

Steps of the Ohio Operating Budget Process

Step 1: Budget Requests

The process begins in July of an even-numbered year. The Office of Budget and Management (OBM) initiates the process by sending detailed instructions on the process that agencies need to follow in preparing their budget requests. These instructions are sent to agencies designated to receive appropriated funds. The agencies submit their requests to OBM from late August to early November.

Step 2: Requests Reviewed

Once the budget request is received, OBM reviews the request and holds meetings and budget hearings with the agency as needed.

Step 3: Preliminary Recommendations

OBM works with the Governor and the Governor's staff to come up with preliminary budget recommendations. The recommendations are shared with the agencies and may be appealed by the agencies to the Governor.

Step 4: The Executive Budget

All recommended appropriations are published in the Executive Budget. Included in the Executive Budget is a report on "tax expenditures," which is revenue not available to the General Revenue Fund (fund from which all lawful obligations of a state are payable in the absence of a provision calling for payment from a special fund) because of deductions, exemptions, and credits in tax laws. The Department of Taxation prepares this part of the report.

Step 5: Governor Presents the Executive Budget

The Governor must present the Executive Budget to the General Assembly within four weeks after its organization early in January of every odd-numbered year. In the years in which a new Governor takes office, the report can be presented as late as March 15.

The Governor releases budget concepts in what is commonly referred to as "the Blue Book," which is posted on the Office of Budget and Management website.

<http://obm.ohio.gov>

Step 6: From Budget to Bill

The Legislative Service Commission (LSC) drafts the Governor's proposed budget in the form of legislation (one bill or bills). The Chairperson of the Committee on Finance and Appropriations normally introduces the bills in the House of Representatives. The budget bill is typically 1000 pages long.

LSC also publishes "Red Books" analyzing each department's budget request.

<https://www.lsc.ohio.gov/>

Step 7: Committee Hearings and Revisions

House committee hearings are conducted by the full Finance Committee and by its standing subcommittees. Substitute bills are drafted with changes recommended by the subcommittees. The substitute bills are then considered and amended by the full committee, reported, and sent to the House floor for third consideration.

The first hearing of a committee and the subcommittees is sponsor (legislator) testimony. The second hearing is generally proponent (supporter) testimony. The third hearing is generally opponent/interested party testimony. In budget hearings the sponsor testimony is conducted by Department Directors, followed by hearings to take all other testimony.

As substitute bills are introduced, and then amendments, LSC will prepare "Comparison Documents" to set forth the changes in language from one version to another.

Step 8: Onward to the Senate

Once the House passes the bills, they are introduced in the Senate where a similar procedure is followed as when the bills were in the House.

Step 9: Conference Committees

The main operating appropriations bill is normally sent to a committee of conference. Conference committee hearings usually take place over a period of at least two weeks. The conference committee prepares a committee report to submit to the House and Senate.

Step 10: From Bill to Act

Once both houses agree to the conference committee report, the bill is put into "act" form and is reviewed by the appropriate executive agencies and signed by the Governor. Even if the Governor signs the act, he can still veto (disapprove) any particular item in an act making an appropriation. When the Governor signs an act, it is then put into law immediately.

LSC will subsequently publish "Green Books" which are final analyses of Department budgets from the "As Enrolled", or "passed" version of the bill.

The Budget Process Calendar

Calendar of Activities for the Ohio Budget Process	
Date	Activity
January – March 15	The Governor outlines the budget proposals during the State of the State Address. The Governor releases summaries of the Executive budget proposal to the General Assembly and the public. The proposal is then introduced as an Executive Budget bill in the Ohio House of Representatives on March 15.
March 15 - April	The House holds hearings, makes amendments, and passes its version of the bill.
April - May	The House version of the budget is introduced in the Senate. The Senate holds hearings, makes amendments, and passes its version of the bill.
June	A Conference Committee reconciles differences in the House and Senate version of the bill. The Governor may sign, veto, or sign it with line-item vetoes. Vetoes are sent back to the House and Senate. A three-fifths majority of both the House and Senate is required to override a veto.
July	The new Operating Budget begins on July 1.

Helpful Links:

- Ohio Legislative Service Commission: www.lsc.ohio.gov
- Ohio Office of Budget and Management: obm.ohio.gov
- Ohio Legislature: www.legislature.ohio.gov (track bills, look up committees, look up legislators)