related to budget implementation. Most temporary law immediately follows an agency’s appropriations section in the operating budget bill.

Temporary law requests must be submitted to the Office of Budget and Management’s language portal as **a single item with one budget language summary**. The summary must state whether any section of the language is new, amended, or unchanged from the temporary language included in the current operating budget bill.

Temporary law that affects multiple agencies is also found at the back of the current operating budget bill. If any of these sections apply to your agency, include the pertinent sections in your submission specifying if they should be continued in, amended, or excluded from the next budget bill.

A language request may include **both** permanent and temporary law components if they address a single topic and depend on each other. You can submit these requests as a single item. Summaries for these items are to follow the same guidance provided for permanent law requests. Additionally, the summary must clearly explain how the two components work together and why both are needed to implement the proposal. Please carefully consider the effective dates of language provisions when submitting language.

Note: Appropriations and most temporary laws are generally in effect only until the end of the biennium. If this presents a concern, please contact your budget analyst to discuss.

Effective Dates and Ohio's Right to Referendum

The Ohio Constitution reserves the power of referendum to Ohio citizens. It specifies that laws passed by the General Assembly cannot take effect until the 91st day after enactment, unless an exception applies. **This applies to both permanent and temporary provisions of law.** Agencies must keep this in mind when drafting and submitting language, being careful not to designate language as immediately effective **unless** the sections of law meet one of the following exceptions to the rule:

- Laws providing for **tax levies**;
- **Appropriations** for **current expenses** of the state government and state institutions; or
- **Emergency laws** necessary for the immediate preservation of public peace, health, or safety.

Additionally, a permanent or temporary section of law in the budget bill is effective immediately and is not subject to referendum if any of the following apply:

- It is an **appropriation** for current expenses;
- It **earmarks** all or a portion of an appropriation for current expenses; or
- Implementation of the section **depends upon an appropriation** for current expenses that are contained in the bill.

If language is immediately effective, then it is not subject to a referendum. When drafting, consult with agency legal counsel to determine the appropriate effective date designation. Before introduction, the Office of Budget and Management will also review the bill to apply the most appropriate effective dates. The General Assembly will ultimately determine which sections take effect immediately.

Office of Budget and Management's Language Portal

The language portal is the single system for submitting all budget language items. Access to the language portal will be designated to certain individuals within each agency. If access needs to change, please contact your budget analyst. The language portal uses version history to track different stages of the budget process (e.g., Introduction, House, Senate). If an agency resubmits an item for a stage after Introduction, the proposed item's number will stay the same. Agencies should not resubmit items as new items. The portal also displays the

submission deadline for each stage of the budget process on the home page. Submit language items to the language portal as a single PDF attachment.

Required Language Drafting Conventions

The budget bill includes a variety of language provisions, such as appropriations, earmarks, deadlines, cash transfers, the creation and abolition of state funds, and program changes. All language items must follow the drafting conventions herein. Please contact the assigned Office of Budget and Management budget analyst with any questions.

Technical Drafting Requirements

State agencies must draft language requests according to the technical drafting requirements for permanent and temporary law as specified below. Agencies must draft language requests based on the most recent version of the current law, including later amendments to the corresponding budget bill or section of the Ohio Revised Code.

When drafting a language item for inclusion in the budget bill, the submission format depends on whether it edits an item already included in the bill or adds a new section not currently in the bill.

Language Items Not Already in the Budget Bill

For all new language items, agencies should first copy the full statute currently in existence from the Ohio Revised Code or recurring uncodified law. Then, note all changes, deletions, or additions to that section in **red to delineate them clearly**. See the example below:

Section 126.23 Reports on state funds

The director of budget and management shall furnish to the president of the Senate, the Speaker of the House of Representatives, and the Legislative Budget Office of the Legislative Service Commission monthly reports of revenues, disbursements, and expenses, transfers, lapses, **encumbrances**, and balances for each fund of the state. A daily report of fiscal transactions shall be provided to the Legislative Budget Office.

Language Items Already in the Budget Bill

Agencies will use a different drafting style to amend a provision already included in the

current version of the budget bill. For these changes, agencies must submit a markup of the bill's most recent text. Additionally, to streamline the amendment process, **all agencies must markup these PDFs using PDF XChange Editor (or an equivalent program) as** described below. If an agency does not use this technique, the Office of Budget and Management will send the request back to the agency for appropriate drafting.

Agencies must have appropriate legal or legislative staff review all drafts for potential conflicts with existing law or policy to ensure the request includes all affected sections of the Ohio Revised Code. Agencies must include the entire section of law that they are requesting to amend.

Technical drafting requirements for permanent and temporary law include the following:

- Current law must appear in a regular case, exactly as included in the Ohio Revised Code.
- Strikethrough the language that should be deleted. (EXAMPLE: ~~Delete~~)
- Underline new language. (EXAMPLE: New language)
 - If an agency is requesting new language to an item already in the budget bill and there is sufficient blank space on the PDF page where the change occurs, agencies should use the “Callout” tool in XChange Editor. They should type the additional language (underlined and in red font) into the text box, ensuring that the text box does not cover existing text, with the arrow pointing to the proper place for insertion; additionally, they should highlight impacted line numbers of the current version of the budget bill that are impacted by requested changes (See example below).



Office of Budget and Management

(2) The owner may deposit with the chief, instead of a surety bond, cash in an amount equal to the surety bond as prescribed pursuant to this section or negotiable certificates of deposit or irrevocable letters of credit, issued by any bank organized or transacting business in this state, having a cash value equal to or greater than the amount of the surety bond as prescribed pursuant to this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If the owner deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.04 of the Revised Code. If the owner deposits certificates of deposit ~~are deposited with the chief instead of a surety bond~~, the chief shall require the bank that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate that is in excess of the amount insured by ~~any of the agencies and instrumentalities created under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as amended, and regulations adopted under it, including at least~~ the federal deposit insurance corporation. The securities shall be security for the repayment of the certificate of deposit.

~~Immediately upon~~ Upon a deposit of cash, certificates of deposit, or letters of credit with the chief, the chief shall ~~deliver them to the treasurer of state who shall hold them in trust for the purposes for which they have been deposited.~~

(3) Instead of a surety bond, the chief may accept proof of financial responsibility consisting of a sworn financial statement showing a net financial worth within this state equal to twice the

If the owner deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.04 of the Revised Code.

Note: For clarity, use the fund name followed by the fund number in parentheses in temporary law provisions, but use only the fund name in the permanent law drafts for new or amended sections of the Ohio Revised Code. Additionally, do not capitalize fund names in the Ohio Revised Code.

- EXAMPLE (temporary law): Occupational Licensing Regulatory Fund (Fund 4K90)
- EXAMPLE (permanent law): occupational licensing regulatory fund

The bill draft will not show temporary language with strikethroughs and underlining (unless the language amends temporary law from a concurrently effective bill). Still, use these marks when submitting temporary law for clarity and to support evaluation and drafting.

Temporary Law Summary and Considerations

Agencies must consider the following when drafting and reviewing temporary language:

- **Update Transfer Information:** Agencies must update years, dates, and dollar amounts in earmarks and transfers.
- **Continuation of Earmarks:** Consider whether the earmark applies to the ongoing goals and objectives of the agency or if it is a one-time expenditure to a stated recipient.
- **Titles:** All sections and subsections need a capitalized title.
- **Back of the Bill:** Typically, agency-specific language should appear in the agency's appropriation section and not in the back of the bill (the section that follows agency appropriations). Any decision to put agency-specific language in the back of the bill must be made in consultation with the Office of Budget and Management.

Earmarks

An earmark sets aside a portion of an appropriation for a specific purpose. When drafting language, agencies should consider whether to expend a flat, minimum, or maximum amount for the stated purpose. Agencies must ensure that the total amount earmarked does not exceed the amount appropriated for the line item. Refer to the examples below:

OPERATING EXPENSES

Of the foregoing appropriation item 370321, Operating Expenses, *up to* \$50,000 shall be used in each fiscal year for technology upgrades and improvements.

OPERATING EXPENSES

Of the foregoing appropriation item 370321, Operating Expenses, *not more than* \$50,000 shall be used in each fiscal year for technology upgrades and improvements.

In these examples, \$50,000 or less can be used for these purposes.

OPERATING EXPENSES

Of the foregoing appropriation item 370321, Operating Expenses, \$50,000 *shall be* used in each fiscal year for technology upgrades and improvements.

In this example, you must use exactly \$50,000 for these purposes.

Transfers

A transfer results in a decrease in the fund balance of the “sending” fund and a corresponding increase in the fund balance of the “receiving” fund. **Cash transfers are not expenditures and do not affect appropriations, whereas Intrastate Transfer Vouchers (ISTV) are expenditures and do affect appropriations.** More details about ISTVs are below.

Note: Transfer Limitations: [Ohio law](#) prohibits the transfer of cash (by ISTV or any other means) between funds or between agencies unless the transfer is for the payment of goods, services, or a service subscription or if it is otherwise authorized by law (most often through language in a budget bill).

There are three basic requirements for cash transfers:

- Language establishes authority for the transaction;
- All transfers of cash between funds in the state treasury are made through the Office of Budget and Management Director, though the head of another state agency may initiate the request for transfer; and
- Cash transfers between custodial funds or between a custodial fund and a state treasury fund involve the State Treasurer.

Agencies must consider the following when drafting cash transfer language:

- **Identify who will make the transfer**
 - For example, the Office of Budget and Management Director (generally for funds inside the state treasury)
- **Specify a date, time frame, or deadline** for making the transfer.
 - For example, “Within 30 days of the effective date of this act, or as soon as possible thereafter”
- **Specify the fund name and number of both the sending and receiving funds**
 - Place language that transfers cash between funds used by different agencies within the section for the agency that uses or “owns” the receiving fund.
- **State that “cash” is being transferred**

- **Identify the “trigger”** that will begin the transfer process.
 - For example, a request from the agency’s director

Transfers typically fall into one of the following categories:

- Transfer of cash with or without also transferring or increasing appropriations;
- Transfer by means of an ISTV;
- Transfer (of cash, appropriation, or both) to consolidate or abolish funds (which may be related to the termination or consolidation of a state agency or program within a state agency); or
- Transfer of cash from a custodial fund to a state fund.

EXAMPLE: Basic Cash Transfer

Upon request of the State Lottery Commission, the Director of Budget and Management may transfer cash from the State Lottery Fund (Fund 7044) to the Deferred Prizes Trust Fund (Fund 8710) in an amount sufficient to fund deferred prizes.

Note: Cash transfers increase the cash balance of a fund, but do not increase appropriation, unless accompanying language authorizes an appropriation increase.

Intrastate Transfer Voucher (ISTV)

Agencies may transfer cash using an ISTV. Agencies generally use ISTVs when paying another agency. Often, budget bill language provides the authority or requirement for an agency to make a payment through an ISTV.

Agencies initiate ISTV transactions. ISTVs post as disbursements against the paying agencies' appropriations and as revenue in the receiving agencies' funds.

Note: ISTVs do not transfer appropriation.

EXAMPLE: ISTV Transfer

Of the foregoing appropriation item, 322508, Employment First Initiative, the Director of the Department of Developmental Disabilities shall transfer, in each fiscal year, to the Opportunities for Ohioans with Disabilities agency an amount agreed upon by the Director of the Department of Developmental Disabilities and the Executive Director of the Opportunities for Ohioans with Disabilities agency. The transfer shall be made via an intrastate transfer voucher.

Receipt of New Revenue

When an agency receives a new revenue stream, it must deposit the revenue into the state treasury to the credit of a fund. If Ohio law does not identify a specific fund for the revenue, it must be deposited into the General Revenue Fund.

Two or more agencies may also share a new revenue stream. In this case, consider how each agency will track its spending. Can the revenue be deposited into an existing fund, or should an agency create a new fund?

Fund Creation

There are three ways to create a fund:

- In the **Ohio Revised Code**
 - Create a fund in permanent law if it is intended to exist for more than two years.
- By **Controlling Board action**
 - The Controlling Board may create a fund pursuant to the Ohio Revised Code to receive unanticipated revenues.
- In **Temporary Law**
 - An agency should request the creation of a fund whose purpose is temporary in nature (two years) in temporary law instead of permanent law.

Fund creation language **must include all** the following:

- Identification of the **fund revenue source(s)**
 - The source of receipts to be deposited in and credited to the fund.
 - Indication of whether the fund will retain its **interest**. Discuss with an Office of Budget and Management budget analyst before submitting.
- **Authorized Use**
 - The authorized uses of cash in the fund and by whom.

EXAMPLE: Fund creation in the Ohio Revised Code

Revised Code 4921.xx There is hereby created in the state treasury the federal commercial vehicle transportation systems fund. The fund shall consist of funds received from the United States Department of Transportation's Commercial Vehicle Intelligent Transportation Systems Infrastructure Deployment Program. The public utilities commission shall use the

fund to deploy the Ohio commercial vehicle information systems networks project and improve motor carrier safety through electronic data exchange.

EXAMPLE: Fund Creation in Temporary Law

SECTION 387.20...MEDICAID LOCAL SALES TAX TRANSITION FUND...The state treasury hereby creates the Medicaid Local Sales Tax Transition Fund. The fund shall consist of money transferred to it. The fund shall be used to mitigate the effects of and assist in the adjustment to the reduced sales tax revenues of counties and affected transit authorities resulting from the repeal of sales tax collected by Medicaid health insurance corporations on health care service transactions.

Note: Be sure to underline and use red font for new temporary language in the submission. Note that temporary language does not appear underlined in the bill; rather, this drafting technique is for purposes of clarity during review.

Abolishment and Consolidation of Funds

A fund may be consolidated with another fund or abolished. An agency must abolish an obsolete fund when it is no longer needed or has been superseded. Funds are abolished in temporary law in conjunction with the repeal or amendment of any permanent law fund creation language and removal of references to the abolished fund.

Agencies must identify any permanent law provisions referencing the fund and draft a language item to repeal such language and, where necessary, redirect any revenue credited to the fund. Agencies do not need to draft temporary language for funding abolishment; the Office of Budget and Management will draft all necessary language. However, the Office of Budget and Management requests that agencies create an item consisting of the following information for each fund the agency wishes to close:

- Fund Name and Fund Number
- Creation Authority (Controlling Board Number, Ohio Revised Code, or bill number and section of the bill if created in temporary law)
- If there is a balance, where should it be transferred?
- If an agency must reestablish encumbrances, against which fund and line item should they be reestablished?
- When should this fund be abolished?
 - This will most likely be 90 days, or a specific date beyond 90 days.
- Additional information
 - Cross references, special circumstances, etc.



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- Related language items (if removing Ohio Revised Code references to fund)
- Verification that the fund is no longer in use or will not be in use by the effective date of the closure and that the agency has reviewed the OHGLR015A report in FIN for any general ledger entries that would preempt closure.

GLOSSARY OF TERMS

<u>Appropriation</u>	Authorization granted by the Ohio General Assembly to make expenditures and incur obligations for specific purposes. No appropriation may be made for a period greater than two years.
<u>Appropriation Line Item or ALI</u>	A six-digit numeric code (in the format xxxyyy) used to identify and account for amounts appropriated for the activities of an agency. The first three digits identify the administering agency, division, or activity responsible for the specific purpose. The last three digits indicate the specific purpose.
<u>Biennium</u>	Ohio's operating budget is enacted for a two-year period, called a biennium, beginning on July 1 of odd-numbered years. For example, the FY 2026-2027 biennium begins July 1, 2025, and ends June 30, 2027.
<u>Blue Book</u>	<u>See Executive Budget.</u>
<u>Budget Enterprise Application</u>	An online budgeting system used to develop, submit, and report on biennial operating and capital budgets. All agencies use the budget application to prepare both the numeric and narrative portions of the biennial operating budget requests.
<u>Chartfield</u>	Refers to fields on the Chart of Accounts. Chartfield values provide basic structure to categorize transactional and budget data. Primary Chartfields for budgeting are Department, Fund, Appropriation Line Item, and Account.
<u>Dedicated Purpose Fund (DPF)</u>	Dedicated Purpose is a Fund Group that consists of funds which receive specific revenues for activities conducted in accordance with the law.
<u>Executive Budget</u>	Also known as the "Blue Book," the Executive Budget provides the legislature and the public with the Governor's funding recommendations for the next operating biennium. Proposed funding levels, historical spending patterns, and descriptive narratives are presented for each agency. The Executive Budget also includes information about the budget process, revenue sources and estimates, economic forecasts, capital improvements, state funds, and special program areas. The document is the Executive's financial plan for state government and is made available electronically on OBM's website.
<u>Federal (FED)</u>	The Federal Budget Fund Group consists of funds that receive federal grants or awards. Expenditures from these funds are made in accordance with state and federal laws.



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<u>Fiscal Year</u>	Ohio's fiscal year runs from July 1 to June 30. The federal fiscal year runs from October 1 to September 30. The fiscal year for most local governments is the calendar year.
<u>Full-Time Equivalent (FTE)</u>	2080 hours worked per year equals one FTE. For budget development purposes, OBM uses this method of calculating personnel levels. Anything less than 2080 hours per year should be counted as a proportionate percentage of an FTE (i.e., 1040 hours per year equals .5 FTE).
<u>Fund</u>	A fund is a separate fiscal and accounting entity with a self-balancing set of accounts. A fund created in the state treasury usually has one or more appropriation line items from which expenditures are made. If the fund has only one appropriation line item, the line item name is often the same as the fund name.
<u>Fund Activity Summary</u>	See BEA-0003 Fund Activity Summary under BEA.
<u>Fund Group</u>	For budgetary reporting purposes, Ohio's funds are categorized into fund groups according to their revenue sources and the purposes for which they are used.
<u>General Revenue Fund (GRF)</u>	The General Revenue Budget Fund Group consists of the General Revenue Fund that accounts for all financial resources except those required to be accounted for in another fund. Primary sources of revenue include personal income tax, the sales and use tax, commercial activity tax, and the public utilities tax as well as reimbursements from the federal government (which are not specifically directed to another fund) that primarily support human service programs. The law allows for broad discretion in the purposes for which the General Revenue Fund is used. For example, expenditures support education, health and human services, general government, and property tax relief.
<u>Internal Service Activity Fund (ISA)</u>	Internal Service Activity is a Fund Group that consists of funds used for operations serving other funds or departments within the state.
<u>Program</u>	Generally referring to agency budget line items as described in each legislative act that includes appropriations for either an operating or a capital function of a state agency, board, or commission. Programs are implemented within the bounds set by the Ohio General Assembly in both statute and budget language.

APPENDIX A: Agency Budget Request Due Dates and Office of Budget and Management Budget Analyst Assignments

The list below outlines each agency's assigned group, the deadline for submitting its budget request, and its assigned Office of Budget and Management Budget Analyst contact.

Group 1 – Budget request is due by October 13, 2026

ACC	Accountancy Board of Ohio	Tara Clayton
ARC	Ohio Architects Board and Ohio Landscape Architects Board	Lauren Erickson
ATH	Athletic Commission	Richard Hurley
CDP	Chemical Dependency Professionals Board	Anna Sheeran
CHR	State Chiropractic Board	Cathleen McLaughlin
COS	Cosmetology and Barber Board	Richard Hurley
CRB	Board of Motor Vehicle Repair	Matthew Sladek
CSW	Counselor, Social Worker, and Marriage and Family Therapist Board	Anna Sheeran
DEN	Dental Board	Nathan Kolenda
DVM	Veterinary Medical Licensing Board	Patrick Murray
ENG	Engineers and Surveyors, Board of	Mikaela Perkins
FUN	Embalmers and Funeral Directors, Board of	Clare DiCuccio
MED	Medical Board	Nathan Kolenda
NUR	Nursing, Board of	Luis da Cruz
PRX	Pharmacy, Board of	Anna Sheeran
PSY	Psychology, Board of	Nathan Kolenda
PYT	Occupational Therapy, Physical Therapy, and Athletic Trainers Board	Luis da Cruz
SCR	Career College and Schools, Board of	Mikaela Perkins
SHP	State Speech and Hearing Professionals Board	Cathleen McLaughlin
VPB	State Vision Professionals Board	Cathleen McLaughlin

Group 2 – Budget request is due by October 23, 2026

AIR	Air Quality Development Authority	Matthew Sladek
ART	Arts Council	Josephine Harders
BTA	Tax Appeals, Board of	Travis McConnell
CAC	Casino Control Commission	Clare DiCuccio
CEB	Controlling Board	Tara Clayton
CIV	Civil Rights Commission	Patrick Sheely
CSV	Service and Volunteerism, Commission on	Josephine Harders
EBR	Environmental Review Appeals Commission	Patrick Sheely

ERB	Employment Relations Board	Miranda Ames
ETC	Broadcast Educational Media Commission	Mikaela Perkins
ETH	Ethics Commission	Josephine Harders
EXP	Expositions Commission	Jack Baker
SFC	Facilities Construction Commission	Lauren Erickson
HFA	Housing Finance Agency	Travis McConnell
IGO	Inspector General, Office of	Patrick Sheely
LCO	Liquor Control Commission	Richard Hurley
LEC	Lake Erie Commission	Jack Baker
LIB	Library Board	Josephine Harders
MIH	Minority Health, Commission on	Anna Sheeran
NAI	New African Immigrants Commission	Patrick Sheely
OCC	Consumers' Counsel, Office of the	Patrick Sheely
OHS	History Connection	Lauren Erickson
OIC	Industrial Commission	Patrick Murray
OSB	Deaf and Blind Education Services	Lauren Erickson
PUB	Public Defender Commission	Patrick Sheely
PWC	Public Works Commission	Patrick Sheely
RAC	Racing Commission	Clare DiCuccio
SBE	State Board of Education	Josephine Harders
SPA	Commission on Hispanic/Latino Affairs	Patrick Murray
UST	Petroleum Underground Storage Tank Release Compensation Board	Jack Baker

Group 3 – Budget request is due by October 30, 2026

ADJ	Adjutant General's Department	Patrick Sheely
AGE	Aging, Department of	Cathleen McLaughlin
AGO	Attorney General	Taylor Pair
AGR	Agriculture, Department of	Jack Baker
AUD	Auditor of State	Taylor Pair
BDP	Deposit, Board of	Taylor Pair
BOR	Higher Education, Department of	Mikaela Perkins
BWC	Workers' Compensation, Bureau of	Patrick Murray
CLA	Claims, Court of	Luis da Cruz
COM	Commerce, Department of	Richard Hurley
CSF	Sinking Fund, Commissioners of the	Taylor Pair
CSR	Capitol Square Review and Advisory Board	Josephine Harders
DAS	Administrative Services, Department of	Matthew Sladek

DDD	Developmental Disabilities, Department of	Nathan Kolenda
DEV	Development Services Agency	Clare DiCuccio
DMH	Behavioral Health, Department of	Anna Sheeran
DNR	Natural Resources, Department of	Jack Baker
DOH	Health, Department of	Cathleen
		McLaughlin
DOT	Transportation, Department of	Patrick Sheely
DPS	Public Safety, Department of	Josephine Harders
DRC	Rehabilitation and Correction, Department of	Matthew Sladek
DVS	Veterans Services, Department of	Luis da Cruz
DYS	Youth Services, Department of	Matthew Sladek
EDU	Education and Workforce, Department of	Josephine Harders
EPA	Environmental Protection Agency	Jack Baker
GOV	Governor, Office of the	Tara Clayton
HEF	Higher Educational Facility Commission	Mikaela Perkins
INS	Insurance, Department of	Patrick Murray
JCO	Judicial Conference of Ohio	Luis da Cruz
JCR	Agency Rule Review, Joint Committee on	Tara Clayton
JFS	Job and Family Services, Department of	Lauren Erickson
JLE	Joint Legislative Ethics Committee	Tara Clayton
JSC	Judiciary / Supreme Court	Luis da Cruz
KID	Children and Youth, Department of	Cathleen
		McLaughlin
LOT	Lottery Commission	Clare DiCuccio
LSC	Legislative Service Commission	Tara Clayton
MCD	Medicaid, Department of	Nathan Kolenda
OBM	Budget and Management, Office of	Tara Clayton
OOD	Opportunities for Ohioans with Disabilities	Anna Sheeran
PAY	Employee Benefits Funds	Matthew Sladek
PEN	Pension Subsidies	Taylor Pair
PUC	Public Utilities Commission of Ohio	Patrick Murray
REP	Representatives, House of	Tara Clayton
SEN	Senate	Tara Clayton
SOS	Secretary of State	Taylor Pair
TAX	Taxation, Department of	Travis McConnell
TOS	Treasurer of State	Taylor Pair
VTO	Veterans Organizations	Luis da Cruz