



**Message from DYS Director Harvey Reed
Biennium Budget**

July 1, 2011

The state's FY 2012 and FY 2013 biennium budget has been approved by the Ohio Legislature and was signed by Governor Kasich yesterday. The state's new budget for DYS is identical to the proposed executive version explained in my March 15, 2011 memo. The final DYS budget reduces the total DYS General Revenue Funds (GRF) by 9% (excluding Debt Service), or \$41 million, over the next biennium as compared to FY 2011 funding levels. As anticipated, the impact on DYS operations include the closure of Ohio River Valley Juvenile Correctional Facility (ORVJCF) in September 2011 as well as a reduction of positions within Central Office and Parole, which have already been announced.

Funding levels reflect the considerable decrease in the DYS population, as well as the agency's conscious effort to support community programming for the low to moderate risk population of youth who are better served in less restrictive and less costly community settings. The budget preserves critical community funding streams including RECLAIM Ohio, Youth Services Block Grant, Targeted RECLAIM and the Behavioral Health/Juvenile Justice (BH/JJ) programs.

The following represents a line item breakdown; you can also view the information at <http://www.lsc.state.oh.us/fiscal/bid129/budgetindetail-hb153-cc.pdf>.

Line Item	FY 2011	FY 2012	FY 2013
RECLAIM Ohio (includes institutional operations)	184,026,374	168,716,967	162,362,228
Lease Rental Payments (debt service)	26,043,900	10,221,800	27,230,100
Youth Services (grant to the counties)	16,702,728	16,702,728	16,702,728
Parole Operations	11,400,020	10,830,019	10,583,118
Administrative Operations	13,580,057	12,222,051	11,855,389

As always, I appreciate all of you for staying committed to the DYS mission of encouraging positive change and preparing youth to lead productive lives. I trust that each of you will continue to do your best work with the youth in our care.

Harvey J. Reed, Director
Department of Youth Services



JOHN R. KASICH

GOVERNOR • STATE OF OHIO

Communication Department

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KASICH SIGNS HISTORIC BUDGET – ELIMINATES AN \$8 BILLION SHORTFALL WHILE ALSO CUTTING TAXES

Reforms Government to Transform Ohio for Growth

COLUMBUS – In a ceremony at the Ohio Statehouse this evening, Gov. John R. Kasich signed the most significant budget in recent Ohio history, restoring fiscal stability to state government, cutting taxes, reining-in spending and implementing long-overdue reforms that help put Ohio back on a track toward economic revival. Facing an \$8 billion budget shortfall created by years of budget mismanagement and a practice of avoiding tough problems, Gov. Kasich and legislative leaders vowed to protect Ohioans by closing the shortfall without tax increases and tackling serious issues that have been ignored for years. Together, they drafted a plan to do it and today it became law.

Kasich issued the following statement:

“It’s nothing short of a monumental day for Ohioans. This budget reaffirms who’s the boss—the people of this state, and the government barriers that have held us back are pushed aside so we can succeed.

“Ohioans want good job opportunities and this budget helps rebuild a jobs-friendly climate. We want better education choices and this budget delivers them by firmly reestablishing that kids come first. We want better care for our most vulnerable neighbors, and dignity and better living choices for seniors, and this bill delivers those things. We want to reduce costs and give governments new tools to reduce spending and now we’re doing it.

“Most importantly, this budget delivers hope that Ohio will improve. We stood up to the status quo and we took back our state. With courage, I joined with President Niehaus, Speaker Batchelder, Chairman Widener, Chairman Amstutz, and our fellow like-minded colleagues in the General Assembly to stand up for the future. There have been doubters and critics at every turn, who’ve attempted to discourage us from seeking the change Ohio needed, but we were not deterred. We remained unified and focused on reviving Ohio. We promised a new way and a new day and we’re delivering it.”

A Budget That Transforms Ohio for Growth

- **Renewing Fiscal Stability and Reining-In Spending:** By reining-in spending and providing overdue reforms to major programs, the FY2012-13 budget eliminates an historic \$8 billion shortfall and returns Ohio to sound fiscal ground. In fact, the budget reduces non-Medicaid spending in the General Revenue Fund by approximately \$1 billion compared to the previous biennium.

- Making Ohio Jobs-Friendly: The budget eliminates the Death Tax, providing more than \$300 million in tax relief annually and helping farmers and small business owners keep enterprises in the family. It also encourages investment in the drivers of our economy—small businesses—by including a 10 percent tax credit for those investing up to \$10 million in an Ohio-based small business. Finally, the budget helps place Ohio among the nation’s leaders in economic development efforts by facilitating an ongoing, dedicated funding source for Ohio’s new private-sector job-creation initiative, JobsOhio.
- Respecting Taxpayers with Cost-Saving Reforms: Major reforms to Medicaid will provide better care to the most vulnerable Ohioans; K-12 and higher education reforms improve student learning and make education more attainable; prison and sentencing reform makes our communities safer; and shared-services among schools and local governments help them deliver services at lower costs to taxpayers.

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