NEW ISSUE

Ratings (See RATINGS)

Fitch	**AA/F1+**
Moody's	**Aa2/VMIG 1**
S & P	**AA/A-1+**

*In the opinion of Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2020 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended, and (ii) the Series 2020 Bonds, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, are free from taxation within the State of Ohio. Interest on the Series 2020 Bonds may be subject to certain federal taxes imposed only on certain corporations. See "**TAX MATTERS**" herein.*

OFFICIAL STATEMENT
$57,000,000
STATE OF OHIO
(TREASURER OF STATE)
Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B
(Parks and Recreation Improvement Fund Projects)

Dated: Date of Initial Delivery **CUSIP*:** 67760AFH4 **Interest Rate:** Weekly Rate **Price:** 100% **Due:** On December 1, 2040

The Series 2020 Bonds: The $57,000,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B (Parks and Recreation Improvement Fund Projects) (the "Series 2020 Bonds") will be issued for the purpose of paying Costs of Capital Facilities to be leased to the Department of Natural Resources of the State of Ohio (the "DNR") and to pay costs of issuance of the Series 2020 Bonds. (See **THE SERIES 2020 BONDS**)

Security and Sources of Payment: The Series 2020 Bonds are special obligations of the State, issued by the State Treasurer of Ohio (the "Treasurer"), and are payable solely from Pledged Receipts, principally rental payments under a lease between the Ohio Public Facilities Commission (the "OPFC") and the DNR, and a supplemental lease thereto relating to the Series 2020 Bonds. The obligations of the DNR to make the rental payments are subject to and dependent upon biennial appropriations being made for such purposes by the General Assembly. The failure of the General Assembly to so appropriate moneys to the DNR will result in the termination of the Lease. The Series 2020 Bonds do not represent or constitute a debt of the Treasurer, the DNR, the OPFC or the State of Ohio or any political subdivision thereof, or a pledge of the faith and credit of the Treasurer, the DNR, the OPFC or the State of Ohio or any political subdivision thereof. *The Holders and Beneficial Owners of the Series 2020 Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of Bond Service Charges on the Series 2020 Bonds*. (See **THE BONDS GENERALLY – Security**)

Interest Rate and Payment: All of the Series 2020 Bonds will be initially issued in a Weekly Rate Period and will remain in that Rate Period until converted to another Rate Period. This Official Statement describes the Series 2020 Bonds only while the Series 2020 Bonds are in the Weekly Rate Period. Should the Series 2020 Bonds be converted to a different interest rate mode, the Series 2020 Bonds shall be subject to mandatory tender and a remarketing memorandum or remarketing circular will be distributed describing such mode in connection with a remarketing of the Series 2020 Bonds. Principal and interest will be payable to the Registered Owner (initially, The Depository Trust Company or its nominee ("DTC")), the principal on presentation and surrender to the Trustee, and interest transmitted on each Interest Payment Date. The Interest Payment Dates for the Series 2020 Bonds are June 1 and December 1, beginning June 1, 2021. (See **THE SERIES 2020 BONDS**)

Redemption: The Series 2020 Bonds are subject to optional and mandatory redemption prior to maturity as provided herein. (See **THE SERIES 2020 BONDS –Redemption**)

Form and Denominations; Book-Entry: The Series 2020 Bonds will be initially issued only as fully registered bonds under a book-entry only method. DTC, New York, New York, is the Securities Depository. There will be no distribution of bond certificates to others. (See **APPENDIX C – BOOK-ENTRY SYSTEM; DTC**). The Series 2020 Bonds will be issued initially in denominations of $100,000 and any integral multiple of $5,000 in excess thereof.

Optional and Mandatory Tender: Holders of the Series 2020 Bonds shall have the option to tender their Series 2020 Bonds on any Business Day with seven days' prior notice, as more fully described herein. Holders of the Series 2020 Bonds will be <u>required</u> to tender their Series 2020 Bonds upon conversion of the Series 2020 Bonds from the Weekly Rate Period and/or if a Substitute Liquidity Facility is provided. Holders may <u>not</u> elect to retain their Series 2020 Bonds in the event of a mandatory tender. The purchase price for the Series 2020 Bonds tendered for purchase will be the principal amount thereof, plus accrued interest to the purchase date. **The purchase price of the Series 2020 Bonds tendered for purchase shall be paid from moneys derived from the remarketing of such Series 2020 Bonds and, if such remarketing proceeds are insufficient, from the Self-Liquidity Facility provided by the State, subject to certain limitations as described herein.** (See **THE SERIES 2020 BONDS – Tender of the Series 2020 Bonds** and - **Liquidity**)

Liquidity: Liquidity to pay the purchase price of the Series 2020 Bonds that are tendered and not remarketed will be provided by the State through the Treasurer's use of the investment portfolio of the State Treasury (the "Self-Liquidity Facility"), subject to certain limitations described herein. Should a Substitute Liquidity Facility be substituted for the Self-Liquidity Facility, the Series 2020 Bonds shall be subject to mandatory tender and a remarketing memorandum or remarketing circular will be distributed describing such Substitute Liquidity Facility in connection with a remarketing of the Series 2020 Bonds. **Certain limitations apply to the availability of the Self-Liquidity Facility provided by the State and prospective purchasers of the Series 2020 Bonds should carefully review the provisions herein concerning the Self-Liquidity Facility.** (See **THE SERIES 2020 BONDS – Liquidity**)

This Cover includes certain information for quick reference only. It is not a summary of the bond issue. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments. Capitalized terms used on this Cover and elsewhere herein and not otherwise defined have the meanings given to them in **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE.**

The Series 2020 Bonds are offered when, as and if issued by the Treasurer and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Ice Miller LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Calfee, Halter & Griswold LLP. Certain legal matters will be passed upon for the Treasurer by his counsel, the Attorney General of Ohio, Dave Yost, and by Dinsmore & Shohl LLP, which is serving as Issuer and Disclosure Counsel to the Treasurer. The Series 2020 Bonds are expected to be available in definitive form for delivery through DTC on or about August 12, 2020.

BARCLAYS

The date of this Official Statement is August 7, 2020, and the information speaks only as of that date.

* See inside regarding copyright.

$57,000,000
STATE OF OHIO
(TREASURER OF STATE)
Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B
(Parks and Recreation Improvement Fund Projects)

Interest Rate Mode:	Weekly Rate
Final Maturity:	December 1, 2040
CUSIP†:	67760AFH4
Remarketing Agent:	Barclays Capital Inc.
Liquidity Provider:	State of Ohio
*Interest Payment Dates:**	June 1 and December 1, commencing June 1, 2021
*Weekly Rate Period:***	Each Wednesday through the following Tuesday
Rate Determination Date:	Not later than 4:00 p.m. on the Business Day*** immediately preceding the commencement date of the Weekly Rate Period
Purchase Date for Optional Tender:	Any Business Day
Notice to Tender Agent for Optional Tender:	Written notice not later than 5:00 p.m. on any Business Day not less than seven days prior to the Purchase Date
Purchase Date for Mandatory Tender or Mandatory Tender Date:	Upon Conversion from Weekly Rate Period to another Rate Period and/or upon the provision of a Substitute Liquidity Facility
Notice to Holder for Mandatory Tender:	At least 25 days prior to the Purchase Date
Tender Date for Tendered Series 2020 Bonds:	Not later than 12:00 noon on the Purchase Date
Payment Date for Tendered Series 2020 Bonds:	Not later than 2:30 p.m. on the Purchase Date
Optional Redemption during Weekly Rate:	Any Conversion Date without notice, Liquidity Facility Substitution Date without notice, or any day with 30 days' prior notice
Maximum Rate:	Lower of 9% or maximum rate permitted by Ohio law

Note: All time references given above refer to New York City time.

The information above is provided for the convenience of the Bondholders and is not meant to be comprehensive.

* If any Interest Payment Date is not a Business Day, then payment will be made on the next succeeding Business Day with no additional interest accruing.

** First Weekly Rate Period to begin on date of delivery of the Series 2020 Bonds and end the following Tuesday.

*** "Business Day" means a day, other than a Saturday or Sunday, and other than a day on which banks located in Columbus, Ohio, and in New York, New York, are required, or authorized or not prohibited by law (including without limitation executive orders), to close and are closed.

† See inside regarding copyright.

REGARDING THIS OFFICIAL STATEMENT

While the Series 2020 Bonds may in the future be converted from the Weekly Rate Period to a different mode, this Official Statement does not describe those other modes or terms specifically applicable to the Series 2020 Bonds bearing interest at a rate other than the Weekly Rate. It is currently anticipated that if the Series 2020 Bonds are converted to another Rate Period, a remarketing memorandum or remarketing circular will be distributed describing said Rate Period.

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2020 Bonds of the State identified on the Cover. No person has been authorized by the Treasurer, the DNR, the OPFC, the State or the Underwriter to give any information or to make any representation, other than that contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the Treasurer, the DNR, the OPFC the State or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of the Series 2020 Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Upon issuance, the Series 2020 Bonds will not be registered by the Treasurer, the DNR, the OPFC or the State under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Treasurer, the DNR and the Ohio Office of Budget and Management, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2020 Bonds for sale. In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of the Treasurer, the DNR, the OPFC or the State since its date.

The information approved and provided by the State in this Official Statement is the information relating to the particular subjects provided by the State or State agencies for the purpose of this Official Statement. Reliance for the purpose should not be placed on any other information publicly provided, in any format including electronic, by any State agency for other purposes, including general information provided to the public or to portions of the public. The Trustee has not reviewed this Official Statement and makes no representations as to the information contained in this Official Statement

This Official Statement, including its Appendices and Exhibits, contains statements that the State or the Treasurer believes may be "forward-looking statements." Words such as "plan," "estimate," "project," "budget," "anticipate," "expect," "intend," "believe" and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the control of the State or the Treasurer and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The State and the Treasurer undertake no obligation, and do not plan, to issue any updates or revisions to any of the forward-looking statements in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Series 2020 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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SUMMARY STATEMENT

The following summary statement supplements certain of the information on the Cover and summarizes selected other information in this Official Statement relating to the Series 2020 Bonds. It is not intended as a substitute for the more detailed discussions in this Official Statement to which reference should be made.

ISSUER. The State of Ohio, by the State Treasurer of Ohio.

AUTHORIZATION. The Series 2020 Bonds are issued pursuant to Section 2i of Article VIII of the Constitution of the State, Chapter 154 of the Revised Code, the General Bond Order, the Trust Agreement, the Lease and the Series 2020B Order, providing for the issuance and sale of the Series 2020 Bonds.

SECURITY AND SOURCES OF PAYMENT. The Series 2020 Bonds are special obligations of the State, issued by the Treasurer, payable solely from the Pledged Receipts. Holders and Beneficial Owners have no right to have excises or taxes levied by the General Assembly for payment of the Series 2020 Bonds. The Series 2020 Bonds (and any other Obligations issued) are secured by the Trust Agreement. Principal, interest and any premium on the Series 2020 Bonds are payable from and secured by a pledge of payments received in the Bond Service Fund for the Series 2020 Bonds from rentals and other revenues and receipts under the Lease. There are no receipts from the Projects pledged to pay Bond Service Charges on the Series 2020 Bonds. The Projects are not mortgaged to pay, and otherwise are not security for, the Series 2020 Bonds.

All moneys received by the Treasurer under the Lease, excepting the portion of those moneys to be credited to the Administrative Service Fund, shall be deposited to the Bond Service Fund for the Series 2020 Bonds and allocated to the Bond Service Account and Special Funds and Accounts as provided by the Lease. The obligations of the DNR to make rental payments under the Lease are subject to and dependent upon biennial appropriations being made by the General Assembly for such purpose. Those appropriations may not be made for a period longer than the fiscal biennium, which initially ends June 30, 2021 but which thereafter is a two-year period ending on June 30 of each odd-numbered year. The failure of the General Assembly to appropriate moneys to the DNR will result in the termination of the Lease. The Series 2020 Bonds do not represent or constitute a debt of the Treasurer, the DNR, the OPFC or the State or of any political subdivision thereof, or a pledge of the faith and credit of the Treasurer, the DNR, the OPFC or the State or of any political subdivision thereof.

Certain financial and other information concerning the State is contained in **APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO**, which is attached hereto and should be reviewed carefully because rental payments under the Lease are paid with moneys appropriated from the State General Revenue Fund. (See **APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO – STATE DEBT – General** and **APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO – FISCAL MATTERS – Recent Receipts and Disbursements**)

PURPOSE OF BONDS. The Series 2020 Bonds are being issued for the purpose of paying (i) Costs of Capital Facilities to be leased to the DNR, and (ii) costs incidental to the issuance and sale of the Series 2020 Bonds.

OPTIONAL AND MANDATORY TENDER. At issuance, the Series 2020 Bonds shall bear interest at the Weekly Rate, and while in this Rate Period the Series 2020 Bonds are subject to tender on any Business Day for purchase at the option of the Owner of a Series 2020 Bond by giving seven days prior notice, such notice to be given on a Business Day. The Series 2020 Bonds are subject to mandatory tender for purchase by the Tender Agent upon the direction of the Treasurer on any Wednesday that is a Business Day in the event the Series 2020 Bonds are converted from the Weekly Rate Period to another Rate Period and/or if a Substitute Liquidity Facility is substituted for the Self-Liquidity Facility. If the Series 2020 Bonds are subject to mandatory tender, the Holders may not elect to retain their Series 2020 Bonds. (See **THE SERIES 2020 BONDS – Tender of the Series 2020 Bonds**)

LIQUIDITY. Liquidity to pay the purchase price of the Series 2020 Bonds that are tendered and not remarketed will be provided by the State through the Treasurer's use of the investment portfolio of the State Treasury (the "Self-Liquidity Facility"), subject to certain limitations. **The Self-Liquidity Facility is not a debt, liability or obligation of the State, and no recourse may be had against the State or any funds or other property owned by the State. Neither the faith and credit nor taxing power of the State is pledged to the payment of the Purchase Price on the Purchase Date of Series 2020 Bonds tendered for purchase but not remarketed. UNDER CERTAIN CIRCUMSTANCES, THE OBLIGATION OF THE TREASURER TO MAKE ADVANCES UNDER THE SELF-LIQUIDITY FACILITY WILL TERMINATE IMMEDIATELY, AUTOMATICALLY AND WITHOUT NOTICE OR PAYMENT TO HOLDERS OF THE SERIES 2020 BONDS. IN SUCH EVENT, SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PAY SUCH SERIES 2020 BONDS.** (See **THE SERIES 2020 BONDS – Liquidity**)

REDEMPTION. The Series 2020 Bonds are subject to mandatory and optional redemption as described herein. (See **THE SERIES 2020 BONDS –Redemption**)

FORM AND MANNER OF MAKING PAYMENTS. The Series 2020 Bonds will be originally issued only as fully registered bonds, in denominations of $100,000 or any integral multiple of $5,000 in excess thereof ("Authorized Denominations"), under a book-entry only method, and registered initially in the name of The Depository Trust Company, New York, New York, or its nominee ("DTC"). There will be no distribution of Series 2020 Bonds to the ultimate purchasers. The Series 2020 Bonds in book-entry form will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. (See **APPENDIX C – BOOK-ENTRY SYSTEM; DTC)**

Principal and interest will be payable to the Holder (initially, DTC or its nominee). Principal will be payable on presentation and surrender to the Trustee. Interest will be transmitted by the Trustee on each Interest Payment Date to the Holder as of the close of business the Business Day immediately preceding the Interest Payment Date (the Business Day prior to a payment date being the "Regular Record Date"). The Interest Payment Dates for the Series 2020 Bonds are June 1 and December 1, beginning June 1, 2021. (See **THE SERIES 2020 BONDS**)

TAX MATTERS. In the opinion of Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2020 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended, and (ii) the Series 2020 Bonds, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, are free from taxation within the State of Ohio. Interest on the Series 2020 Bonds may be subject to certain federal taxes imposed only on certain corporations.

For a more complete discussion of the tax aspects of the Series 2020 Bonds, see **TAX MATTERS** herein.

TRUSTEE, BOND REGISTRAR AND TENDER AGENT. U.S. Bank National Association is the Trustee, Bond Registrar and Tender Agent for the Series 2020 Bonds.

BOND COUNSEL. Ice Miller LLP.

ISSUER AND DISCLOSURE COUNSEL. Dinsmore & Shohl LLP.

MUNICIPAL ADVISOR. Acacia Financial Group, Inc.

UNDERWRITER. Barclays Capital Inc. (the "Underwriter"). The Series 2020 Bonds will be purchased by the Underwriter at a price of $56,920,597.70. (See **UNDERWRITING**).

REMARKETING AGENT. Barclays Capital Inc. (the "Remarketing Agent") (See **UNDERWRITING**).

Questions regarding this Official Statement or the Series 2020 Bonds should be directed to the Office of Debt Management, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215-3414, telephone (614) 466-7752. For additional information concerning the Treasurer and the Treasurer's bond programs, visit www.ohiotreasurerbonds.com. The information contained on that website is not incorporated as part of this Official Statement.

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GENERAL INTRODUCTORY STATEMENT

This Official Statement has been prepared by the State Treasurer of Ohio (the "Treasurer") to provide certain information in connection with the original issuance and sale of the $57,000,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B (Parks and Recreation Improvement Fund Projects) (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued pursuant to Section 2i of Article VIII of the Ohio Constitution under powers granted to the Treasurer by Chapter 154 of the Revised Code as the issuing authority in all matters relating to the issuance of special obligation bonds for the financing of Capital Facilities, as that term is defined in Sections 154.01 and 154.22 of the Revised Code, for parks and recreation purposes.

Capitalized terms not otherwise defined in the text of this Official Statement shall have the meanings given to them in **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**.

The Series 2020 Bonds are issued pursuant to the Trust Agreement dated as of May 1, 2012 (the "Original Trust Agreement") and the Series 2020B Supplemental Trust Agreement thereto dated as of August 1, 2020 (the "Series 2020B Supplemental Trust Agreement"), each between the State, acting by and through the Treasurer, and U.S. Bank National Association, as Trustee (the "Trustee"). The Original Trust Agreement as amended and supplemented; including as supplemented by the Series 2020B Supplemental Trust Agreement, is referred to as the "Trust Agreement." The Series 2020 Bonds are authorized by the General Bond Order No. 10-12 issued by the Treasurer on May 3, 2012 (the "General Bond Order") and Series Bond Order No. 8-20 issued by the Treasurer on August 11, 2020 (the "Series 2020B Order").

Proceeds from the sale of the Series 2020 Bonds will be used for the purpose of (i) paying Costs of Capital Facilities to be leased to the Department of Natural Resources of the State of Ohio (the "DNR") by the Ohio Public Facilities Commission (the "OPFC"), and (ii) paying costs incidental to the issuance and sale of the Series 2020 Bonds. (See **THE SERIES 2020 BONDS - Sources and Uses of Bond Proceeds**)

The OPFC will lease the Capital Facilities to the DNR pursuant to the terms of a Lease Agreement dated as of May 1, 2012 (the "Original Lease Agreement") and a Series 2020B Supplemental Lease Agreement thereto dated as of August 1, 2020 (the "Series 2020B Supplemental Lease"), each between the OPFC and the DNR. The Original Lease Agreement as amended and supplemented, including as supplemented by the Series 2020B Supplemental Lease, is referred to as the "Lease." The term of the Lease expires June 30, 2021, and is renewable for successive terms not to exceed two years upon appropriation by the General Assembly to the DNR of the amounts required for rental payments for each successive term.

Rental Payments and Bond Service Charges

The aforementioned Lease requires rental payments from the DNR sufficient to pay (i) the Bond Service Charges on the Series 2020 Bonds and any other Obligations issued under the Trust Agreement, (ii) certain administrative costs of the Treasurer and (iii) any rebate amount or other related payments to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2020 Bonds pursuant to Section 148(f) of the Code, if necessary. The rental payments from the DNR constituting Basic Rent under the Lease are assigned by the OPFC to the Treasurer and are paid directly to the Treasurer and are pledged by the State pursuant to the Trust Agreement for the payment of Bond Service Charges on the Series 2020 Bonds and are required to be deposited to the Bond Service Fund pursuant to the Trust Agreement. (See **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**)

The obligations of the DNR to make rental payments and to perform other obligations involving expenditures under the Lease are subject to and dependent upon biennial appropriations to the DNR being made by the General Assembly for such purpose. If the General Assembly fails to appropriate moneys to renew the Lease, the Lease will terminate. Under the Lease, the OPFC has waived all rights it may have to recover possession of the Projects in the event of the termination of the Lease. **If the General Assembly fails to appropriate moneys to renew the Lease, the OPFC does not have the remedies generally available to lessors upon default under or termination of a lease and the OPFC and the Treasurer may have no practical remedy to ensure that moneys are available for the payment of Bond Service Charges on the Series 2020 Bonds.** (See **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**)

Based upon the projected Bond Service Charges on the Series 2020 Bonds and the Treasurer's estimated administrative expenses for the biennium ending June 30, 2021, the amounts currently appropriated by the General Assembly for the rental payments to be paid by the DNR to the Treasurer under the Lease, together with existing moneys on deposit in the Bond Service Fund, will be sufficient to pay the Bond Service Charges, together with such sums, if any, as shall be necessary to pay certain administrative expenses of the Treasurer (for example, Trustee fees) for such biennium, including any amounts due as Additional Rent under the Lease. There is no Required Reserve for the Series 2020 Bonds.

This Official Statement contains brief descriptions of the Series 2020 Bonds, the security for the Series 2020 Bonds, the Treasurer, the DNR, the OPFC, the Projects, the Lease and the Trust Agreement. **Certain financial and other information concerning the State is contained in APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO hereto and should be reviewed carefully because rental payments under the Lease are paid with moneys appropriated from the State General Revenue Fund. (See APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO – STATE DEBT – General and APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO – FISCAL MATTERS – Recent Receipts and Disbursements)**

All financial and other data included herein have been provided by the Treasurer, the DNR, or the State, except that which is attributed to other sources. The summaries of the documents described herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents. Copies of the Lease and the Trust Agreement may be obtained from the Treasurer and the Trustee and, during the initial offering period, from the Underwriter.

References to provisions of Ohio law or of the Ohio Constitution are to those provisions now in effect. Those provisions may from time to time be amended, repealed or supplemented.

Bondholders' Risk with respect to Infectious Disease Outbreak

The President of the United States of America issued a National Emergency Concerning the Novel Corona Virus Disease (COVID-19) Outbreak on March 13, 2020. The spread of the novel strain of coronavirus called COVID-19 will likely have a material impact on the State and national economies and, accordingly, could have a material adverse impact on the State's General Revenue Fund, which is the source of rental payments under the respective Leases for the Bond Service Charges on the applicable Series 2020 Bonds. The impact on the State's finances and programs as a result of COVID-19 is extremely difficult to predict due to the dynamic nature of the pandemic, including uncertainties related to its (i) duration, (ii) severity, (iii) impact on global, national and local economies, as well as global financial markets, and volatility in the U.S. stock and bond markets and (iv) ultimate geographic spread, as well as the efficacy of various federal, state and local governmental authorities and healthcare providers to contain or mitigate the impact. The State continues to be proactive to limit the spread of the virus and to mitigate its health and economic impacts across the State and plans to follow guidance and recommendations from health officials. See **APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO – FISCAL MATTERS – Outbreak of COVID-19** hereto for additional information.

THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be issued pursuant to the constitutional and statutory authorities described herein and the General Bond Order and the Series 2020B Order issued by the Treasurer. This Official Statement describes the Series 2020 Bonds only while the Series 2020 Bonds are in the Weekly Rate Period. Should the Series 2020 Bonds be converted to another Rate Period and/or if a Substitute Liquidity Facility is provided, a mandatory tender will occur and it is currently anticipated that a remarketing memorandum or remarketing circular will be distributed in connection with that remarketing. The Series 2020 Bonds are issuable in the form and denominations, and will be dated and mature, as described in this Official Statement. Computations of interest shall be based on 365-day or 366-day years for the actual number of days elapsed. The Series 2020 Bonds shall be fully registered bonds in the denomination of $100,000 or any integral multiple of $5,000 in excess thereof ("Authorized Denominations").

The Series 2020 Bonds are issued under the Trust Agreement and are payable from appropriations by the General Assembly for rental payments under the Lease.

U.S. Bank National Association, as Bond Registrar, will keep all books and records necessary for registration, exchange and transfer of the Series 2020 Bonds.

The Series 2020 Bonds shall bear interest at Weekly Rates from their date of issuance as described below. The Series 2020 Bonds are subject to optional and mandatory redemption prior to maturity. (See **THE SERIES 2020 BONDS – Redemption**) The Series 2020 Bonds are subject to optional and mandatory tender for purchase. (See **THE SERIES 2020 BONDS – Tender of the Series 2020 Bonds**) The Weekly Rates shall be determined as described below, and each determination of rate shall be conclusive and binding upon the Remarketing Agent, the Treasurer, the Bond Registrar, the Trustee, the Paying Agent, the Tender Agent and the Owners of the Series 2020 Bonds.

Interest on the Series 2020 Bonds

The Interest Payment Dates for the Series 2020 Bonds shall be June 1 and December 1, commencing June 1, 2021. Interest shall be payable on each Interest Payment Date by check to the registered owner as of the close of business on the appropriate Record Date.

The Series 2020 Bonds will initially bear interest at the Weekly Rate. The Weekly Rate shall be determined not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of each Weekly Rate Period (the "Rate Determination Date"). The Weekly Rate Periods shall commence initially, on the delivery date of the Series 2020 Bonds, and thereafter on Wednesday of each week and continue through the following Tuesday.

Each Weekly Rate shall be determined by the Remarketing Agent and shall represent the rate which, in the judgment of the Remarketing Agent, is the lowest rate of interest that would cause the Series 2020 Bonds (assuming all were then available for sale) to have a price equal to the principal amount thereof, plus accrued interest (if any), under prevailing market conditions (based on an examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to such Series 2020 Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) on the commencement date of the applicable Weekly Rate Period. In the event that the Remarketing Agent no longer determines, or fails to determine when required, any Weekly Rate for the Series 2020 Bonds, or if for any reason such manner of determination shall be determined to be invalid or unenforceable, the Weekly Rate for such Weekly Rate Period shall be the rate equal to the SIFMA Rate on the Rate Determination Date.

Notice of each Weekly Rate shall be given by the Remarketing Agent by Electronic Means to the Treasurer, the Bond Registrar, the Tender Agent and the Paying Agent not later than 4:00 p.m., New York City time on the Business Day next succeeding the Rate Determination Date and the Tender Agent shall make such rate or rates available to the Owners of the Series 2020 Bonds upon their request to the Tender Agent for such information. Notice of interest rates shall be given by Electronic Means by the Remarketing Agent to the Owners of the Series 2020 Bonds, initially through the MSRB's EMMA system.

Conversion

Upon the written direction of the Treasurer, the Series 2020 Bonds may be converted from the Weekly Rate Period to a different Rate Period on the day immediately following the end of a Weekly Rate Period, if such day is a Business Day. Different Rate Periods include a daily rate, quarterly rate, term rate and fixed rate, among other different, available Rate Periods. This Official Statement describes the Series 2020 Bonds only while the Series 2020 Bonds are in the Weekly Rate Period. Should the Series 2020 Bonds be converted, the Series 2020 Bonds shall be subject to mandatory tender and a remarketing memorandum or remarketing circular will be distributed describing such new mode in connection with a remarketing of the Series 2020 Bonds. Notice of such conversion and mandatory tender shall be given to Owners of the Series 2020 Bonds at least 25 days prior to the conversion and the mandatory tender date (the "Conversion Date").

Not later than the 15th day prior to the Conversion Date (or the immediately succeeding Business Day, if such 15th day is not a Business Day), the Treasurer may irrevocably withdraw the Treasurer's election to convert the Series 2020 Bonds and the Treasurer's notice of mandatory tender by giving written notice of such withdrawal to the Tender Agent, the Bond Registrar, the Paying Agent and the Remarketing Agent. In the event the Treasurer gives such notice of withdrawal, (i) the Tender Agent, not later than the 10th day prior to the Conversion Date, shall give written notice to the Owners of the Series 2020 Bonds that were to be converted and (ii) such Series 2020 Bonds shall continue to bear interest at the Weekly Rate. Failure by the Tender Agent to provide such notice to the Owners of the Series 2020 Bonds shall not affect the validity of the notice of withdrawal given by the Treasurer.

The conversion shall be conditioned upon determination of the new rate or rates of interest and delivery (not later than 10:00 a.m., New York City time, on the Conversion Date) of an opinion of Bond Counsel to the effect that such conversion is authorized by the Trust Agreement, and does not adversely affect the exclusion of interest on the Series 2020 Bonds from gross income for federal income tax purposes.

It is currently anticipated that, should any of the Series 2020 Bonds be converted, a remarketing memorandum or remarketing circular will be distributed describing such conversion and new Rate Period.

Tender of the Series 2020 Bonds

The Series 2020 Bonds shall be subject to tender as described below. In each case, such purchases shall be made at a purchase price (the "Purchase Price") equal to 100% of the principal amount to be purchased, plus unless the Purchase Date (as hereinafter defined) is a regularly scheduled Interest Payment Date, all accrued and unpaid interest thereon to the date of purchase thereof (the "Purchase Date"), which principal and interest components shall be applied to the purchase of the rights to receive such principal and interest, when and as the same is or becomes due, from the Owners of such rights. If the Purchase Date is a regularly scheduled Interest Payment Date, the Tender Agent shall pay each tendering Owner accrued and unpaid interest on such tendered Series 2020 Bond from the same source of funds and in the same manner as it, or the Paying Agent, if the Tender Agent is not the Paying Agent, pays accrued and unpaid interest to all non-tendering Owners on such Interest Payment Date. For so long as the Series 2020 Bonds are registered in book-entry form and the Securities Depository or its nominee is the sole Registered Owner of the Series 2020 Bonds, all tenders and deliveries of the Series 2020 Bonds will be accomplished under the procedures of the Securities Depository, initially DTC. (See **APPENDIX C - BOOK-ENTRY SYSTEM; DTC**)

Optional Tender. The Series 2020 Bonds are subject to tender at the option of the Owners for purchase at the applicable Purchase Price. Such optional tenders for purchase shall be permitted on any Business Day with prior notice given as described below. All Series 2020 Bonds or portions thereof tendered or retained shall be in denominations of $100,000 or integral multiples of $5,000 in excess thereof.

In the case of any tender for purchase at the option of an Owner, irrevocable notice of the exercise of such option, specifying the Purchase Date and the principal amount to be purchased, shall be given in writing delivered to the designated office of the Tender Agent, using the form or format provided or made available by the Tender Agent, not later than 5:00 p.m., New York City time, on a Business Day which is not less than seven (7) days prior to the Purchase Date.

The Purchase Price shall be payable (if a Series 2020 Bond is delivered to the Tender Agent not later than 12:00 noon, New York City time, on the Purchase Date) by the Tender Agent by wire transfer, transfer through DTC or at its designated office in immediately available funds, on the Purchase Date to the Owner thereof.

For information regarding the obligation to purchase optionally tendered, but unremarketed Series 2020 Bonds, see **THE SERIES 2020 BONDS - Remarketing of Tendered Series 2020 Bonds; Purchase by State as Provider of Self-Liquidity Facility** below.

Mandatory Tender. The Series 2020 Bonds are subject to mandatory tender for purchase on the Conversion Date and/or upon the date a Substitute Liquidity Facility is substituted for the Self-Liquidity Facility (a "Substitution Date"). A Conversion Date and/or Substitution Date is referred to herein as a "Mandatory Tender Date."

The Owners of the Series 2020 Bonds may not elect to retain their Series 2020 Bonds upon any Mandatory Tender Date. Any Owner, by its acceptance of the Series 2020 Bonds, agrees to tender the Series 2020 Bonds to the Tender Agent for purchase on dates on which such Series 2020 Bonds are subject to mandatory tender, and upon such transfer, to surrender such Series 2020 Bonds, properly endorsed for transfer in blank.

Not less than 30 days prior to the Mandatory Tender Date, the Treasurer shall give written notice of the same to the Tender Agent, the Bond Registrar and the Remarketing Agent, stating that the Series 2020 Bonds are to be converted and/or a Substitute Liquidity Facility is to be provided and setting forth the proposed Mandatory Tender Date, Rate Period and name of the Substitute Liquidity Provider, all to the extent applicable.

Not less than 25 days prior to the Mandatory Tender Date, the Tender Agent shall give written notice of mandatory tender to the Owners. Upon notice of the Treasurer's withdrawal of the Treasurer’s election to convert the Series 2020 Bonds from the Weekly Rate Period, and/or the Treasurer's election not to provide a Substitute Liquidity Facility, or the failure to meet the conditions to a conversion or to the provision of a Substitute Liquidity Facility, the Tender Agent shall give written notice not later than the 10th day prior to the Mandatory Tender Date (or the immediately succeeding Business Day if such 10th day is not a Business Day) to the Owners of such Series 2020 Bonds.

Purchase; Undelivered Bonds. On the Purchase Date designated for any Series 2020 Bond, if sufficient money for the payment of the Purchase Price of such Series 2020 Bond is held by the Tender Agent, interest on such Series 2020 Bond shall cease to accrue to the former Owner, such Series 2020 Bond shall be deemed to have been purchased pursuant to the Series 2020B Supplemental Trust Agreement, irrespective of whether or not such Series 2020 Bond shall have been presented to the

Tender Agent, and the former Owner of such Series 2020 Bond or interests therein shall have no claim thereunder or otherwise for any amount other than to receive the Purchase Price therefor.

Inadequate Funds for Tender. If the funds available for purchases of tendered Series 2020 Bonds are inadequate for the purchase of all such Series 2020 Bonds tendered on any Purchase Date, then all such Series 2020 Bonds shall bear interest from such date at the Maximum Rate and shall no longer be subject to optional or mandatory tender for purchase (except upon a conversion to a fixed rate); and the Tender Agent shall immediately (i) return all such tendered Series 2020 Bonds to the Owners thereof, (ii) return all money received for the purchase of such tendered Series 2020 Bonds to the persons providing such money, and (iii) give written notice to all Series 2020 Bond Owners. The obligation to deposit funds in sufficient amounts to purchase Series 2020 Bonds from amounts from the State's Self-Liquidity Facility or from remarketing proceeds will remain enforceable pursuant to the terms of the Series 2020B Supplemental Trust Agreement and only be discharged at such time as funds are deposited with the Tender Agent in an amount sufficient to purchase all of the Series 2020 Bonds that were required to be purchased on the prior optional tender date or Mandatory Tender Date, together with any interest which has accrued to such subsequent Purchase Date.

Remarketing of Tendered Series 2020 Bonds; Purchase by State as Provider of Self-Liquidity Facility

The Remarketing Agent shall, subject to the provisions of the Remarketing Agreement, offer for sale and use its best efforts to find purchasers (at par plus accrued interest, if any) for all Series 2020 Bonds or portions thereof properly tendered. Series 2020 Bonds shall not be remarketed to the State except for purchasing such Series 2020 Bonds in its capacity as the provider of the Self-Liquidity Facility pursuant to the Series 2020B Supplemental Trust Agreement. The Remarketing Agent shall cause the Purchase Price of all tendered Series 2020 Bonds that have been remarketed to be paid to the Tender Agent in immediately available funds at or before 2:00 p.m., New York City time, on the Purchase Date. Notwithstanding the foregoing, the Remarketing Agent shall not offer for sale any Series 2020 Bond as to which a notice of redemption or mandatory tender has been given unless the Remarketing Agent has advised the person to whom the offer is made of the notice of redemption or mandatory tender.

Not later than 2:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date, the Remarketing Agent is required to notify the Tender Agent of the amount of tendered Series 2020 Bonds which were remarketed and the amount of tendered Series 2020 Bonds which were not remarketed. If such notice indicates that any tendered Series 2020 Bonds were not remarketed, the Tender Agent shall notify the Treasurer of such fact not later than 4:00 p.m., New York City time on the Business Day immediately preceding the Purchase Date. Such notice shall include the amount of tendered Series 2020 Bonds which were not remarketed and are to become Liquidity Provider Bonds and the anticipated amount required to pay the Purchase Price of such Liquidity Provider Bonds.

Not later than 11:30 a.m., New York City time, on the Purchase Date, the Remarketing Agent is required to notify the Tender Agent, the Paying Agent and the Treasurer of the amount of tendered Series 2020 Bonds which were not remarketed and remarketed Series 2020 Bonds for which the Tender Agent does not have sufficient amounts on hand. Pursuant to the Series 2020B Supplemental Trust Agreement, the Treasurer will provide by 2:00 p.m., New York City time on such date, money to the Tender Agent to pay the Purchase Price of the Series 2020 Bonds which were not remarketed and remarketed Series 2020 Bonds for which the Tender Agent does not have sufficient amounts on hand, subject to the limitations described below under "**Liquidity**." If the Remarketing Agent does not notify the Tender Agent of the amount of Series 2020 Bonds that were remarketed and not remarketed, then the Tender Agent shall so advise the Remarketing Agent by telephone, and, absent a response to the contrary from the Remarketing Agent, the Tender Agent may deem all tendered Series 2020 Bonds to have failed to be remarketed and shall request the purchase of all such tendered Series 2020 Bonds pursuant to the Self-Liquidity Facility.

If (i) there is a default in the payment of principal or interest payable on the Series 2020 Bonds, (ii) the Self-Liquidity Facility is no longer in effect or (iii) any conditions set forth in the Remarketing Agreement to the performance of the Remarketing Agent's obligation thereunder to remarket tendered Series 2020 Bonds have not been satisfied, then the Remarketing Agent will not remarket any Series 2020 Bonds.

Liquidity

Liquidity to pay the Purchase Price of the Series 2020 Bonds that are tendered and not remarketed, and remarketed Series 2020 Bonds for which the Tender Agent does not have sufficient amounts on hand, will be provided by the State through the Treasurer's use of the investment portfolio of the State Treasury (the "Self-Liquidity Facility"). It is not anticipated that a liquidity facility will be provided by a third party. The Treasurer may, however, enter into one or more liquidity facility agreements (each a "Substitute Liquidity Agreement") which will require a financially responsible party or parties (a "Substitute Liquidity Provider") to purchase all or any portion of the Series 2020 Bonds tendered by the Holders thereof but not remarketed for purchase prior to maturity (a "Substitute Liquidity Facility"). In the event the Treasurer elects to provide a Substitute

Liquidity Facility, the Series 2020 Bonds shall be subject to mandatory tender on the Substitution Date. (See **THE SERIES 2020 BONDS – Tender of Series 2020 Bonds**)

Under an agreement of the State set forth in the Series 2020B Supplemental Trust Agreement to provide the Self-Liquidity Facility, the Treasurer has agreed, subject to the limitations described below, to use moneys in the investment portfolio of the State Treasury for the purchase, as an investment of the investment portfolio of the State Treasury, of those Series 2020 Bonds tendered for purchase but not remarketed by the Remarketing Agent and remarketed Series 2020 Bonds for which the Tender Agent does not have sufficient amounts on hand (such Series 2020 Bonds hereinafter referred to as "Liquidity Provider Bonds" pending their subsequent remarketing after the Purchase Date). **The Self-Liquidity Facility is limited to paying the Purchase Price of the Series 2020 Bonds that have been tendered and not remarketed (i.e., "liquidity support") and is not a commitment or agreement for the payment of the principal of or interest on the Series 2020 Bonds (i.e., "credit support") under the Trust Agreement**.

The Self-Liquidity Facility will expire on the final maturity date of the Series 2020 Bonds unless earlier terminated as provided below or if the Treasurer shall redeem or defease the Series 2020 Bonds.

The Self-Liquidity Facility shall automatically terminate without notice or payment and shall not be available for the purchase of Series 2020 Bonds tendered but not remarketed by the Remarketing Agent and remarketed Series 2020 Bonds for which proceeds are not on hand, in the event: (i) there occurs any failure to make timely payment of principal of, interest on or redemption premium, if any, required to be made on the Series 2020 Bonds; or (ii) the General Assembly fails in any State fiscal biennium to appropriate amounts to the DNR sufficient to meet its rental payment obligations to the OPFC under the Lease and the Lease is not reinstated, and in either of (i) or (ii) above such failure remains unremedied. (See **THE LEASE** herein) Anything in the Original Trust Agreement to the contrary notwithstanding, neither the failure of the Treasurer to pay the Purchase Price of any unremarketed Series 2020 Bonds tendered for purchase on a Purchase Date or remarketed Series 2020 Bonds for which the Tender Agent does not have sufficient amounts on hand, to pay or remit any moneys or perform or observe any covenant, agreement or condition relating to the Self-Liquidity Facility nor any failure to remedy the same, will constitute an Event of Default under the Trust Agreement.

There is no obligation to maintain any minimum balances within the investment portfolio of the State Treasury. No guarantee can be made that there will be sufficient monies within the investment portfolio of the State Treasury on any Purchase Date. With respect to moneys in the investment portfolio of the State Treasury: (i) none shall constitute part of the Pledged Receipts; (ii) only those monies that are legally available therefor may be used on such Purchase Date to purchase tendered Series 2020 Bonds that are not remarketed; and (iii) no such moneys shall be directly or indirectly required to be replaced or replenished by, any appropriations by the General Assembly of the State or any funds or other property or by the levy of taxes or excises. THE AGREEMENT TO PROVIDE THE SELF-LIQUIDITY FACILITY DOES NOT REPRESENT OR CONSTITUTE A DEBT OF THE STATE, THE TREASURER, THE DNR, THE OPFC OR ANY POLITICAL SUBDIVISION OF THE STATE, NOR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, THE TREASURER, THE DNR, THE OPFC OR ANY POLITICAL SUBDIVISION OF THE STATE. THE HOLDERS AND BENEFICIAL OWNERS OF THE SERIES 2020 BONDS WILL HAVE NO RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE GENERAL ASSEMBLY TO PAY THE PURCHASE PRICE OF TENDERED BUT UNREMARKETED SERIES 2020 BONDS.

Under the Trust Agreement, each owner or holder of any Series 2020 Bonds (or any interest therein), by its payment for and acceptance of such tendered but unremarketed Series 2020 Bonds (or such interest therein), is deemed to acknowledge and agree that no purchase by the Treasurer of any such Series 2020 Bonds (or any interests therein) in accordance with the Self-Liquidity Facility will effect any discharge, extinguishment, payment, redemption or cancellation of such Series 2020 Bonds (or any interest therein).

Any Series 2020 Bonds purchased and held by or on behalf of the Treasurer in accordance with the Self-Liquidity Facility will constitute Liquidity Provider Bonds and will bear interest (not exceeding the Maximum Rate). During the period the Series 2020 Bonds are Liquidity Provider Bonds, the Treasurer will be entitled to receive, from the Pledged Receipts, the payment of the principal of and interest on such Series 2020 Bonds, as the same shall become due and payable.

Nothing in the Self-Liquidity Facility is intended or may be construed to give to any Person, other than the Trustee, the Treasurer and the Owners of the Series 2020 Bonds, any legal or equitable right, remedy or claim under or with respect to the Self-Liquidity Facility or any covenants, conditions and provisions in the Self-Liquidity Facility, and no Remarketing Agent or other Person (other than the Trustee, the Treasurer and the Owners of the Series 2020 Bonds) will have any legal or equitable right, remedy or claim under or with respect to the Self-Liquidity Facility or any covenants, conditions or provisions therein. It is intended that the Self-Liquidity Facility and all of the covenants, conditions and provisions thereof will be for the sole and exclusive benefit of the Trustee, the Treasurer and the Owners of the Series 2020 Bonds, and not for the benefit of any other Person.

Registration, Payment and Transfer

The Series 2020 Bonds will be issued and issuable only as one fully registered bond in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, as Holder of the Series 2020 Bonds. The fully registered Series 2020 Bonds will be retained and immobilized in the custody of DTC. For discussion of the book-entry system and DTC, see **APPENDIX C – BOOK-ENTRY SYSTEM; DTC**. DTC (or any successor Securities Depository), or its nominee, for all purposes under the Trust Agreement will be considered to be the sole Holder of the Series 2020 Bonds.

Payments of Bond Service Charges on the Series 2020 Bonds

The principal of the Series 2020 Bonds will be payable to the Holder (initially DTC, or its nominee) upon presentation and surrender of the Series 2020 Bonds at the designated corporate trust office of the Trustee as Paying Agent for the Series 2020 Bonds. The Series 2020 Bonds will bear interest on their unpaid principal amounts payable on each Interest Payment Date to the Holder (initially DTC, or its nominee) at the address shown on the Bond Register as of the close of business on the Business Day next preceding such Interest Payment Date (the "Regular Record Date"); provided that, so long as the Series 2020 Bonds remain in book-entry form, the Trustee for the Series 2020 Bonds will make any payment of Bond Service Charges by wire transfer of funds on each Interest Payment Date. The Interest Payment Dates for the Series 2020 Bonds are June 1 and December 1, beginning June 1, 2021.

Redemption

Optional Redemption. The Series 2020 Bonds are subject to redemption prior to maturity at the option of the State, acting by and through the Treasurer, in whole or in part, (i) on any Conversion Date or Substitution Date, and (ii) on any day with 30 days' notice to the Owners of the Series 2020 Bonds, in each case at the redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date.

Mandatory Redemption. The Series 2020 Bonds shall be subject to Mandatory Sinking Fund Redemption by the Treasurer at a redemption price equal to 100% of the principal amount to be redeemed as shown below:

December 1 Year	Principal Amount	December 1 Year	Principal Amount
2033	$6,400,000	2037	$7,215,000
2034	6,595,000	2038	7,435,000
2035	6,795,000	2039	7,660,000
2036	7,005,000	2040*	7,895,000

*maturity

The Treasurer, at the Treasurer's option, may credit those Series 2020 Bonds which have been redeemed pursuant to optional redemption by the State (and not theretofore applied as a credit against any Mandatory Sinking Fund Redemption Requirement) against any of the Mandatory Sinking Fund Redemption Requirements shown above.

Notice and Procedure for Redemption

When notice of redemption is required, notice of call for redemption of any Series 2020 Bonds identifying the Series 2020 Bonds or portions thereof to be redeemed, the date fixed for redemption and the places where the amounts due upon that redemption are payable, will be given by the Trustee, on behalf of the Treasurer, by mailing a copy of the redemption notice, if applicable, no less than 30 days prior to the date fixed for redemption, to the Holders of the Series 2020 Bonds to be redeemed as shown on the Bond Register, at the address then appearing on the Bond Register; provided that failure to receive notice, or any defect in that notice as to any Series 2020 Bond will not affect the validity of the proceedings for the redemption of any other Series 2020 Bond. So long as the Series 2020 Bonds remain in book-entry form, the Trustee will send the notice for those Series 2020 Bonds to the Securities Depository, currently DTC, or its nominee. Any failure of the Securities Depository to notify any Direct or Indirect Participant, or of any Direct or Indirect Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2020 Bonds.

Selection of Series 2020 Bonds to be Redeemed

If fewer than all of the Series 2020 Bonds are to be called for redemption at one time, the Treasurer will determine the maturities of the Series 2020 Bonds to be redeemed. If fewer than all of the Series 2020 Bonds of a single maturity are to be redeemed, the selection of the Series 2020 Bonds to be redeemed, or portions thereof in minimum amounts of $100,000 and multiples of $5,000 in excess thereof, will, so long as such Series 2020 Bonds remain in book-entry form, be made by the Securities Depository and its participants as of the Record Date. If the Series 2020 Bonds are not then in a book-entry form and if less than all of the Series 2020 Bonds of a single maturity are to be redeemed, the selection of Series 2020 Bonds or portions thereof in minimum amounts of $100,000 or in an integral multiple of $5,000 in excess thereof to be redeemed, will be made by the Treasurer in any manner in which the Treasurer shall determine. The unredeemed principal amount of the Series 2020 Bonds shall be equal to Authorized Denominations; and provided further that Liquidity Provider Bonds will be redeemed before any other Series 2020 Bonds.

For so long as the Series 2020 Bonds are registered in book-entry form and the Securities Depository or its nominee is the sole Registered Owner of the Series 2020 Bonds, the Bond Registrar will give notice of redemption only to the Securities Depository, currently DTC or its nominee, as Registered Owner. The allocation and the selection of the book-entry interests of Series 2020 Bonds to be redeemed, and the notice thereof from the Securities Depository, currently DTC or its nominee, will be by and is the sole responsibility of DTC and its Direct Participants and those working through those Direct Participants.

Sources and Uses of Bond Proceeds

The proceeds of the Series 2020 Bonds will be applied for the following uses and purposes:

Sources of Funds:	
Par Amount	$57,000,000.00
Total Sources	$57,000,000.00
Uses of Funds:	
Deposit to Improvement Fund[1]	$56,764,879.45
Financing Costs[2]	235,120.55
Total Uses	$57,000,000.00

[1] Referred to as the "Parks and Recreation Improvement Fund" herein.
[2] Includes underwriter's discount, certain legal fees, printing costs and other costs of issuance.

THE BONDS GENERALLY

Constitutional and Statutory Authorization

The Series 2020 Bonds are authorized under Section 2i of Article VIII of the Ohio Constitution. This constitutional amendment, adopted in November 1968, authorized the issuance of State special obligation bonds or notes for the purpose of paying the Costs of Capital Facilities for housing branches and agencies of state government. Chapter 154 of the Revised Code (the "Act") implements the bond issuing aspects of that constitutional provision. The "issuing authority" for the Series 2020 Bonds is the Treasurer. The Treasurer is part of the executive department of the State and is a key officer of the State elected to office for a four-year term.

Prior Bonds and Additional Bonds

The OPFC previously issued several series of bonds for the Parks and Recreation Improvement Fund under the Parks and Recreation Prior Trust Agreement, each issued for the purpose of financing or refinancing the Costs of Capital Facilities for parks and recreation purposes. The Treasurer has the authority to issue Obligations, including the Series 2020 Bonds and any subsequent Additional Bonds under the Trust Agreement, for the purpose of paying Costs of Capital Facilities in an amount not exceeding the amount authorized by the General Assembly (See **APPENDIX A – INFORMATION CONCERNING THE STATE OF OHIO -- STATE DEBT – Constitutional Limitation on Annual Debt Service**) or for the purpose of refunding one or more series or one or more maturities within a series of Prior Bonds or Obligations previously issued under the Trust

Agreement. Any Additional Bonds will be payable from the Pledged Receipts under the Trust Agreement, on a parity basis with the Series 2020 Bonds and any other Obligations outstanding under the Trust Agreement. (See **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**)

Security

The Series 2020 Bonds are special obligations of the State issued by the Treasurer under and pursuant to the Trust Agreement. The Series 2020 Bonds are payable solely from, and together with any Additional Bonds and any other Obligations outstanding under the Trust Agreement, are equally and ratably secured by a pledge of the Pledged Receipts. See **Rental Payments and Related Budget Requirements** below.

The Series 2020 Bonds are payable from appropriations by the General Assembly for rental payments under the Lease.

The Series 2020 Bonds will be entitled only to the security afforded by the Pledged Receipts under the Trust Agreement on a parity basis with Additional Bonds and any other Obligations issued under the Trust Agreement. Neither the financed Projects nor any interest therein is pledged or mortgaged as security for the Series 2020 Bonds, nor will the OPFC, the Trustee or the Treasurer have the right to take possession of or operate the Projects upon a default under, or termination of, the Lease. (See **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**)

The proceeds of the Series 2020 Bonds deposited in the Parks and Recreation Improvement Fund maintained in the custody of the Treasurer are not held by the Trustee under the Trust Agreement. Funds in the Parks and Recreation Improvement Fund are not pledged as security for the Series 2020 Bonds or any other bonds issued by the Treasurer. (See **PARKS AND RECREATION IMPROVEMENT FUND**)

Rental Payments and Related Budget Requirements

The Lease requires payment of Basic Rent in an amount at least equal to: (i) Bond Service Charges on all outstanding Obligations issued under the Trust Agreement (whether due as scheduled, as a result of a call for redemption or as a result of an acceleration of principal and interest on such Obligations); and (ii) such sums, if any, as shall be necessary to maintain any applicable Required Reserve in the Bond Service Reserve Account (no Required Reserve is provided for or required with respect to the Series 2020 Bonds or any Obligations previously issued under the Trust Agreement). The Lease also requires payment of Additional Rent in an amount equal to certain administrative fees, expenses and obligations other than Bond Service Charges incurred by the Treasurer and amounts sufficient to pay any rebate amount or other related payments to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2020 Bonds pursuant to Section 148(f) of the Code, to the extent not available from other sources.

The Lease requires the OPFC (by and through the Treasurer) to periodically prepare and submit to the DNR reports estimating the rental payments to be due thereunder, taking into account existing monies on deposit in the Bond Service Fund, which reports must be confirmed by the Director of the State's Office of Budget and Management. The obligation of the DNR to make rental payments pursuant to the Lease is expressly made subject to the appropriation of moneys by the General Assembly for such purpose. Under the Ohio Constitution, an appropriation may not be made beyond the fiscal biennium. The term of the Lease expires no later than the end of each State fiscal biennium (currently June 30 of each odd-numbered year, *e.g.*, June 30, 2021), unless the General Assembly has appropriated funds for the purpose of paying the rents and other sums payable thereunder for the next succeeding State fiscal biennium. The term of the Lease will be renewed for an additional term not exceeding two years (commencing on the first day of the new State fiscal biennium) upon such appropriations becoming effective on or prior to the beginning of each State fiscal biennium (currently July 1 of each odd-numbered year, e.g., July 1, 2021). The present obligation of the DNR to make rental payments under the Lease will continue, so long as the Lease is renewed, until all Obligations issued under the Trust Agreement have been paid. So long as the Lease remains in effect, the obligation of the DNR to make its rental payments thereunder in amounts sufficient to pay the Bond Service Charges and for other purposes set forth above is absolute and unconditional, subject only to the availability of moneys appropriated for such purpose. In the Lease, the DNR has agreed to submit budget requests in accordance with applicable laws in amounts sufficient to pay rental payments under the Lease.

The obligation of the DNR to make rental payments under the Lease is subject to and dependent upon biennial appropriations for the DNR being made by the General Assembly for such purpose. As noted above, the General Assembly may not, under the provisions of the Ohio Constitution, make appropriations for a period longer than two years. While the Treasurer and the OPFC expect that the General Assembly will, for each State fiscal biennium, continue to appropriate amounts to the DNR sufficient to meet its rental payment obligations to the OPFC under the Lease consistent with the State budget, the General Assembly is not under a legal obligation to make appropriations in accordance with such State budgets for future State fiscal biennia. Accordingly, none of the Treasurer, the OPFC or the DNR can make any assurance that appropriations will be made.

THE SERIES 2020 BONDS ARE SPECIAL OBLIGATIONS OF THE STATE ISSUED BY THE TREASURER PAYABLE SOLELY FROM THE PLEDGED RECEIPTS UNDER THE TRUST AGREEMENT. THE SERIES 2020 BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE STATE, THE TREASURER, THE DNR, THE OPFC OR ANY POLITICAL SUBDIVISION OF THE STATE, NOR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, THE TREASURER, THE DNR, THE OPFC OR ANY POLITICAL SUBDIVISION OF THE STATE. THE HOLDERS AND BENEFICIAL OWNERS OF THE SERIES 2020 BONDS WILL HAVE NO RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE GENERAL ASSEMBLY FOR THE PAYMENT OF THE BOND SERVICE CHARGES ON THE SERIES 2020 BONDS. (See **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**)

CONTEMPORANEOUS FINANCING

The State, acting by and through the Treasurer, intends to issue $56,300,000 in par amount of fixed rate bonds for the State's Parks and Recreation Improvement Fund program and $58,960,000 in par amount of fixed rate taxable refunding bonds for the State's Administrative Building Fund program, pursuant to a separate offering document. The fixed rate bonds for the State's Parks and Recreation Improvement Fund program will be in a common plan of finance with the Series 2020 Bonds and will be parity Obligations. Those bonds will be issued and delivered contemporaneously with the Series 2020 Bonds.

THE PROJECTS

The Parks and Recreation Projects financed with proceeds from the Parks and Recreation Bonds include a portion of the costs of various Capital Facilities of the DNR as provided in the General Assembly appropriation acts. These capital improvements consist of acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, improving, altering, equipping and furnishing such facilities, including the sites therefor.

DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources (the "DNR") is one of many administrative departments of the State. Among other duties, the DNR has the responsibility for providing, operating and maintaining a system of state parks and promoting their use by the public. The Director of DNR is appointed by the Governor with the advice and consent of the Senate. Through its Division of Parks and Watercraft, DNR plans, constructs, equips and furnishes public service facilities in State parks. Other DNR divisions include Forestry, Geological Survey, Engineering, Soil and Water Resources, Wildlife, Natural Areas and Preserves, Mineral Resources Management, Oil & Gas Resources Management and Office of Coastal Management. Various administrative services are provided by DNR Administration, Office of Budget and Finance, Office of Information Technology, Office of Law Enforcement and Office of Human Resources and Office of Communications.

PARKS AND RECREATION IMPROVEMENT FUND

The Parks and Recreation Improvement Fund was created by the General Assembly in the State treasury as a separate account in the custody of the Treasurer. A portion of the proceeds from the sale of the Series 2020 Bonds will be deposited in the Parks and Recreation Improvement Fund. (See **THE SERIES 2020 BONDS – Sources and Uses of Bond Proceeds**) Moneys in the Parks and Recreation Improvement Fund are applied and disbursed for the payment or reimbursement of Costs of Capital Facilities incurred for and in connection with the Parks and Recreation Projects for the DNR and are invested and reinvested in accordance with law and in accordance with procedures therefor established by the Treasurer, the DNR and the Director of Budget and Management. Any investment income or moneys in the Parks and Recreation Improvement Fund shall be credited to that fund, but may be transferred to the applicable Administrative Service Fund to pay any rebate amount, or to pay an amount in lieu of or in addition to any rebate amount to be paid to the United States of America to maintain the exclusion from gross income for federal income tax purposes of interest on bonds, including the Parks and Recreation Bonds, pursuant to Section 148(f) of the Code.

Moneys on deposit in the Parks and Recreation Improvement Fund are not pledged to the payment of Bond Service Charges on the Parks and Recreation Bonds or any other Obligations issued by the Treasurer.

OHIO PUBLIC FACILITIES COMMISSION

The Ohio Public Facilities Commission (the "OPFC") is a body politic and corporate, constituting an agency and instrumentality of the State and performing essential functions of the State. It is comprised of six members, being the incumbents in the elective offices of Governor (Mike DeWine), Attorney General (Dave Yost), Auditor of State (Keith Faber), Secretary of State (Frank LaRose), Treasurer of State (Robert Cole Sprague), and the Director of Budget and Management (Kimberly

Murnieks, appointed by the Governor with the consent of the Senate, and serving at the pleasure of the Governor). The Governor serves as the Chair, the Treasurer of State as the Treasurer and the Director of Budget and Management as the Secretary of the Commission. The current elective terms run to January 2023. Commission members may, at Commission meetings, act through appointed designees.

THE TRUST AGREEMENT

The Trust Agreement provides for a pledge of the Pledged Receipts (primarily the Basic Rent payable under the Lease) by the State to the Trustee, for the benefit of Holders of the Obligations issued under the Trust Agreement, including the Series 2020 Bonds. All outstanding Obligations issued under the Trust Agreement are equally and ratably secured, without distinction by reason of series designation, number, date of authorization, issuance, sale, execution or delivery, or issue date or of maturity, by the pledge of the Pledged Receipts to the extent provided in, and except as otherwise permitted by, the General Bond Order.

Nothing in the Act, the General Bond Order, the Trust Agreement or other Bond Proceedings gives the holders of Obligations, and they do not have, the right to have the General Assembly levy any excises or taxes for the payment of Bond Service Charges; each Obligation bears on its face a statement to that effect and to the effect that the right of Bondholders to the payment of Bond Service Charges is limited to payment from the Pledged Receipts, the Bond Service Account, and any other source of moneys as provided in the General Bond Order and in the Series 2020B Order. However, nothing in the Trust Agreement or in other Bond Proceedings shall be deemed to prohibit the Treasurer or the State, of the Treasurer's or the State's own volition, from using to the extent lawfully authorized to do so any other resources for the fulfillment of the terms, conditions or obligations of the Bond Proceedings and the Obligations.

The Trust Agreement is an essential document for the security of the Series 2020 Bonds and should be read in its entirety. For additional information and a document summary of the Trust Agreement, see **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**. Copies of the Trust Agreement and the Lease are available upon request from the Office of Debt Management, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215 (telephone (614) 466-7752).

THE LEASE

The Act provides that the OPFC may lease any Capital Facilities to, and make or provide for other agreements with respect to the use or purchase of such Capital Facilities with, the DNR and, with its approval, any governmental agency having authority under law to operate such Capital Facilities. The OPFC and the DNR have previously entered into the Lease and will enter into a supplemental lease agreement in connection with the Projects to be financed with proceeds of the Series 2020 Bonds and the issuance of the Series 2020 Bonds. An additional supplemental lease agreement will be entered into in connection with each issue of Additional Bonds under the Trust Agreement identifying the Projects to be financed or refinanced and providing for the related rentals.

The agreement of the DNR to make rental payments pursuant to the Lease, and to perform other obligations involving expenditures thereunder, at the times and in the amounts provided for in the Lease, is effective and binding upon the DNR only when and to the extent that funds have been appropriated by the General Assembly and are available for that purpose. Under the Ohio Constitution, an appropriation may not be made beyond the fiscal biennium, and the Lease may be renewed only for two-year periods. Under the terms of the Lease, a failure by the General Assembly to appropriate moneys at least equal to Bond Service Charges for the Lease, amounts the OPFC estimates are necessary for Additional Rent under the Lease, and other sums payable under the Lease for the next State fiscal biennium would result in the termination of the Lease at the end of the two-year term then in effect. The Lease will, however, be fully reinstated, as if it had never been terminated, provided (a) all overdue installments, if any, of interest on outstanding Obligations, all principal of all Obligations then outstanding which have become due and payable otherwise than by acceleration, if any, in accordance with the terms of the Trust Agreement, and all other sums then payable under or pursuant to the Trust Agreement (except the principal of and the interest on such Obligations which by such acceleration shall have become due and payable) shall have been paid, and such acceleration, if any, shall have been duly rescinded and annulled, and (b) the General Assembly shall have appropriated funds to enable the DNR to pay or provide for the payment of the amounts to be paid under the Lease, then in such event the Lease shall be fully reinstated, as if it had never been terminated.

Under the provisions of the Ohio Constitution, appropriations by the General Assembly may not be made for a period longer than the fiscal biennium, which begins July 1 and ends June 30 in each odd-numbered year. While the Treasurer and the OPFC expect that for each State fiscal biennium the General Assembly will appropriate amounts to the DNR estimated to be sufficient to meet payments under the Lease consistent with the State budget, the General Assembly is not under a legal obligation to make such appropriations to the DNR. Accordingly, none of the Treasurer, the OPFC or the DNR can make any assurance that appropriations will be made. Section 2i of Article VIII of the Ohio Constitution and the Act provide that the owners and Holders of the Series 2020 Bonds are not given the right to have excises or taxes levied by the General Assembly for the payment of principal or interest thereon.

The Lease is an essential document for the security of the Series 2020 Bonds and should be read in its entirety. For additional information and a document summary of the Lease, see **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE**. Copies of the Lease are available upon request from the Office of Debt Management, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215 (telephone (614) 466-7752).

REMARKETING AGREEMENT AND REMARKETING AGENT

Barclays Capital Inc. (the "Remarketing Agent") and the State, acting by and through the Treasurer, will enter into a Remarketing Agreement (the "Remarketing Agreement") relating to the Series 2020 Bonds. Pursuant to the Series 2020B Supplemental Trust Agreement and the Remarketing Agreement, the Remarketing Agent is appointed as the initial Remarketing Agent for the Series 2020 Bonds.

Under the Series 2020B Supplemental Trust Agreement and the Remarketing Agreement, the Remarketing Agent may be removed by the State on 30 days' written notice. The Remarketing Agent may resign and be discharged of the duties and obligations created by the Remarketing Agreement at any time by giving at least 90 days' written notice. A successor Remarketing Agent may be appointed by the State.

REMARKETING

Special Considerations Relating to the Series 2020 Bonds

The Remarketing Agent is Paid by the State**.** The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing the Series 2020 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Trust Agreement, all as further described in this Official Statement). The Remarketing Agent is appointed by the State and is paid by the State for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Holders and potential purchasers of the Series 2020 Bonds.

The Remarketing Agent Routinely Purchases Series 2020 Bonds for its Own Account**.** The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own accounts. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2020 Bonds for its own account and, in its sole discretion, may acquire such tendered Series 2020 Bonds in order to achieve a successful remarketing of the Series 2020 Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2020 Bonds at the set interest rates) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2020 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2020 Bonds by purchasing and selling Series 2020 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2020 Bonds. The Remarketing Agent may also sell any Series 2020 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce their exposure to the Series 2020 Bonds. The purchase of Series 2020 Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2020 Bonds in the market than is actually the case. The practices described above may also result in fewer Series 2020 Bonds being tendered in a remarketing.

Series 2020 Bonds may be Offered at Different Prices on Any Date Including a Rate Determination Date**.** Pursuant to the Trust Agreement and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2020 Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Series 2020 Bonds (including whether the Remarketing Agent is willing to purchase Series 2020 Bonds for its own accounts). There may or may not be Series 2020 Bonds tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Series 2020 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2020 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the Series 2020 Bonds at the remarketing price. In the event the Remarketing Agent owns any Series 2020 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2020 Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Series 2020 Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Series 2020 Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Series 2020 Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Series 2020 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2020 Bonds other than by tendering the Series 2020 Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent may be Removed, Resign or Cease Remarketing the Series 2020 Bonds, Without a Successor Being Named. Under certain circumstances, the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement.

TAX MATTERS

General

In the opinion of Ice Miller LLP, Bond Counsel to the Treasurer, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the Series 2020 Bonds, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, are free from taxation within the State of Ohio. Interest on the Series 2020 Bonds may be subject to certain federal taxes imposed only on certain corporations, and certain taxpayers may have other federal tax consequences as a result of owning the Series 2020 Bonds. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2020 Bonds.

The opinion on tax matters is based on and assumes the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the State contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2020 Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the certifications and representations, or the continuing compliance with covenants, of the State.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2020 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excludable from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the State may cause loss of such status and result in the interest on the Series 2020 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2020 Bonds. The State has covenanted to take the actions required of it for the interest on the Series 2020 Bonds to be and to remain excludable from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2020 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds or the market value of the Series 2020 Bonds.

Interest on the Series 2020 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2020 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2020 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2020 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Prospective purchasers of the Series 2020 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2020 Bonds at other than their original issuance at the prices indicated on the Cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2020 Bonds, under current IRS procedures, the IRS will treat the State as the taxpayer and the owners and Beneficial Owners of the Series 2020 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2020 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market values of the Series 2020 Bonds. Bond Counsel's engagement with respect to the Series 2020 Bonds ends with the issuance of the Series 2020 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the State, the Treasurer, the DNR, the OPFC or owners or Beneficial Owners of the Series 2020 Bonds regarding the tax status of interest on the Series 2020 Bonds in the event of an audit examination by the IRS.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2020 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2020 Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2020 Bonds or the market value or marketability of the Series 2020 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2020 Bonds from gross income for federal income tax purposes or of the Series 2020 Bonds from gross income for state income tax purposes for all or certain taxpayers.

For example, recent federal tax reform reduced corporate tax rates, modified individual tax rates, eliminated and/or reduced many deductions, repealed the federal corporate alternative minimum tax for corporate taxable years beginning on and after January 1, 2018, and eliminated tax-exempt advance refundings for tax-exempt obligations, among other things. These reforms and future reforms may increase, reduce or otherwise change the financial benefits provided to certain owners of state and local government bonds. Additionally, investors in the Series 2020 Bonds should be aware that future legislative actions (including additional federal tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2020 Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2020 Bonds may be affected and the ability of holders to sell their Series 2020 Bonds in the secondary market may be reduced. The Series 2020 Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2020 Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2020 Bonds.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

LITIGATION

There is no litigation pending contesting the validity of the Series 2020 Bonds or the proceedings for their authorization, issuance, sale, execution and delivery. A no-litigation certificate to that effect will be delivered to the Underwriter at the time of original delivery of the Series 2020 Bonds.

The Treasurer, the DNR, the OPFC and the State are parties to various legal proceedings seeking damages or injunctive relief, which are generally incidental to their respective operations, but unrelated to the security for the Series 2020 Bonds. The ultimate disposition of these proceedings is not presently determinable, but in the opinion of the Ohio Attorney General will not have a material adverse effect on the Series 2020 Bonds or the security for the Series 2020 Bonds.

LEGAL OPINIONS

Legal matters incident to the issuance of the Series 2020 Bonds and with regard to the tax-exempt status of the interest thereon (see **TAX MATTERS**) are subject to the approving legal opinion of Ice Miller LLP, Bond Counsel. The signed legal opinion for the Series 2020 Bonds dated as of, and premised on the transcript of proceedings examined and law in effect on, the date of original delivery of the Series 2020 Bonds, will be delivered to the Underwriter at the time of that original delivery.

The proposed text of Bond Counsel's legal opinion is set forth as **EXHIBIT A** hereto. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution by recirculation of the Official Statement or otherwise should not create any implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referred to in the opinion subsequent to its date.

Certain legal matters will be passed upon for the Treasurer by his counsel, Dave Yost, Attorney General of Ohio, and Dinsmore & Shohl LLP, which is serving as Issuer Counsel and Disclosure Counsel to the Treasurer. Certain legal matters also will be passed upon for the DNR by the Attorney General of Ohio. Certain legal matters will be passed upon for the Underwriter by Calfee, Halter & Griswold LLP.

RATINGS

In response to the Treasurer's application, the Series 2020 Bonds have been assigned the long and short-term ratings of AA/F1+ (stable outlook) by Fitch Ratings ("Fitch"), Aa2/VMIG 1 (stable outlook) by Moody's Investors Service, Inc. ("Moody's") and AA/A-1+ (stable outlook) by S&P Global Ratings, a division of S&P Global Inc. ("S&P").

The ratings in effect from time to time reflect only the views of the particular rating organization. The explanation of its views of its ratings' meaning and significance may be obtained from the respective rating agency. The State and the Treasurer furnished to each rating agency certain information and materials, some of which may not be included in this Official Statement, relating to the Series 2020 Bonds and other obligations, the State, the Treasurer and the DNR. Generally, rating agencies base their ratings on that information and materials, and on their own investigations, studies and assumptions.

There can be no assurance that the ratings assigned will continue for any given time, or that a rating will not be lowered or withdrawn by a rating agency if in its judgment circumstances so warrant. Any downward change in or withdrawal of a rating, or change in rating outlook or other actions of a rating agency, may have an adverse effect on the marketability and market price of the Series 2020 Bonds.

UNDERWRITING

Barclays Capital Inc. ("Barclays"), as Underwriter, will agree, subject to certain conditions, to purchase the Series 2020 Bonds from the Treasurer at a price of $56,920,597.70 (consisting of the par amount thereof ($57,000,000.00) less underwriter's discount ($79,402.30)).

The Underwriter is obligated to purchase all of the Series 2020 Bonds if any Series 2020 Bonds are purchased. The Underwriter may offer the Series 2020 Bonds to certain dealers (including dealers depositing the Series 2020 Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices different from the public offering prices, and may change the public offering prices from time to time.

Barclays is serving as both Underwriter and, initially, as Remarketing Agent on this transaction.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc. (the "Municipal Advisor") is serving as the municipal advisor to the Treasurer in connection with the issuance and sale of the Series 2020 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

TRANSCRIPT AND CLOSING CERTIFICATES

Upon delivery of the Series 2020 Bonds, a complete transcript of proceedings and no-litigation certificate (as described above) will be delivered by the Treasurer to the Underwriter. At that time, the Treasurer will furnish to the Underwriter a certificate relating to the accuracy and completeness of this Official Statement (including matters set forth in or contemplated by it), and to its being a "final official statement" for purposes of Securities and Exchange Commission (SEC) Rule 15c2-12(b).

CONTINUING DISCLOSURE AGREEMENT

The Treasurer and the Ohio Office of Budget and Management, each on behalf of the State (the "Obligated Person"), have agreed, for the benefit of the Holders and Beneficial Owners of the Series 2020 Bonds, in accordance with SEC Rule 15c2-12 (the "Rule"), to provide or cause to be provided such financial information and operating data (the "Annual Information"), audited financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5)(i) of the Rule (the "Continuing Disclosure Agreement").

The Treasurer and the Ohio Office of Budget and Management on the State's behalf, will provide to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system:

- Annual Information for each State Fiscal Year (beginning with Fiscal Year 2020) not later than the 90th day following the end of the Fiscal Year (or, if that is not a State business day, the next State business day), consisting of annual financial information and operating data of the type included in **APPENDIX A** of this Official Statement under the captions **FISCAL MATTERS**, **STATE DEBT**, **STATE EMPLOYEES AND COLLECTIVE BARGAINING AGREEMENTS, RETIREMENT SYSTEMS** and **TAX LEVELS AND TAX BASES**. The Treasurer expects that Annual Information will be provided directly by the State (specifically, by OBM) and may be provided in part by cross-reference to other documents, such as the State's Comprehensive Annual Financial Report, and subsequent final official statements.

- When and if available, audited general purpose financial statements of the State for each Fiscal Year. The Treasurer expects that those financial statements will be prepared, that they will be available separately from the Annual Information, and that the accounting principles to be applied in their preparation will, except as may otherwise then be stated, be as described under and by reference in **APPENDIX A** under **FISCAL MATTERS - Accounts and Controls**; **Financial Report**.

- Notice of the occurrence of any of the following events, within the meaning of the Rule, with respect to the Series 2020 Bonds within 10 business days of its occurrence:

  - principal and interest payment delinquencies

  - non-payment related defaults, <u>if material</u>

  - unscheduled draws on any debt service reserves or on credit enhancements reflecting financial difficulties

  - substitution of credit or liquidity providers, or their failure to perform

  - adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 Bonds

  - modifications to rights of Series 2020 Bond holders, <u>if material</u>

  - Series 2020 Bond calls, <u>if material</u>, and tender offers

  - defeasances

  - release, substitution, or sale of property securing repayment of the Series 2020 Bonds, <u>if material</u>

  - rating changes

  - bankruptcy, insolvency, receivership or similar event of the Obligated Person

  - the consummation of a merger, consolidation, or acquisition involving the Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, <u>if material</u>

- appointment of a successor or additional trustee or the change of the name of a trustee, <u>if material</u>

- incurrence of a Financial Obligation of the Obligated Person, <u>if material</u>, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, <u>if material</u>

- default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties

- Notice of the failure to provide the Annual Information within the specified time.

- Notice of any material change in the accounting principles applied in the preparation of the annual financial statements or in the Fiscal Year, any failure of the General Assembly to appropriate moneys for the purpose of paying costs to be incurred by the State in performing the Continuing Disclosure Agreement for the applicable fiscal period (biennium), and termination of the Agreement.

There are no debt service reserves, or credit enhancements or credit providers, for the Series 2020 Bonds, or any property (except the Bond Service Fund) securing repayment for the Series 2020 Bonds.

The Treasurer reserves the right to amend the Continuing Disclosure Agreement, and to obtain the waiver of noncompliance with any provision of the Continuing Disclosure Agreement, as may be necessary or appropriate for any of the following:

- To achieve compliance with any applicable federal securities law or rule.

- To cure any ambiguity, inconsistency or formal defect or omission.

- To address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person.

Any such amendment or waiver will not be effective unless the Continuing Disclosure Agreement (as amended or taking into account the waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Series 2020 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Treasurer shall have received either:

- A written opinion of bond or other qualified independent special counsel selected by the Treasurer that the amendment or waiver would not materially impair the interest of holders or Beneficial Owners of the Series 2020 Bonds, or

- The written consent to the amendment, or waiver, by the holders of at least a majority of the aggregate outstanding principal amount of the Series 2020 Bonds.

The Continuing Disclosure Agreement will be solely for the benefit of the holders and beneficial owners of the Series 2020 Bonds including holders of book-entry interests in them. The right to enforce the provisions of the Continuing Disclosure Agreement may be limited to a right of the holders or beneficial owners to enforce to the extent permitted by law (by mandamus, or other suit, action or proceedings at law or in equity) the obligations and duties under it.

In order to provide certain continuing disclosure with respect to the Series 2020 Bonds in accordance with the Rule, the State has entered into a Disclosure Dissemination Agent Agreement (the "Disclosure Dissemination Agreement") for the benefit of the holders of the Series 2020 Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the State has designated DAC as Disclosure Dissemination Agent ("Disclosure Dissemination Agent").

The Disclosure Dissemination Agent has only the duties specified in the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the State has provided that information to the Disclosure Dissemination Agent as required by that Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement or duty or obligation to review or verify any information contained within any disclosure or notices provided to it by the State, and the Disclosure Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the State, the holders of the Series 2020 Bonds or any other party. The Disclosure Dissemination Agent has no responsibility for any failure to report to the Disclosure Dissemination Agent any event requiring disclosure or a duty to determine the materiality thereof, or to determine or liability for failing to determine whether the State has complied with the Continuing Disclosure Agreement, and the Disclosure Dissemination Agent may conclusively rely upon certification of the State at all times.

The performance by the Treasurer or the Ohio Office of Budget and Management acting for the State, as the only Obligated Person with respect to the Series 2020 Bonds, of the Continuing Disclosure Agreement will be subject to the biennial appropriation by the General Assembly of moneys for that purpose.

The Continuing Disclosure Agreement will remain in effect only for such period that the Series 2020 Bonds are outstanding in accordance with their terms and the State remains an Obligated Person with respect to the Series 2020 Bonds within the meaning of the Rule.

During the past five years the State has complied in all material respects with its continuing disclosure agreements under the Rule relating to the State's special obligation bonds, the debt service on which is subject to biennial appropriations by the General Assembly.

On August 30, 2018, Moody's upgraded the ratings of the State of Ohio (Ohio Centric Student Loan Program) Student Loan Senior Revenue Bonds, Series 2006A, State of Ohio Student Loan Senior Revenue Bonds, Series 2002A-2 (Ohio Centric Student Loan Program) and State of Ohio Student Loan Senior Revenue Bonds, Series 2001A (Ohio Centric Student Loan Program) that were issued by the Treasurer. A material event notice regarding these rating changes was filed on July 16, 2019 together with a notice of failure to file such material event notice.

The State's Annual Information Filing for Fiscal Year 2019 filed on September 26, 2019 with the MSRB through its EMMA system inadvertently omitted information relating to the Portsmouth Bypass Project. Notice of such omission and a supplement to the Annual Information Filing for Fiscal Year 2019 containing the information relating to the Portsmouth Bypass Project was filed with EMMA on November 5, 2019. In addition, the Annual Information Filing for Fiscal Year 2019 was not associated with a CUSIP for the State's Infrastructure Improvement Refunding Bonds, Series 2002A; the Annual Information Filing for Fiscal Year 2019 and supplemental information was linked to this CUSIP on November 5, 2019. The State has put processes in place to ensure full compliance with its continuing disclosure agreements going forward.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEYS SECURITY

Provided that the matter as to a particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, under the Act the Series 2020 Bonds are lawful investments for banks, societies for savings, savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies (including domestic for life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of the State, the commissioners of the sinking fund of the State, the administrator of workers' compensation, and State retirement systems (teachers, public employees, school employees and police and fire).

The Act also provides that the Series 2020 Bonds are acceptable under Ohio law as security for the repayment of the deposit of public moneys.

Owners of book-entry interests in the Series 2020 Bonds should make their own determination as to such matters as the legality of investment in or the ability to pledge book-entry interests.

CONCLUDING STATEMENT

All quotations in this Official Statement from, and summaries and explanations of, the Ohio Constitution, the Revised Code, the Trust Agreement, the Lease, the General Bond Order and the Series 2020B Order do not purport to be complete. Reference is made to the pertinent provisions of the Ohio Constitution, the Revised Code and those documents for all complete statements of their provisions. Copies of the Trust Agreement, the Lease, the General Bond Order and the Series 2020B Order are available upon request from Office of Debt Management, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215 (telephone (614) 466-7752).

To the extent that any statements in this Official Statement involve matters of opinion or estimates (whether or not expressly stated to be such) those statements are made as such and not as representations of fact or certainty. No representation is made that any of those statements will be realized. Information in this Official Statement has been derived by the State, the Treasurer and the DNR from official and other sources and is believed by the State, the Treasurer and the DNR to be reliable, but information other than that obtained from State official records has not been independently confirmed or verified by the State or the Treasurer and its accuracy is not guaranteed.

This Official Statement is not to be construed as a contract or agreement between the State or the Treasurer and the Underwriter or subsequent owners of the Series 2020 Bonds or of book-entry interests in them.

This Official Statement has been prepared, approved, executed and delivered by the Treasurer in his official capacity on behalf of the State.

STATE OF OHIO

By: */s/ Robert Cole Sprague*
Robert Cole Sprague
State Treasurer of Ohio

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APPENDIX A

INFORMATION CONCERNING THE STATE OF OHIO

The following discusses certain matters relating to general State finances and debt, and the State's economy and employment, population, agriculture, resources, tax bases and related subjects. This information is from the State's official records, except for information expressly attributed to other sources, and summarizes and describes current and recent historical information. It is not intended to indicate future or continuing trends in the financial or other positions of the State. No representation is made that past experience, as might be shown by this financial and other information, will necessarily continue in the future.

Owners of the Series 2020 Bonds have no right to have taxes or excises levied by the General Assembly to pay Bond Service Charges.

FISCAL MATTERS

General

Consistent with the constitutional provision that no appropriation may be made for a period longer than two years, the State operates on the basis of a fiscal biennium for its appropriations and expenditures. Under current law that biennium for operating purposes runs from July 1 in an odd-numbered year to June 30 in the next odd-numbered year (e.g., the current fiscal biennium began July 1, 2019 and ends June 30, 2021). Within a fiscal biennium, the State operates on the basis of a July 1 to June 30 Fiscal Year. The biennium for general capital appropriations purposes runs from July 1 in an even-numbered year to June 30 in the next even-numbered year. Consistent with the fiscal biennium for operating purposes, the Governor is generally required to submit the Executive Budget to the General Assembly in February of each odd-numbered year. Appropriations legislation reflecting that Executive Budget is then introduced for committee hearings and review first in the House and then in the Senate, with that appropriations legislation as approved by the General Assembly then presented to the Governor for his approval (with possible line item vetoes). See **FISCAL MATTERS – Recent and Current Finances – Current Biennium** for discussion of the enacted budget for the 2020-21 fiscal biennium.

Authority for appropriating State moneys subject to appropriation rests in the bicameral General Assembly, which consists of a 99-member House of Representatives (elected to two-year terms) and a 33-member Senate (elected to overlapping four-year terms). Members of both houses are subject to term limits, with a maximum of eight consecutive years in either. The Governor has veto power, including the power to make line-item vetoes in bills making appropriations. Vetoes may be overridden by a three-fifths vote of each house.

The Constitution requires the General Assembly to "provide for raising revenue, sufficient to defray the expenses of the state, for each year, and also a sufficient sum to pay the principal and interest as they become due on the state debt." The State is effectively precluded by law from ending a Fiscal Year or a biennium in a "deficit" position. State borrowing to meet casual deficits or failures in revenues or to meet expenses not otherwise provided for is limited by the Constitution to $750,000.

Most State operations are financed through the General Revenue Fund (GRF). Personal income and sales and use taxes are the major sources of GRF tax revenue. The last complete Fiscal Year ended June 30, 2020 with an unobligated GRF fund balance (after year-end transfers) of $784.8 million. The State has a "rainy day" fund (the Budget Stabilization Fund (BSF)) which by law is intended to carry a balance of up to 8.5% of the GRF revenue for the preceding Fiscal Year (this amount was 5% for Fiscal Year 2016 and prior years). The current BSF balance is $2.691 billion, which equals 8.0% of Fiscal Year 2020 GRF revenue. Recent Fiscal Year-end BSF balances and their percent of GRF revenue for that Fiscal Year were:

Fiscal Year-Ending	BSF Balance[(a)]	% of GRF Revenue
2015	2,004,569,000	6.4%
2016	2,034,051,000	6.0
2017	2,034,051,000	6.0
2018	2,691,554,000	8.3
2019	2,691,554,000	8.0
2020	2,691,554,000	8.0

(a) Reflects balance after year-end transfer into BSF; actual cash transfers into the BSF occur early in the following Fiscal Year.

The Revised Code provides that if the Governor ascertains that the available revenue receipts and balances for the GRF or other funds for the then current Fiscal Year will in all probability be less than the appropriations for that Fiscal Year, the Governor shall issue such orders to State agencies as will prevent their expenditures and incurred obligations from exceeding those revenue receipts and balances. The Governor implemented this directive in Fiscal Year 2020 to reduce GRF expenditures in that Fiscal Year by approximately $775 million, and this directive has been implemented several times in prior fiscal biennia.

Listed in the tables below under **Recent Receipts and Disbursements** are the major categories of State revenue sources, including taxes and excises, and the amounts received from those categories. There is no present constitutional limit on the rates of those State levied taxes and excises (except for taxes on intangible property which the State does not currently levy).

At present the State itself does not levy ad valorem taxes on real or tangible personal property. Ad valorem taxes on tangible personal property of public utilities and on real property are levied by political subdivisions and local taxing districts, and State law does not currently allow the imposition of a general ad valorem tax on tangible personal property other than that of public utilities. The Constitution has since 1934 limited the amount of the aggregate levy of ad valorem property taxes on particular property, without a vote of the electors or municipal charter provision, to 1% of true value in money, and statutes limit the amount of that aggregate levy without a vote or charter provision to 10 mills per $1 of assessed valuation -- commonly referred to in the context of Ohio local government finance as the "ten-mill limitation." See **TAX LEVELS AND TAX BASES** for a discussion of the phase-out of local tangible personal property taxes in 2006 through 2009.

The Constitution directs or restricts the use of certain revenues. Highway fees and excises, including gasoline taxes, are limited in use to highway-related purposes. Not less than 50% of the receipts from State income taxes must be returned to the originating political subdivisions and school districts. State net lottery profits are allocated to elementary, secondary, vocational and special education program purposes, including application to debt service on obligations issued to finance capital facilities for a system of common schools.

Constitutional amendments relating to taxation, revenues, expenditures, debt or other subjects may be proposed by action of three-fifths of the members elected to each house of the General Assembly or by initiative petition signed by electors numbering at least 10% of the total number of votes last cast for the office of Governor. Adoption of a proposed amendment requires approval by a majority of electors voting on it at a statewide election. The Ohio Constitution expressly provides that the General Assembly has no power to pass laws impairing the obligation of contracts.

Accounts and Controls; Financial Reports

With each office performing specific functions relating to State expenditures, the Office of Budget and Management (OBM) and the Treasurer of State account for and report on the State's fiscal affairs.

OBM maintains records of the appropriations made by the General Assembly, and its Director, appointed by the Governor, certifies the availability of unencumbered appropriations as a condition of contract validity. OBM fiscal functions include the development and oversight of operating and capital budgets as well as the review, processing, and reporting of financial transactions for most State departments and agencies (excluding, among others, higher education institutions). The OBM Director's certification is required for all expenditure vouchers before OBM may issue State warrants. Upon certification, OBM updates its accounting records to reflect the level of vouchered expenditures. The Treasurer of State maintains the cash and investments that comprise the State treasury and invests State funds. The Treasurer redeems the warrants issued by OBM when presented for payment by financial institutions and monitors the timing and amount of payments to determine the State's cash flow position for investment purposes.

State financial reporting practices have been and are in accordance with generally accepted accounting principles (GAAP basis). Each Comprehensive Annual Financial Report (CAFR) includes the State's Basic Financial Statements (BFS) for that Fiscal Year as examined by the Auditor of State. The most recent CAFRs are accessible via OBM's web page at https://obm.ohio.gov/wps/portal/gov/obm/areas-of-interest/state-accounting/financial-reporting/cafr, and copies may be obtained by contacting OBM, 30 E. Broad Street, 34th Floor, Columbus, Ohio 43215, phone (614) 466-4034. The Fiscal Year 2018 CAFR received the Government Finance Officers Association certificate of achievement for excellence in financial reporting.

The BFS are presented in accordance with a fund classification system prescribed by the Governmental Accounting Standards Board. The GAAP basis financial statement presentation is comprehensive in scope and includes organizations and activities defined within Ohio's reporting entity that are not subject to the State's appropriation process. The "General Fund" as reported in the BFS includes more than just the GRF; it also encompasses the Budget Stabilization Fund and those reimbursement-supported funds that account for activities administered by State agencies and departments and for which special revenue or proprietary fund classifications are considered inappropriate.

Recent Receipts and Disbursements

The following summary statements, prepared by OBM based on its accounting records, include (i) governmental and proprietary appropriated funds, cash receipts and cash disbursements, and (ii) GRF cash basis activity. The governmental and proprietary appropriated funds encompass the General Fund (which includes the GRF and BSF) as well as special revenue, debt service, capital projects, and enterprise fund types.

SUMMARY STATEMENT
GOVERNMENTAL AND PROPRIETARY APPROPRIATED FUNDS
($ in Millions)

Cash Receipts

SOURCE OF RECEIPTS	**Fiscal Year**				
Taxes:	**2016**	**2017**	**2018**	**2019**	**2020**
Personal Income[(a)]	$8,169.4	$7,981.1	$8,796.1	$9,313.5	$8,285.0
Sales and Use[(b)]	10,807.7	11,070.5	10,616.2	11,053.3	11,160.5
Financial Institutions Tax	213.5	187.3	201.1	202.4	214.9
Commercial Activity Tax	1,689.1	1,750.8	1,805.5	1,932.0	1,979.9
Gasoline[(c)]	1,740.4	1,817.4	1,802.8	1,846.0	2,400.0
Public Utilities and Kilowatt Hour	796.0	796.9	826.5	889.5	841.8
Cigarette[(d)]	1,007.6	980.5	939.8	918.2	913.0
Foreign Insurance	316.4	321.4	299.4	325.8	332.5
Highway Use	36.2	39.1	34.8	37.4	44.4
Estate[(e)]	2.2	0.8	0.2	0.2	0.1
Alcoholic Beverages	55.6	58.4	56.8	57.5	54.8
Liquor Gallonage	45.1	46.5	48.1	50.3	53.4
Domestic Insurance Franchise	263.5	273.9	283.4	281.3	308.4
Other	108.9	82.5	106.8	110.7	106.0
Total Taxes	25,251.6	25,407.1	25,817.5	27,018.0	26,694.4
Licenses, Permits and Fees	3,641.3	3,284.5	3,946.6	4,065.1	4,320.2
Sales, Services and Charges	1,749.2	1,512.1	1,636.9	1,665.3	1,671.3
Federal Government	22,953.9	22,911.5	23,014.9	23,663.7	29,220.6
Other[(f)]	5,655.3	5,889.9	6,113.3	6,513.2	6,279.1
Proceeds from Sale of Bonds and Notes	1,214.9	1,507.8	2,202.7	1,042.0	1,393.1
Total Cash Receipts	$60,466.2	$60,512.9	$62,731.9	$63,967.4	$69,578.6

(a) The State has incrementally reduced personal income tax rates commencing calendar year 2013. (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia** – **2014-15** and **2016-17 and TAX LEVELS AND TAX BASES – Personal Income Tax**).
(b) Fiscal Year 2018 decline was due to replacing the sales tax on Medicaid managed care organizations with a new health insuring corporation provider assessment (See **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia** – **2018-19**).
(c) Beginning July 1, 2019, the gasoline tax and diesel tax were increased from 28.0 cents to 38.5 cents and 47.0 cents per gallon, respectively (see **TAX LEVELS AND TAX BASES**).
(d) Beginning July 1, 2015, the cigarette tax was increased from $1.25 per pack (of 20 cigarettes) to $1.60 per pack (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia - 2014-15**).
(e) Eliminated effective January 1, 2013; receipts in all years reflect delayed filings or payments.
(f) Largest components consist of various reimbursements, loan repayments, unclaimed funds, and investment income. Fiscal Year 2020 increase was associated with the enhanced Federal Medical Assistance Percentage authorized in the Families First Coronavirus Response Act.
Totals may not foot due to rounding.

Cash Disbursements

FUND TYPE	**Fiscal Year**				
General Fund:	**2016**	**2017**	**2018**	**2019**	**2020**
General Revenue Fund	$33,593.1	$34,503.5	$31,727.3	$32,677.6	$33,104.0
General Services Fund	4,712.1	4,809.3	5,884.3	5,564.1	5,806.7
Special Revenue Fund[(g)]	19,356.1	19,005.7	21,947.0	22,088.3	24,297.8
Capital Projects Fund[(h)]	607.0	601.2	671.7	794.8	733.5
Debt Service Fund[(i)]	1,136.0	1,168.2	1,155.0	1,243.1	1,288.7
Enterprise Fund[(j)]	844.4	775.1	812.9	735.3	1,000.4
Total Cash Disbursements	$60,248.8	$60,863.0	$62,198.1	$63,103.2	$66,231.1

(g) Includes local government support disbursements.
(h) Includes amounts disbursed from proceeds of special obligation bonds and highway general obligation bonds.
(i) Includes the several bond retirement funds for general obligation bonds secured by a pledge of taxes and excises.
(j) Includes workers' compensation, industrial commission, and lottery including deferred prizes, among others.
Totals may not foot due to rounding.

SUMMARY STATEMENT
GENERAL REVENUE FUND CASH BASIS ACTIVITY
($ in Millions)

	Fiscal Year				
	2016	2017	2018	2019	2020
Beginning Cash Balance	$1,711.7	$1,193.3	$557.1	$1,221.0	$1,538.0
Cash Receipts:					
Taxes:					
Personal Income[(a)]	7,799.3	7,606.5	8,411.0	8,910.2	7,881.3
Sales and Use[(b)]	10,348.0	10,614.6	10,148.2	10,573.4	10,685.8
Financial Institutions Tax	213.5	187.3	201.1	202.4	214.9
Commercial Activity Tax[(c)]	1,255.3	1,301.5	1,522.8	1,629.5	1,671.7
Public Utilities and Kilowatt Hour	502.0	516.1	531.1	562.7	532.6
Cigarette[(d)]	1,007.6	980.5	939.8	918.2	913.0
Domestic Insurance	258.3	268.6	278.4	276.0	303.0
Foreign Insurance	293.5	301.5	276.5	296.3	305.1
Other[(e)]	144.0	109.2	114.3	120.8	115.8
Total Taxes	21,821.6	21,885.8	22,423.2	23,489.6	22,623.2
Federal Government	11,645.7	11,761.2	9,469.9	9,763.9	10,482.0
Licenses, Permits and Fees	56.0	57.4	59.2	64.2	66.6
Investment Income	35.1	48.7	64.2	114.4	131.4
Other	49.8	69.1	266.1	87.6	121.4
Total Cash Receipts	33,608.3	33,822.1	32,282.6	33,519.7	33,424.6
Cash Disbursements:					
Primary, Secondary and Other Education[(f)]	7,624.1	7,945.9	8,063.6	8,214.4	7,929.0
Higher Education	2,222.8	2,294.8	2,304.8	2,292.6	2,282.3
Public Assistance and Medicaid	16,995.9	17,437.4	14,482.5	15,052.8	15,471.8
Health and Human Services	1,283.6	1,289.6	1,251.8	1,272.0	1,344.0
Justice and Public Protection	1,983.8	2,052.8	2,130.4	2,222.5	2,386.0
General Government[(g)]	249.1	247.8	244.4	391.3	440.4
Property Tax Reimbursements[(h)]	1,786.7	1,790.3	1,802.4	1,801.2	1,800.6
Debt Service	1,333.9	1,322.7	1,343.9	1,430.8	1,449.9
Total Cash Disbursements	33,593.1	34,503.5	31,727.3	32,677.6	33,104.0
Cash Transfers:					
Transfers-in[(i)]	322.2	355.9	188.6	247.9	81.0
Transfers-out[(j)]	(855.8)	(310.8)	(80.0)	(773.0)	(669.5)
Ending Cash Balance	$1,193.3	$557.1	$1,221.0	$1,538.0	$1,270.2

(a) The State has incrementally reduced personal income tax rates commencing calendar year 2013. (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia** – **2014-15** and **2016-17 and TAX LEVELS AND TAX BASES – Personal Income Tax**).

(b) Fiscal Year 2018 decline due to the replacement of the sales tax on Medicaid managed care organizations with a new health insuring corporation provider assessment (See **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia** – **2018-19**).

(c) See **TAX LEVELS AND TAX BASES** – **Commercial Activity Tax** for discussion of the increasing share of CAT receipts deposited into the GRF.

(d) Beginning July 1, 2015, the cigarette tax was increased from $1.25 to $1.60 per pack (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia - 2014-15**).

(e) Includes residual payments under the corporate franchise tax which was phased out in even annual increments from calendar year 2006-2010.

(f) Mainly subsidies to school districts for primary and secondary education.

(g) Includes amounts for non-highway transportation purposes, including mass transit, rail, and aviation.

(h) State reimbursements to taxing subdivisions for the 12.5% property tax rollback granted to homeowners of real property, for partial real property homestead tax exemptions for the elderly and handicapped (expanded commencing in July 2007), and for revenue reductions resulting from phase-out of local taxes on tangible personal property (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia - 2014-15**).

(i) Fiscal Years 2016-2020 include transfers of $53.2 million, $10.0 million, $46.2 million, $66.0 million and $66.0 million, respectively, from the Petroleum Activity Tax Public Highways Fund; Fiscal Years 2017 and 2019 include transfers of $163.3 million and $119.7 million from School District and Local Government Property Tax Replacement Funds, respectively; and Fiscal Year 2016 includes a transfer of $158.0 million from the Medicaid reserve fund.

(j) Fiscal Years 2016, 2017 and 2019 include transfers of $425.5 million, $29.5 million and $657.5 million to the BSF, respectively; Fiscal Year 2016 includes a transfer of $40.0 million to the Unemployment Compensation Contingency Fund; Fiscal Years 2016 to 2019 include transfers of $50.0 million, $150.0 million, $41.8 million and $49.3 million to the Health and Human Services Fund, respectively; and Fiscal Year 2019 includes a transfer of $30.0 million to the Medicaid Local Sales Tax Transition Fund.

Totals may not foot due to rounding.

Recent and Current Finances

Introductory Information

The summary statements above identify receipts from specific taxes and excises that are sources of significant amounts of revenue to the State, and particularly to the GRF. As noted, there are constitutional limitations on the use of some taxes and excises, and mandated allocations of portions of some others. As the statements portray, a substantial amount of total State-level revenue is distributed to local governments and school districts under ongoing programs, including local property tax relief.

Economic activity in Ohio, as in other industrially-developed states, tends to be somewhat more cyclical than in some other states and in the nation as a whole. The GRF ending fund balance tends to be reduced during less favorable national economic periods and increased during more favorable economic periods. The GRF ending cash and fund balances for Fiscal Year 2020 were $1.27 billion and $784.8 million, respectively, with none of that ending fund balance transferred pursuant to statutory designations leaving a balance of $784.8 million. Recent biennium-ending GRF balances were:

Biennium	Cash Balance	Fund Balance[(a)]	Fund Balance less Designated Transfers[(b)]
2012-13	2,639,249,000	2,278,202,000	1,110,942,000
2014-15	1,711,679,000	1,286,469,000	550,366,000
2016-17	557,089,900	170,872,600	170,872,600
2018-19	1,538,011,800	1,146,385,400	833,985,400
2020-21	1,270,177,400	784,842,000	784,842,000

(a) Reflects the ending cash balance less amounts encumbered to cover financial commitments made prior to the end of the Fiscal Year.

(b) Reflects the ending fund balance less any amounts designated for transfer to other funds, including the BSF.

Actions have been and may be taken by the State during less favorable economic periods to ensure revenue/expenditure balance (particularly in the GRF), some of which are described below. None of those actions has been applied to appropriations or expenditures needed for debt service or lease payments relating to any State obligations.

The appropriations acts for the 2020-21 biennium included all necessary appropriations for debt service on State obligations and for lease payments relating to lease rental obligations issued by the Treasurer of State and for certificates of participation (see **FISCAL MATTERS – Recent and Current Finances – Current Biennium** and **State Debt – General**).

The Revised Code imposes a limitation on most GRF appropriations commencing with the 2008-09 fiscal biennium. This statutory limitation initially used Fiscal Year 2007 GRF appropriations as a baseline (excluding appropriations for debt service, tax relief and refunds, and certain appropriations reflecting moneys received from the federal government) and then applies an annual growth factor equal to the greater of 3.5% or the sum of the inflation rates and rate of State population change. Every fourth Fiscal Year thereafter becomes a new base year. All GRF appropriations since Fiscal Year 2007 have complied with this limitation.

The following is a selective general discussion of State finances, particularly GRF receipts and expenditures, for recent and the current biennia. As evidenced by the actions discussed, the State administrations and both houses of the General Assembly have been and are committed to, and have taken and are taking, actions that ensure a balance of GRF resources and expenditures.

Recent Biennia

2012-13

2012-13 Biennial Budget and Appropriations. Consistent with State law, the Governor's Executive Budget for the 2012-13 biennium was released in March 2011 and introduced in the General Assembly. After extended hearings and review, the 2012-13 biennial appropriations Act was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2011. To address the use of non-recurring funding sources in the prior 2010-11 fiscal biennium including federal stimulus amounts received under ARRA, the Act included targeted spending cuts across most State agencies and major new Medicaid reform and cost containment measures. Reflecting the tax law changes described below and a conservative underlying economic forecast, that Act provided for total GRF biennial appropriations of approximately $55.8 billion. This reflected a 10.5% increase over the 2010-11 GRF biennial appropriations, based on total expected GRF biennial revenue of approximately

$56.07 billion (a 6% increase from 2010-11 GRF biennial revenues). GRF appropriations for major program categories (including debt service) compared to 2010-11 actual GRF biennial spending reflected increases of 30.2% for Medicaid (due in large part to the absence of ARRA funding in the 2012-13 biennium and the redirection of 2012-13 biennial spending from non-GRF to GRF sources); decreases of 3% for elementary and secondary education, 9.1% for higher education, and 8.1% for mental health and developmental disabilities (due to the transfer of community mental health Medicaid services to the Department of Job and Family Services); and flat funding for corrections and youth services. That Act also reflected the restructuring of $440 million of Fiscal Year 2012 GRF debt service into Fiscal Years 2013 through 2025, approximately three-quarters of which was accomplished by the July 2011 issuance by the Ohio Public Facilities Commission of $488.8 million in refunding bonds, with the remainder accomplished by the September 2011 issuance by the Ohio Building Authority of $149.3 million in refunding bonds.

The Executive Budget, the GRF appropriations Act and the separate appropriations acts for the biennium included all necessary debt service and lease rental payments related to State obligations (after the restructuring of Fiscal Year 2012 GRF debt service payments).

Major new sources of revenues or expenditure savings reflected in the 2012-13 appropriations Act included:

- Transfer of the State's spirituous liquor system to JobsOhio. On February 1, 2013, the State granted a 25-year franchise on its spirituous liquor system to JobsOhio Beverage System, a nonprofit corporation the sole member of which is JobsOhio, itself a nonprofit corporation created to promote economic development, job creation and retention, job training and the recruitment of business to the State. In exchange for the franchise, the State received a payment of $1.464 billion, $500 million of which was deposited in the GRF, $863.5 million of which was used to make provision for payment of all debt service on $725.0 million of then outstanding State bonds and notes secured by a pledge of the State's profits from the sale of spirituous liquor, and $100 million of which was for funding certain revitalization projects. With granting of that franchise to JobsOhio Beverage System, the State stopped receiving annual deposits to the GRF from net liquor profits (those deposits totaled $153.0 million in Fiscal Year 2011, $92.5 million in Fiscal Year 2012 and $167.0 million in Fiscal Year 2013, $88 million of which was generated through the February 1 granting of the franchise to JobsOhio Beverage System). Litigation commenced in April 2011 and August 2014 that challenged, under various provisions of the Ohio Constitution, certain aspects of both JobsOhio and the General Assembly's February 2011 law that authorized its creation and the 2012-13 appropriations Act that amended various statutes applying to JobsOhio. In August 2011, the Ohio Supreme Court dismissed the first case, and in June 2014, the Ohio Supreme Court affirmed prior judgments of the lower courts in the second case after concluding that the plaintiffs lacked standing to bring this suit. Plaintiffs in the second case subsequently filed additional actions and appeals with the Court of Appeals and the Ohio Supreme Court in an attempt to revive these challenges to JobsOhio and the laws authorizing its creation and the transfer of the State's spirituous liquor system. The Supreme Court ultimately denied plaintiffs' motion for reconsideration in November 2016.
- Sale of five State-owned prison facilities to private operators expected to result in a net payment to the GRF of $75 million. (Based on the proposals it received for the five prisons, the State opted to sell only one of those facilities that accomplished most of the desired financial result for the 2012-13 biennium.) Litigation commenced in August 2011, and then again in July 2012, challenging the authorization in the 2012-13 appropriations Act to sell these prison facilities. Specifically, this litigation alleged that the provisions in that Act authorizing the sale of these prisons, as well as that entire Act, were enacted in violation of the "one subject rule" of the Ohio Constitution and violated the constitutional right to referendum, and that the sale of the prisons would create a joinder of private and public property interests violating the constitutional prohibition against the State entering into a joint venture. In February 2016, the Ohio Supreme Court upheld the prison sale provisions of the Act, finding their enactment did not violate the "one subject rule" of the Ohio Constitution or its prohibition against the State entering into a joint venture with private enterprise.
- Reduction of local government fund allocations by $111 million in Fiscal Year 2012 and $340 million in Fiscal Year 2013. Beginning in Fiscal Year 2014, allocations are made by committing to the local government fund a set percentage of annual tax revenues deposited into the GRF (beginning with Fiscal Year 2013 GRF tax revenues).
- Reduction of public library fund allocations to 95% of Fiscal Year 2011 levels resulting in expenditure reductions of $52.3 million in Fiscal Year 2012 and $102.8 million in Fiscal Year 2013. Beginning in Fiscal Year 2014, allocations to public libraries are made by committing to the public library fund a set

percentage of annual tax revenues deposited into the GRF (beginning with Fiscal Year 2013 GRF tax revenues).

- Accelerated phase-out of reimbursement payments to local governments and school districts in connection with the elimination of the tangible personal property tax resulting in an increased share (estimated at $293.5 million in Fiscal Year 2012 and $597.7 million in Fiscal Year 2013) of the commercial activity tax being deposited into the GRF (see **TAX LEVELS AND TAX BASES – Property Tax**).
- Accelerated phase-out of reimbursement payments to local governments and school districts for electric power generation deregulation and natural gas deregulation resulting in a larger share (estimated at $141.6 million in Fiscal Year 2012 and $147.4 million in Fiscal Year 2013) of the kilowatt-hour tax and the entire (approximately $66.0 million in Fiscal Year 2012 and $66.0 million in Fiscal Year 2013) natural gas consumption tax being reallocated to the GRF.
- $235 million from transfers to the GRF of unclaimed funds and from other non-GRF funds, and $12 million from a tax amnesty program.

The 2012-13 appropriations Act also reflected the following tax law changes:

- Implementation of the final 4.2% annual decrease in State personal income tax rates resulting in an aggregate 21% decrease (previously, personal income tax rates were reduced 4.2% annually in each of the tax years 2005 through 2008, with this final reduction delayed from tax year 2009 to tax year 2011).
- Elimination of the estate tax beginning January 1, 2013, previously levied at a rate of 6% on estates over $338,333 and 7% on estates over $500,000. In Fiscal Year 2010, estate tax collections totaled $285.8 million of which $230.8 million was distributed to the local government jurisdictions from which it was collected and with $55.0 million retained by the State and deposited into the GRF.
- Establishment of the InvestOhio income tax credit program under which investors in small businesses based in Ohio who hold their investments for at least two years may receive 10% income tax credits limited to a maximum of $10 million per investor per biennium with no more than $100 million of those credits to be issued over two years.

The 2012-13 biennial appropriations Act created a Medicaid reserve fund and authorized the OBM Director to transfer up to $130 million from the GRF, if necessary, to provide for the payment of Medicaid costs above the enacted level of appropriations. That Act also created a $104 million Unemployment Compensation Contingency Fund to pay interest on federal advances to the State Unemployment Compensation Fund, $70.7 million of which was used to make the interest payment due in September 2011, with the remaining amount applied to the September 2012 interest payment of $65.8 million. The September 2012 interest payment was also funded by a $25 million GRF supplemental appropriation and a contribution from the State's Unemployment Compensation Administration Fund.

2012 Mid-Biennium Review. On March 14, 2012, the Governor announced a series of policy proposals resulting from a "mid-biennium review" (2012 MBR), with a stated focus on job creation as a priority. The Governor's 2012 MBR included proposals for General Assembly consideration in the areas of: *energy* (including shale oil and gas production opportunities in the Marcellus and Utica fields in the State, and modernizing the State's oil and gas severance tax; electric generation and transmission; coal; cogeneration, alternative fuels and renewables; energy efficiency; and regulatory reform); *personal income tax reduction* (proposing that any new revenue from shale oil and gas production and the 2012 MBR proposal to modernize the State's oil and gas severance tax system be used to reduce personal income tax rates by a commensurate amount); *bank and financial institutions tax reform* (including a modernization, intended to be revenue-neutral, of Ohio's taxes on banks and financial institutions replacing the corporate franchise and dealers in intangibles tax with a new financial institutions tax more accurately reflecting modern banking practices, closing loopholes and reducing the overall tax burden on most banks); *education* (including proposals for strengthening Ohio's "third grade reading guarantee", career education, a new school performance measuring system, expansion of digital and online learning, flexibility for teacher evaluations, new standards for dropout recovery schools, assessments of all publicly funded early childhood programs, and supporting adoption of a school reform plan for the City of Cleveland schools); *workforce development* (creating job opportunities for the developmentally disabled; an improved workforce development program; allowing those undergoing training with an employer to continue collecting unemployment benefits; linking energy companies with trained workers; and matching skilled veterans to in demand jobs); and achieving more *management efficiency* with associated State and local government budgetary savings (including combining the separate Offices of the State Architect and Engineer and the Office of Energy Services into an Ohio Facilities Construction Commission (OFCC) to administer the design and construction of state public facilities, with the Ohio School Facilities Commission retained as an independent agency within the OFCC but sharing employees and facilities). Those 2012 MBR proposals were considered by the General Assembly commencing in March in twelve separate pieces of legislation, and the General Assembly in May and June passed seven pieces of legislation addressing the subjects of energy (not including the 2012 MBR proposed changes to the State's oil and gas severance tax), tax reform (not including the 2012 MBR personal income tax reduction proposal), education, workforce development, and management efficiency for both state and local governments.

As further implementation of the 2012 MBR, the General Assembly enacted and the Governor signed into law on December 20, 2012, a new financial institutions tax that first applied to tax year 2014. This new tax applies to many companies that were previously subject to Ohio's corporate franchise tax (primarily banks and other corporations classified as financial institutions) and also generally subjects "dealers in intangibles" (e.g., mortgage brokers, stockbrokers, finance and loan companies not classified as financial institutions) to the commercial activity tax. This new financial institutions tax replaced the prior corporate franchise tax on financial institutions and the prior dealers in intangibles tax. The proceeds from the new financial institutions tax are deposited in the GRF like the proceeds from the taxes it replaced. Based on revenue targets and mechanisms established in the legislation, OBM projected the effect of these tax changes to be revenue neutral to the GRF.

Fiscal Year 2013 Results. The State ended Fiscal Year 2013 with GRF cash and fund balances of $2.64 billion and $2.28 billion, respectively. These ending balances reflect approximately $1.15 billion in Fiscal Year 2013 underspending due largely to actual Medicaid expenditures $883.0 million below the original Fiscal Year 2013 spending estimate. Of that ending GRF fund balance, the State deposited $995.9 million into the BSF increasing its balance to $1.48 billion which was the then statutorily designated five percent of Fiscal Year 2013 GRF revenues; carried-forward $963.2 million to offset the one-time cost of accelerating the phase-in of reductions in State personal income tax withholding rates (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia** – **2014-15**), and transferred $120 million into the Unemployment Compensation Contingency Fund to pay interest on federal advances to the State Unemployment Compensation Fund and $51.3 million into disaster services/emergency funds. The remaining $147.8 million was reserved in the GRF to maintain the statutory target of one-half of one percent of Fiscal Year 2013 GRF revenues as an ending fund balance.

2014-15

2014-15 Biennial Budget and Appropriations. Consistent with State law, the Governor's Executive Budget for the 2014-15 biennium was released in February 2013 and introduced in the General Assembly. After extended hearings and review, the 2014-15 biennial appropriations Act was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2013. With a stated focus on job creation and continued spending restraint, and based on a conservative economic forecast, that Act provided for total GRF biennial appropriations of approximately $62.0 billion. This reflected an 11.1% increase over 2012-13 GRF biennial appropriations, and was based on expected total GRF biennial revenue (not including the $963.2 million carried-forward from the 2012-13 biennium) of approximately $61.1 billion (a 7.7% increase from 2012-13 GRF biennial revenues).

GRF major program categories (including debt service) reflected the following changes in spending: for Medicaid, increases of 16.8% in Fiscal Year 2014 appropriations over Fiscal Year 2013 expenditures (attributable in part to federal Affordable Care Act induced enrollment of previously eligible individuals and federally mandated physician rate increases) and 6.2% for Fiscal Year 2015 appropriations over Fiscal Year 2014 appropriations; for elementary and secondary education, increases of 5.0% for Fiscal Year 2014 appropriations over Fiscal Year 2013 expenditures and 5.8% for Fiscal Year 2015 appropriations over Fiscal Year 2014 appropriations (due largely to enhancements in the K-12 school funding formula); for higher education, increases of 1.8% for Fiscal Year 2014 appropriations over Fiscal Year 2013 expenditures and 2.1% for Fiscal Year 2015 appropriations over Fiscal Year 2014 appropriations; for corrections and youth services, increases of 0.1% for Fiscal Year 2014 appropriations over Fiscal Year 2013 expenditures and 0.2% for Fiscal Year 2015 appropriations over Fiscal Year 2014 appropriations; and for mental health and developmental disabilities, an increase of 5.0% for Fiscal Year 2014 appropriations over Fiscal Year 2013 expenditures and an increase of 4.0% for Fiscal Year 2015 appropriations over Fiscal Year 2014 appropriations.

The Act also implemented a new school funding formula (see **SCHOOLS AND MUNICIPALITIES – Schools**), allocated a portion of State public higher education funding to institutions based on their graduation rates, and eliminated the Ohio Cultural Facilities Commission by moving the administration of cultural facilities projects to the Ohio Facilities Construction Commission to achieve efficiencies and budgetary savings.

The Executive Budget, the 2014-15 appropriations Act and separate appropriations acts for the biennium included all necessary debt service and lease rental payments related to State debt obligations.

The 2014-15 biennial appropriations Act reflected the following reductions and related adjustments of major State taxes (primarily the personal income and sales and use taxes), resulting in an estimated net reduction in GRF revenues of $1.16 billion in Fiscal Year 2014 and $771 million in Fiscal Year 2015, including:

- A 10% reduction in State personal income tax rates phased-in over three years (8.5% in calendar year 2013, 0.5% in calendar year 2014, and 1.0% in calendar year 2015), coupled with a freeze on the indexing of the State income tax brackets and the personal exemption for tax years 2013 through 2015 until these rate reductions are fully implemented.
- Creation of a non-refundable earned income tax credit equal to 5% of the federal earned income credit that is limited to 50% of liability for gross income that exceeds $20,000.
- A new deduction for small businesses of 50% of annual adjusted business net income up to $250,000.
- Elimination of the $20 personal income tax exemption for filers with a gross income greater than $30,000 and of the gambling loss deduction.
- An increase in the State sales and use tax by one-quarter percent (from 5.5% to 5.75%) beginning September 1, 2013.
- Authorization of full membership for the State in the streamlined sales tax project for the collection of State sales taxes on out-of-state companies for catalog and internet purchases.
- Expansion of the State sales tax base to include digital goods such as e-books, music and video downloads and repeal of the exemption for magazine purchases.
- Elimination of the corporate franchise tax (and dealers in intangibles tax) and the initial implementation and collection of the new financial institutions tax in tax year 2014.
- Elimination of the 12.5% property tax roll back for owner-occupied residential property for new voter-approved local property tax levies.
- Reinstituting income requirements for eligibility for new applicants for the State's homestead tax exemption (this exemption was expanded in 2007 to include all senior citizens and disabled Ohioans regardless of income).
- Establishing a variable minimum for the commercial activity tax for businesses with gross receipts greater than $1 million and an exemption from the CAT for grain handlers.

Medicaid Expansion. Subsequent to the passage of the GRF appropriations Act, the seven member State Controlling Board on October 21, 2013 voted 5 to 2 to increase federal Medicaid appropriations by approximately $562 million in Fiscal Year 2014 and approximately $2.0 billion in Fiscal Year 2015. These additional federal appropriations were to support the federally-authorized expansion of the Medicaid program to cover those with incomes up to 138% of the federal poverty level using 100% federal funds in fiscal years 2014 and 2015. On October 22, 2013, six State Representatives and two local right to life organizations filed an action in the Ohio Supreme Court against the Controlling Board and the Ohio Department of Medicaid requesting that Court vacate the Controlling Board's October 21 action. The Controlling Board and State Department of Medicaid filed their initial answer to the complaint on November 5 and, after all evidence and briefs of the parties were submitted on the expedited schedule set for this case, the Court on December 20, 2013 issued its decision upholding the Controlling Board's action.

2014 Mid-Biennium Review. On March 12, 2014, the Governor announced a series of initiatives across a range of topics resulting from a "mid-biennium review" for 2014-15 (2014 MBR). The Governor's 2014 MBR included a range of proposals in the areas of: *elementary and secondary education* (including proposals for dropout prevention and recovery and making technical and vocational education accessible by more students as early as the seventh grade); *higher education* (including proposals for reforming Ohio's dual credit programming to encourage more students to earn college credit while in high school; extending to two-year community colleges a funding formula tied to successful student outcomes; tying state funding for technical centers to the percentage of their students that find a job and other outcome-based benchmarks; increased use of technology and distance learning; increasing enrollment of international students and their retention in Ohio post-graduation; providing community colleges the option to offer a guaranteed tuition rate; and providing veterans college credit for their military training and experience); *income tax reductions and other tax adjustments* (including proposals to lower income tax rates across all income levels by 8.5% over the next three years; increasing the state's earned income tax credit for low-income Ohioans from 5% to 15% of the federal earned income tax credit; increasing the state income tax personal exemptions for those with annual incomes up to $80,000; raising the tax on cigarettes by 60 cents to $1.85 per pack with equivalent taxes on other tobacco products including e-cigarettes; increasing the oil and gas severance tax to 2.75% of producer gross receipts while eliminating that tax for small conventional gas producers and exempting from that tax up to $8 million of gross receipts per well during the first three years to help producers recoup their start-up drilling costs, with approximately 20% of severance tax revenue directed to local governments in shale oil and gas producing regions of the state; and updating the commercial activity tax rate from its initial 0.26% rate established in 2005 to 0.30%); *workforce* (aligning the three main federal workforce programs through a single, integrated plan to provide faster and improved training; and expediting professional licensing and certification for veterans and their spouses); and *human services* (including increased access to crisis intervention and safe places for those with mental illness and addictions; allocating $26.9 million of non-GRF funds to support tobacco prevention and cessation programs; and expanding drug and substance abuse prevention in schools and prioritizing statewide funding for prevention initiatives). The 2014 MBR also proposed increasing appropriations to the Department of Rehabilitation and Correction by $53.5 million to address a rise in the prison population, and reducing local property tax reimbursement and debt service appropriations for the biennium by $35 million and $92 million, respectively, due to lower than expected payments, while continuing all necessary appropriations for debt service and lease rental payments for State obligations.

Those 2014 MBR proposals were introduced in the General Assembly in March as fourteen separate pieces of legislation, seven of which were enacted by the General Assembly in May and June addressing the subjects of elementary and secondary education (including $5 million for alternative education programs), higher education (including $3.1 million for the State share of instruction), workforce and human services (including $16 million for early education and child care, $16.8 million for adult and child protection services, and $3.2 million for Family and Children Services). As further implementation of the biennial appropriations Act and due to positive Fiscal Year 2014 financial results, the 2014 MBR legislation passed by the General Assembly also included the following additional reductions and adjustments to the State personal income tax resulting in an estimated net reduction in GRF revenues of $402 million in Fiscal Year 2015:

- Acceleration into calendar year 2014 of the remaining 1% reduction in State personal income tax rates previously scheduled to be effective in calendar year 2015.
- An increase in the non-refundable earned income tax credit from 5% to 10% of the federal earned income credit that is limited to 50% of liability for gross income that exceeds $20,000.
- A temporary increase in the deduction for small businesses from 50% up to 75% of annual business net income up to $250,000 for tax year 2014.
- An increase in the State income tax personal exemption from $1,700 to $2,200 for gross income less than $40,000, and from $1,700 to $1,950 for gross income between $40,000 and $80,000.

The 2014 MBR legislation passed by the General Assembly also authorized the OBM Director to transfer to a Medicaid reserve fund up to $300 million from the GRF, if necessary, to provide for the payment of Medicaid costs above the enacted level of appropriations. The full amount of this transfer was made at the end of Fiscal Year 2014 (see next paragraph for further transfers out of the Medicaid reserve fund at the end of Fiscal Year 2015).

Fiscal Year 2015 Financial Results. The State ended Fiscal Year 2015 with GRF cash and fund balances of $1.71 billion and $1.29 billion, respectively. Of that ending GRF fund balance, the State reserved $157.4 million to maintain the statutory target of one-half of one percent of State Fiscal Year 2015 GRF revenues as an ending fund balance, carried-forward $393.0 million to cover the planned for and modest variance of Fiscal Year 2016 GRF appropriations over estimated revenue, transferred $425.5 million to the BSF, $50 million to the health and human services fund (see **2016-17** below for discussion on the creation of this fund), $42 million to the Straight A fund, $40 million to pay unemployment compensation loan interest and $20 million for disaster services. The State also made 14 other smaller transfers totaling $149.3 million with the remaining $9.1 million transferred to the income tax reduction fund. Of the $331.1 million Fiscal Year 2015 ending balance in the Medicaid reserve fund, the State transferred $72.0 million to a school district tangible personal property tax supplement fund, $101.1 million to the BSF (bringing its balance to $2.005 billion), and $158.0 million to the GRF.

2016-17

2016-17 Biennial Budget and Appropriations. Consistent with State law, the Governor's Executive Budget for the 2016-17 biennium was released on February 2, 2015 and introduced in the General Assembly. After extended hearings and review, the 2016-17 biennial appropriations Act was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2015. Reflecting a stated continuing focus on job creation, and based on a conservative economic forecast, that Act provided for total GRF biennial appropriations of approximately $71.2 billion reflecting a 14.9% increase over the 2014-15 GRF biennial appropriations. Those appropriations were based upon then estimated total expected GRF revenue of $34.9 billion in Fiscal Year 2016, which excluded the $393.0 million carried-forward from Fiscal Year 2015 (reflecting a 10.8% increase over Fiscal

Year 2015 revenue), and $36.5 billion in Fiscal Year 2017 (reflecting a 4.6% increase over expected Fiscal Year 2016 revenues) (see discussion below of Fiscal Year 2017 GRF revenue revisions in July 2016 and January 2017). Total estimated GRF revenues across the 2016-17 biennium reflected a 17.5% increase from 2014-15 GRF biennial revenues.

GRF major program categories (excluding debt service) reflected the following increases: for Medicaid, 21.8% in Fiscal Year 2016 appropriations over Fiscal Year 2015 expenditures (driven in large part to the shift in funding to the GRF from non-GRF sources beginning in Fiscal Year 2016 for the Medicaid expansion population), and 5.1% for Fiscal Year 2017 appropriations over Fiscal Year 2016 appropriations; for elementary and secondary education, 5.0% for Fiscal Year 2016 appropriations over Fiscal Year 2015 expenditures, and 4.2% for Fiscal Year 2017 appropriations over Fiscal Year 2016 appropriations; for higher education, 4.5% for Fiscal Year 2016 appropriations over Fiscal Year 2015 expenditures, and 3.3% for Fiscal Year 2017 appropriations over Fiscal Year 2016 appropriations; for mental health and developmental disabilities, 9.1% for Fiscal Year 2016 appropriations over Fiscal Year 2015 expenditures, and 7.3% for Fiscal Year 2017 appropriations over Fiscal Year 2016 appropriations; for corrections and youth services, 4.8% for Fiscal Year 2016 appropriations over Fiscal Year 2015 expenditures, and 3.0% for Fiscal Year 2017 appropriations over Fiscal Year 2016 appropriations. The Act also modified the school funding formula to distribute new resources to districts with less capacity to raise revenues locally (see **SCHOOLS AND MUNICIPALITIES – Schools**) and froze tuition and fees for two- and four-year higher education institutions.

The Executive Budget, the 2016-17 biennial appropriations Act and separate appropriations acts for the biennium included all necessary debt service and lease rental payment appropriation authority related to State debt obligations.

The 2016-17 biennial appropriations Act reflected the following tax reductions and related adjustments, resulting in an estimated net reduction in GRF revenues relative to prior law of $869.0 million in Fiscal Year 2016 and $952.0 million in Fiscal Year 2017, including:

- An across-the-board 6.3% reduction in State personal income tax rates in calendar year 2015.
- Continuation of the 75% exemption on the first $250,000 of business net income for small businesses in tax year 2015 (previously increased on a temporary basis for tax year 2014 (see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2014-15**)) and completely exempting the first $250,000 of business net income in tax year 2016 and beyond.
- Beginning in tax year 2015, replaced the multi-bracket tax system for small businesses with a low flat rate of 3% on the amount of business net income. Legislation subsequently passed by the General Assembly clarifying this provision was estimated by OBM to reduce GRF revenues in Fiscal Year 2016 by up to $81 million.
- Beginning in tax year 2015, limited certain retirement income credits to taxpayers whose individual or joint adjusted gross income is less than $100,000 (this exemption was previously available to all taxpayers aged 65 years and older).
- Increased the cigarette tax from $1.25 per pack (of 20 cigarettes) to $1.60 per pack, effective July 1, 2015.

The 2016-17 biennial appropriations Act also reflected:

- The resumption of the phase-out of reimbursements to local governments and school districts in connection with the elimination of the tangible personal property tax, resulting in an increased share (estimated at $428.7 million in Fiscal Year 2016 and $445.3 million in Fiscal Year 2017) of the commercial activity tax being deposited into the GRF (see **TAX LEVELS AND TAX BASES – Property Tax**).
- The continuing phase-out of reimbursements to local governments and school districts for electric power generation deregulation and natural gas deregulation resulting in an increased share (estimated at $56.3 million in Fiscal Year 2016 and $56.0 million in Fiscal Year 2017) of the kilowatt-hour tax being reallocated to the GRF.

The 2016-17 biennial appropriations Act also created a health and human services fund to pay for public health programs or services and authorized the OBM Director to transfer from the GRF $150 million in Fiscal Year 2017 into the fund, which amount is in addition to the $50 million transferred from the GRF at the end of Fiscal Year 2015 into the fund.

As is customary at the beginning of the second year of a fiscal biennium, OBM in July 2016 revised its Fiscal Year 2017 GRF revenue forecast to reflect updated economic assumptions, actual Fiscal Year 2016 revenue performance, and tax law adjustments enacted by General Assembly after adoption of the 2016-17 biennial appropriations Act. As part of this revision, OBM reduced its estimated Fiscal Year 2017 GRF tax revenue forecast by $282.0 million, a 1.2% reduction compared to the original Fiscal Year 2017 tax revenue forecast. This reduction in forecasted tax revenues was largely within the personal income and commercial activity taxes. As part of the Governor's Executive Budget proposal for the 2018-19 fiscal biennium (see **2018-19** below), and based on tax revenue underperformance, in January 2017 OBM further reduced its estimated Fiscal Year 2017 GRF tax revenue forecast by $592.2 million, a 2.7% reduction compared to the July 2016 revision. The largest variances (compared to the July 2016 revision) were in the personal income tax (reduced by $333.9 million or 4.0%), the sales and use tax (reduced by $259.3 million or 2.4%), and the commercial activity tax (reduced by $32.0 million or 2.5%).

Fiscal Year 2017 Financial Results. The State ended Fiscal Year 2017 with a GRF cash balance of $557.1 million and an ending fund balance of $170.9 million that was reserved to maintain the statutory target of one-half of one percent of State Fiscal Year 2017 GRF revenues as an ending fund balance.

2018-19

Consistent with State law, the Governor's Executive Budget for the 2018-19 fiscal biennium was released on January 30, 2017, and introduced in the General Assembly. After extended hearings and review, the 2018-19 biennial appropriations Act was passed by the General Assembly and signed by the Governor (with selective vetoes) on June 30, 2017.

To address lower GRF revenue estimates for the 2018-19 fiscal biennium, the Act included both across-the-board and targeted spending cuts across most State agencies and programs. Reflecting a stated continuing focus on job creation, and based on a conservative economic forecast, that Act provided for the following GRF appropriations:

GRF Appropriations 2018-19 Biennium ($ in billions)

Fiscal Year 2017 Expenditures	Fiscal Year 2018 Appropriations	% Change Over Fiscal Year 2017 Expenditures	Fiscal Year 2019 Appropriations	% Change Over Fiscal Year 2018 Appropriations	2018-19 Biennium Total Appropriations
$34.5	$32.2	-6.7%	$33.3	3.5%	$65.5

Major program categories reflect the following GRF appropriation changes (excluding debt service appropriations):

- *Medicaid* - Fiscal Year 2018 appropriations decreased 15.0% over Fiscal Year 2017 expenditures (as discussed below, driven largely by the replacement of the Medicaid managed care organization sales tax, the receipts of which were being deposited into the GRF, by a new health insuring corporation provider assessment, the receipts of which are now deposited into a dedicated non-GRF fund), and Fiscal Year 2019 appropriations increased 5.7% over Fiscal Year 2018 appropriations.
- *Elementary and Secondary Education* - Fiscal Year 2018 appropriations increased 1.5% over Fiscal Year 2017 expenditures, and Fiscal Year 2019 appropriations increased 1.6% over Fiscal Year 2018 appropriations.
- *Higher Education* – Fiscal Year 2018 appropriations increased 0.5% over Fiscal Year 2017 expenditures, and Fiscal Year 2019 appropriations decreased 0.3% over Fiscal Year 2018 appropriations.
- *Mental Health and Developmental Disabilities* – Fiscal Year 2018 appropriations decreased 0.9% over Fiscal Year 2017 expenditures (driven by the shift in funding of certain Medicaid expenditures to the Medicaid program category), and Fiscal Year 2019 appropriations increased 2.1% over Fiscal Year 2018 appropriations.
- *Corrections and Youth Services* – Fiscal Year 2018 appropriations increased 4.2% over Fiscal Year 2017 expenditures, and Fiscal Year 2019 appropriations increased 1.6% over Fiscal Year 2018 appropriations.

The Act also modified certain components of the school funding formula to better distribute resources to districts with less capacity to raise revenues locally (see **SCHOOLS AND MUNICIPALITIES – Schools**) and limited increases in tuition and fees for two- and four-year higher education institutions.

The Executive Budget, the 2018-19 biennial appropriations Act and separate appropriations acts for the biennium included all necessary debt service and lease rental payment appropriation authority related to State debt obligations.

The foregoing appropriations were based upon available balances and estimated GRF revenue for the biennium and have been adjusted with updated revenue forecasts as of June 10, 2020 as follows:

Estimated GRF Revenue 2018-19 Biennium ($ in billions)

Fiscal Year 2017 Actual Revenue	Fiscal Year 2018 Est. Revenue	% Change Over Fiscal Year 2017 Actual Revenue	Fiscal Year 2019 Est. Revenue	% Change Over Fiscal Year 2018 Est. Revenue	2018-19 Biennium Total Revenue
$34.2	$32.3	-5.5%	$33.3	3.2%	$65.6

Potentially non-recurring sources of revenues reflected in the 2018-19 biennial appropriations Act included $84.5 million in transfers to the GRF from non-GRF funds, $200 million from unclaimed funds, $31 million from the sale of prison farmland, and $20 million from a tax amnesty program.

The 2018-19 biennial appropriations Act reflected certain tax law changes, resulting in an estimated net GRF revenue increase of $12.8 million in Fiscal Year 2018 and an estimated net GRF revenue decrease of $30.8 million in Fiscal Year 2019, including, among others:

- Reduced the number of personal income tax brackets from nine to seven in tax year 2017 and for certain low income taxpayers completely exempted the first $10,500 of taxable income, with increasing bracketed base rates and percentages up to a maximum on incomes over $210,600 of $8,073 plus 4.997% on the amount over $210,600. (See **TAX LEVELS AND TAX BASES** – **Personal Income Tax**.)
- Increased on a temporary basis the percent of GRF tax revenues deposited into the public library fund to 1.68% from 1.66% in each of Fiscal Years 2018 and 2019.
- Increased the State personal income tax deduction from $2,000 to $4,000 for contributions to accounts for college savings and care for disabled individuals.
- Authorized a one-time sales tax holiday on the purchase of clothing and school supplies in August 2018 (separate legislation enacted by the General Assembly authorized a sales tax holiday in August 2017).

The 2018-19 biennial appropriations Act also reflected:

- The creation of a new health insuring corporation provider assessment, the revenues of which are being deposited into a non-GRF dedicated purpose fund, to fully replace the forgone GRF sales tax revenue resulting from the federal policy ruling by the Centers for Medicare and Medicaid Services (CMS) that Ohio's sales tax on Medicaid managed care organizations was impermissible as a means of generating revenues to draw federal matching dollars. The GRF revenue loss was estimated to be approximately $600 million in each of Fiscal Years 2018 and 2019.
- Increased the portion of the commercial activity tax deposited into the GRF (estimated at $175 million in Fiscal Year 2018 and $179 million in Fiscal Year 2019) from 75% to 85% to more closely match the amounts needed to make compensating payments to school districts and local governments in connection with the prior phase-out of the tangible personal property tax. The requirement to transfer funds in excess of the compensating payments formula to the GRF at the end of each Fiscal Year remained unchanged. (See **TAX LEVELS AND TAX BASES** – **Property Tax**.)

As is customary at the beginning of the second year of a fiscal biennium, OBM in July 2018 revised its Fiscal Year 2019 GRF revenue forecast to reflect updated economic assumptions, actual Fiscal Year 2018 revenue performance, and certain minor tax law adjustments enacted by the General Assembly after adoption of the 2018-19 biennial appropriations Act. As part of this revision, OBM increased its estimated Fiscal Year 2019 GRF tax revenue forecast by $531.1 million, a 2.4% increase compared to the original Fiscal Year 2019 tax revenue forecast. This increase in forecasted tax revenues was largely within the personal income tax (increased by $379.5 million or 4.5%) and the sales and use tax (increased by $129.0 million or 1.3%). Effective January 1, 2019, personal income tax employer withholding rates were reduced by 3.3% in order to fully reflect the income tax rate reductions enacted in the 2016-17 biennial budget. This was estimated to result in a one-time $148.5 million reduction to personal income tax revenue in Fiscal Year 2019. Fiscal Year 2020 personal income tax revenue was not affected as the reduction in withholding was offset by reduced income tax refunds as final returns were filed for tax year 2019.

Fiscal Year 2019 Financial Results. The State ended Fiscal Year 2019 with GRF cash and fund balances of $1.54 billion and $1.15 billion, respectively. Of that ending GRF fund balance, the State carried forward $834.0 million, including $168.8 million reserved to maintain the statutory target of one-half of one percent of Fiscal Year 2019 GRF revenues as an ending fund balance, and transferred $172.0 million to the H2Ohio fund (see **Current Biennium** below for discussion of this fund), $31.0 million to the statewide treatment and prevention fund, $39.0

million to the emergency purposes and disaster services funds, $20.0 million to the school bus purchase fund, $19 million to the tobacco use prevention fund, and $31.4 million across six other smaller purposes.

Current Biennium

Consistent with State law, the Governor's Executive Budget for the 2020-21 fiscal biennium was released on March 15, 2019 and introduced in the General Assembly. After extended hearings and review, the 2020-21 biennial appropriations Act, which was preceded by a 17-day interim appropriations act, was passed by the General Assembly and signed by the Governor (with selective vetoes) on July 18, 2019. Reflecting the tax law changes described below and an underlying economic forecast prepared in the first half of 2019, that Act provides for the GRF appropriations outlined below. The underlying economic forecast does not take into account the possible economic effects of the outbreak as described below under "Outbreak of COVID-19".

GRF Appropriations 2020-21 Biennium ($ in billions)

Fiscal Year 2019 Expenditures	Fiscal Year 2020 Appropriations	% Change Over Fiscal Year 2019 Expenditures	Fiscal Year 2021 Appropriations	% Change Over Fiscal Year 2020 Appropriations	2020-21 Biennium Total Appropriations
$32.7	$34.0	4.0%	$36.0	6.0%	$70.0

Major program categories reflect the following GRF appropriation changes (excluding GRF debt service appropriations):

- *Medicaid* - Fiscal Year 2020 appropriations increase 3.3% over Fiscal Year 2019 expenditures, and Fiscal Year 2021 appropriations increase 11.8% over Fiscal Year 2020 appropriations.
- *Elementary and Secondary Education* – including transfers from the GRF in support of student wellness and success, Fiscal Year 2020 appropriations increase 3.9% over Fiscal Year 2019 expenditures, and Fiscal Year 2021 appropriations increase 0.2% over Fiscal Year 2020 appropriations.
- *Higher Education* – Fiscal Year 2020 appropriations increase 4.6% over Fiscal Year 2019 expenditures, and Fiscal Year 2021 appropriations increase 2.6% over Fiscal Year 2020 appropriations.
- *Mental Health and Developmental Disabilities* – excluding Medicaid program services, Fiscal Year 2020 appropriations decrease 1.4% over Fiscal Year 2019 expenditures, and Fiscal Year 2021 appropriations increase 2.8% over Fiscal Year 2020 appropriations.
- *Corrections and Youth Services* – Fiscal Year 2020 appropriations increase 4.0% over Fiscal Year 2019 expenditures, and Fiscal Year 2021 appropriations increase 3.5% over Fiscal Year 2020 appropriations.

The 2020-21 biennial appropriations Act also created the H2Ohio fund to pay for water quality projects in Lake Erie and across Ohio's rivers, lakes and waterways. The H2Ohio fund was initially funded by a $172 million transfer from the Fiscal Year 2019 GRF ending fund balance. The Act also requires that 50 percent of the Fiscal Year 2021 GRF surplus, if any, be transferred to the H2Ohio fund with the other 50 percent transferred to the Budget Stabilization Fund.

The Executive Budget, 17-day interim appropriations act, the 2020-21 biennial appropriations Act and separate appropriations acts for the biennium all included necessary debt service and lease rental payment appropriation authority related to State debt obligations for the entire biennium.

The foregoing appropriations were based upon available balances and estimated GRF revenue for the biennium as follows:

Estimated State & Federal GRF Revenue 2020-21 Biennium ($ in billions)

Fiscal Year 2019 Actual Revenue	Fiscal Year 2020 Est. Revenue	% Change Over Fiscal Year 2019 Actual Revenue	Fiscal Year 2021 Est. Revenue	% Change Over Fiscal Year 2020 Est. Revenue	2020-21 Biennium Total Revenue
$33.8	$33.2	-1.6%	$36.0	8.5%	$69.3

The 2020-21 biennial appropriations Act reflects the following tax policy and allocation changes, among others, that are estimated to result in a net GRF revenue decrease of $410 million in Fiscal Year 2020 and $177 million in Fiscal Year 2021:

- An across-the-board 4.0% reduction in State personal income tax rates and elimination of the bottom two income tax brackets (effective in tax year 2019), coupled with a freeze on the indexing of the income tax brackets (through tax year 2020). The tax bracket changes eliminate any tax liability for individuals with taxable income less than $21,750.

- Modifies eligibility for various means-tested State personal income tax credits such that high-income taxpayers with little non-business income are not eligible for the tax credits (effective tax year 2019).
- Creates two new non-refundable tax credits, one for lead abatement expenses capped at $5 million annually (effective in tax year 2020) and one for Qualified Opportunity Zone investments that is limited to no more than $50 million per fiscal biennium (effective in tax year 2019).
- Increases the legal age to purchase tobacco products from 18 to 21 years old and creates a tax on the volume of nicotine-containing vapor products (effective October 2019).
- Modifies the definition of substantial nexus with Ohio in accordance with *South Dakota v. Wayfair, Inc.* for purposes of collecting the sales and use tax on retail sales through "marketplace facilitators" (effective October 2019).
- Increases on a temporary basis the percent of GRF tax revenues deposited into the local government fund to 1.68% from 1.66% in each of Fiscal Years 2020 and 2021.
- Increases on a temporary basis the percent of GRF tax revenues deposited into the public library fund to 1.70% from 1.66% in each of Fiscal Years 2020 and 2021.

Fiscal Year 2020 Financial Results. The State ended Fiscal Year 2020 with GRF cash and fund balances of $1.27 billion and $784.8 million, respectively. As authorized in the 2020-21 biennial appropriations Act, the full cash balance was carried forward into Fiscal Year 2021.

As is customary at the beginning of the second year of a fiscal biennium, OBM revised its Fiscal Year 2021 GRF revenue forecast to reflect updated economic assumptions (influenced largely by the COVID-19 Pandemic discussed in more detail below) and actual Fiscal Year 2020 revenue performance. For further information relating to the updated Fiscal Year 2021 GRF revenue forecast see **Outbreak of COVID-19**.

Outbreak of COVID-19

As widely reported, the outbreak of COVID-19, a new strain of coronavirus that can result in severe respiratory disease, was first detected in December of 2019, and has spread across six continents impacting many countries, including the United States. COVID-19 has been declared a pandemic by the World Health Organization. The COVID-19 outbreak is altering the behavior of businesses and people in a manner that is expected to have negative effects on global and local economies, including the State. In response to the public health crisis, Governor DeWine and the Director of the Ohio Department of Health ("ODH") have taken certain actions to limit the spread of the virus and its impact on the State's local communities and health care services, including the declaration of a state of emergency in the State on March 9, 2020 and the closure of all non-essential businesses from March 23, 2020 through April 6, 2020. This order was extended on April 2, 2020 closing all non-essential businesses through May 1, 2020. On April 16, 2020, Governor DeWine announced that the State would begin a phased-in reopening of these businesses starting May 1, 2020. The reopening plan was gradual and fact-driven, in an attempt to minimize the health risk to business owners, employees, and their customers.

The spread of the COVID-19 virus is unprecedented as it relates to the world economy, leading to increased uncertainty. As more accurate information on the nature and impact of COVID-19 becomes available, State economic forecasts will be adjusted to take into account current immediate trends to enable the State to anticipate the effects on the State economy.

On March 23, 2020, the Governor announced the following actions intended to mitigate a portion of the economic effect of the COVID-19 outbreak on the State's financial position by reducing non-essential expenditures: (1) an immediate hiring freeze for all executive agencies, boards, and commissions with exceptions for positions that provide a direct response to the COVID-19 pandemic, safety and security, and direct care or institutional services, (2) a freeze on pay increases and promotions for State unclassified and exempt staff, (3) a freeze on new contract services for the State, except for those services that are necessary for the emergency response, and (4) that state agencies work to cut spending not related to pandemic response or other essential government functions up to 20% for the remainder of Fiscal Year 2020 and for Fiscal Year 2021.

On March 25, 2020, the State legislature passed House Bill 197, which became effective immediately upon signature of the Governor on March 27, 2020. That legislation enacted numerous provisions to assist with the COVID-19 pandemic, including the alignment of the State's 2019 and first quarter 2020 tax filing dates from April 15, 2020 to July 15, 2020 to coincide with the same extended Federal tax filing deadlines.

The State has also been taking additional steps to mitigate a portion of the economic effect of the COVID-19 outbreak by matching small businesses with economic supports and assistance and matching unemployed workers with skill building programs for technology-businesses.

On March 27, 2020 President Trump signed the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") to address the economic disruption caused by the COVID-19 pandemic. While the CARES Act includes a wide range of assistance measures for individuals, businesses, and state and local governments, it also provides direct payment aid to states (and within each state to eligible local governments), and the State has been directly allocated a minimum of $2.49 billion of the total $4.53 billion granted by the Federal Government to the State and its eligible local governments. Funds can be used for costs that are necessary expenditures incurred due to COVID-19.

In contrast to the June revenues results, the latest revenue figures published in the Preliminary Data released on August 6, 2020 for collections through July of this calendar year demonstrated returns slightly above the original budgeted estimates ("estimates"). Total General Revenue Fund tax receipts finished the month $184.6 million (8.2%) above estimate, primarily from non-auto sales and use tax revenue being $97.2 million (11.4%) above projections.

For the year, total GRF revenues ended $559.4 million (-1.6%) below estimate. Fiscal Year 2020 tax revenues were $1.1 billion (-4.6%) below estimate. More broadly, total non-federal revenues finished the Fiscal Year $1.2 billion (-4.8%) below estimate. Federal grants were $613.1 million (6.2%) above estimate.

To balance the State budget in Fiscal Year 2020 while responding to the COVID-19 pandemic, agencies across the State deviated from their original disbursement plans. Some agencies increased spending in targeted areas to mitigate the health and economic effects of COVID 19. Simultaneously, on May 5, 2020, Governor DeWine announced that planned State spending would be cut by $775 million prior to June 30, 2020. The cuts included the following reductions: $210 million in Medicaid spending; $300 million in K-12 education spending; $110 million in higher education spending; $55 million in other education spending; and $100 million in other state agencies and programs spending. The State also continued the previously announced hiring freezes, travel limitations, and contracting restrictions.

Additionally, the COVID-19 outbreak caused a sudden, unprecedented spike in unemployment and furloughs during March, primarily starting in the middle of the month. Withholding ended $133.3 million (-1.3%) below estimate for Fiscal Year 2020, with the Fiscal Year's negative variance mostly attributable to April and May. The Fiscal Year-over-Year withholding tax results in June show a decline of $12.9 million (-1.9%). However, this Fiscal Year-to-Year comparison is somewhat exaggerated by there being one less large payment day this May and by the effects of tax policy changes. The 2020-21 biennial appropriations Act enacted a four percent reduction in personal income tax rates effective with tax year 2019; consistent with this rate cut, a four percent employer withholding rate reduction took effect in January 2020.

As a result of this spike in unemployment, Ohio's Unemployment Trust Fund balance was completely drawn down between March 1, 2020 and June 30, 2020. Because of this increased demand, the Ohio Department of Job and Family Services applied for federal assistance and began drawing funds on June 16, 2020. As of August 6, 2020, the cumulative amount of draws is $569,126,529.90. The Ohio General Assembly is currently determining the State's method of repayment for this federal assistance, and although not necessarily indicative of the current determination, the most recent prior draw was repaid, in part, from increased employer contribution to the Unemployment Trust Fund. Statistics on unemployment in Ohio as well as weekly information about initial jobless claims are available on the Ohio Department of Jobs and Family Services website which can be located at http://jfs.ohio.gov/.

July GRF disbursements as published in the Preliminary Data released on August 6, 2020 for collections through July of this calendar year, across all uses, totaled $4.1 billion. On a Fiscal Year-over-Year basis, June total uses were $525.0 million (-22.1%) lower than those of the same month in the previous Fiscal Year, with a decrease in the Primary and Secondary Education category largely responsible for the difference. For more information, please refer to the Monthly Financial Report, available at https://www.obm.ohio.gov/Budget/monthlyfinancial/.

Revised Fiscal Year 2021 revenue projections indicate that available State revenue receipts and balances in the GRF are projected to be $36.0 billion, approximately $2.43 billion less than previously anticipated. This estimated shortfall is $200 million less than the reserve held in the BSF as stated above. The projection does not include any offset for savings the State may realize from additional budgetary responses, such as, but not limited to, those contemplated below or the temporary 6.2 percentage-point increase in Federal Medical Assistance Percentages (federal revenue receipts), which are used in determining the amount of Federal payments to the State for medical services.

In response to updated revenue projections for Fiscal Year 2021 and in addition to the budgetary controls already in place, OBM and the Department of Administrative Services ("DAS") have implemented cost savings measures to further reduce expenditures by state agencies, boards, and commissions. Such measures include implementing a freeze in pay and step advancements of exempt employees as authorized by the General Assembly in House Bill 481, instituting mandatory cost savings programs for exempt employees for Fiscal Year 2021,which reduced wages of exempt employees by approximately 3.8%, and salaries of cabinet directors by approximately 4%. Further, organizations representing the State's collective bargaining employees are being asked to reduce personnel costs. OBM and DAS will continue to partner to identify personnel and cost containment strategies to balance the State budget.

As noted in the previous section, the State is effectively precluded by its Constitution from ending a Fiscal Year or a biennium in a "deficit" position. If needed, the State has additional executive and legislative measures available to safeguard against such a result. OBM continually monitors and analyzes revenues, expenditures, and related developments (including pending litigation) for inclusion in its Monthly Financial Report.

Cash Flow

Because GRF cash receipts and disbursements do not precisely coincide, temporary GRF cash flow deficiencies often occur in some months, particularly the middle months, of a Fiscal Year. Statutory provisions provide for effective management of cash flow by permitting the adjustment of payment schedules (as was done during some prior Fiscal Years) and the use of the Total Operating Fund (TOF). The State has not done and does not do external revenue anticipation borrowing.

The TOF includes the total consolidated cash balances, revenues, disbursements and transfers of the GRF and several other specified funds (including the BSF). The TOF cash balances are consolidated only for the purpose of meeting cash flow requirements, and, except for the GRF, a positive cash balance must be maintained for each discrete fund included in the TOF. The GRF is permitted to incur a temporary cash deficiency by drawing upon the available consolidated cash balance in the TOF. The amount of that permitted GRF cash deficiency at any time is limited by statute to 10% of GRF revenues for the then preceding Fiscal Year. The State plans for and manages monthly GRF cash flow deficiencies within each Fiscal Year and those deficiencies have been within the TOF limitations discussed above.

STATE DEBT

General

The incurrence or assumption of debt by the State without a popular vote is, with limited exceptions, prohibited by the State Constitution. The State is authorized to incur debt limited in amount to $750,000 to cover casual deficits or to address failures in revenues or to meet expenses not otherwise provided for. The Constitution expressly precludes the State from assuming the debts of any county, city, town or township, or of any corporation. (An exception in both cases is for debts incurred to repel invasion, suppress insurrection, or defend the State in war.) The Constitution provides that "Except the debts above specified…no debt whatever shall hereafter be created by, or on behalf of the state."

By 20 constitutional amendments approved from 1921 to present, Ohio voters have authorized the incurrence of State general obligation debt and the pledge of taxes or excises to its payment, all related to the financing of capital facilities, except for three that funded bonuses for veterans, one to fund coal technology research and development, and one to fund specified research and development activities. Currently, tax supported general obligation debt of the State is authorized to be incurred for the following purposes: highways, local infrastructure, coal development, natural resources and parks, higher education, common schools, conservation, and research and development. Authorizations for site development and veterans compensation purposes have been fully exhausted or expired. Although supported by the general obligation pledge, highway debt is also backed by a pledge of and has always been paid from the State's motor fuel taxes and other highway user receipts that are constitutionally restricted in use to highway related purposes.

State special obligation debt, the owners or holders of which are not given the right to have excises or taxes levied by the General Assembly to pay principal and interest, is authorized for purposes specified by Section 2i of Article VIII of the Constitution. The Treasurer of State currently issues the special obligations authorized under that Section 2i for parks and recreation and mental health facilities, and for facilities to house branches and agencies of State government and their functions, including: State office buildings and facilities for the Department of Administrative Services (DAS) and others, the Ohio Department of Transportation (ODOT), correctional and juvenile detention facilities for the Departments of Rehabilitation and Correction (DRC) and Youth Services (DYS), various cultural facilities, and formerly for the Department of Public Safety (DPS). Debt service on all these special obligations is paid from GRF appropriations, with the exception of debt issued for ODOT and DPS facilities which is paid from highway user receipts. All of those debt service payments are subject to biennial appropriations by the General Assembly pursuant to leases or other agreements entered into by the State.

Certificates of Participation (COPs). State agencies also have participated in buildings and equipment, information systems and non-highway transportation projects that have local as well as State use and benefit, in connection with which the State has entered into lease-purchase agreements with terms ranging from 8 to 20 years. Certificates of Participation (COPs) have been issued in connection with those agreements that represent fractionalized interests in and are payable from the State's anticipated lease payments. The maximum annual payment from GRF appropriations under those existing agreements is $45.4 million in Fiscal Year 2023 and the total GRF-supported principal amount outstanding is $277.9 million. Payments by the State are subject to biennial appropriations by the General Assembly with the lease terms subject to automatic renewal for each biennium for which those appropriations are made. The approval of the OBM Director and either the General Assembly or the State Controlling Board is required if COPs are to be publicly offered in connection with those agreements.

Revenue Bonds. Certain State agencies issue revenue bonds that are payable from revenues from or relating to revenue producing facilities, such as those issued by the Ohio Turnpike and Infrastructure Commission. As confirmed by judicial interpretation, such revenue bonds do not constitute "debt" under the constitutional provisions described above. The Constitution authorizes State bonds for certain economic development and housing purposes (the latter issued by the Ohio Housing Finance Agency) to which tax moneys may not be obligated or pledged. See the discussion of expanded housing finance authority, and permitted pledges to it, below under **Additional Authorizations**.

Tax Credits in Support of Other Long-Term Obligations. The State has authorized the issuance of fully refundable tax credits in support of "credit-collateralized bonds" issued from time to time by the Columbus-Franklin County Finance Authority to provide funding for the Ohio Capital Fund (OCF) to promote venture capital investment in Ohio and any additional bonds that may be issued to refinance those outstanding bonds or provide additional funding for that purpose. Those tax credits may be claimed by the bond trustee for the purpose of restoring the bond reserve fund for those credit-collateralized bonds in the event it is drawn upon and its required balance is not restored from other sources. Those credits may not be claimed after June 30, 2036, and the maximum amount of tax credits that may be claimed is $20 million in any Fiscal Year and $380 million in total. The bond trustee has made claims for tax credits totaling $7.5 million in Fiscal Year 2017, $15.4 million in Fiscal Year 2018, $13.5 million in Fiscal Year 2019 and $15.3 million in Fiscal Year 2020. Total outstanding principal on the credit-collateralized bonds as of June 30, 2020 was $107.2 million with the highest annual debt service payment due on the outstanding credit-collateralized bonds occurring in Fiscal Year 2021 in the amount of approximately $18.9 million. Proceeds of the OCF bonds fund investments in venture capital funds to promote investment in seed and early-stage Ohio-based business enterprises.

Prior Economic Development and Revitalization Obligations. Prior to the February 1, 2013 granting of a 25-year franchise on the State's spirituous liquor system to JobsOhio, there were outstanding $725.0 million of State bonds and notes secured by a pledge of the State's profits from the sale of spirituous liquor. In connection with the granting of that franchise, provision was made for the payment of all the debt service on those bonds and notes which are defeased and no longer outstanding obligations of the State (see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2012-13)**. Those bonds and notes were originally issued to fund a statewide economic development program that assisted in the financing of facilities and equipment for industry, commerce, research and distribution, including technology innovation, by providing loans and loan guarantees. Under its franchise agreement with JobsOhio, the State may not issue additional obligations secured by a pledge of profits from the sale of spirituous liquor during the 25-year term of that franchise.

Obligations and Funding Commitments for Highway Projects Payable from Highway-Related Non-GRF Funds. As described above, the State issues general obligations for highway infrastructure and special obligations for ODOT and DPS transportation facilities that are paid from the State's motor fuel tax and other highway user receipts that are constitutionally restricted in use to highway related purposes. In addition, the State has and expects to continue financing selected highway infrastructure projects by issuing federal highway grant anticipation revenue (GARVEE) bonds and entering into agreements that call for debt service payments to be made from federal Title 23 transportation funds allocated to the State, subject to biennial appropriations by the General Assembly. The highest annual State payment under those agreements in the current or any future fiscal year is $168.6 million in Fiscal Year 2021. In the event of any insufficiency in the anticipated federal allocations to make payments on GARVEE bonds, the payments are to be made from any lawfully available moneys appropriated to ODOT for the purpose.

In December 2014, ODOT also entered into its first public-private agreement to provide "availability payments" in support of the development and operation of a State highway improvement project. Those availability payments commenced in December 2018 and are paid from non-GRF funds available to ODOT remaining after the payment of debt service on highway general obligations, ODOT special obligations and GARVEE bonds. The partial year availability payment in Fiscal Year 2019 was $14.3 million, with availability payments estimated to increase modestly each year from $25.7 million in Fiscal Year 2020 to a maximum payment of $39.4 million in Fiscal Year 2053. Availability payments are subject to biennial appropriation by the General Assembly with the public-private agreement subject to automatic renewal for each biennium if and when those availability payments are appropriated for that biennium.

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Variable Rate Debt

Including the Series 2020 Bonds, the State currently has $389,880,000 in outstanding variable rate debt as follows with liquidity provided by the State for all of these issues:

Dated Date	Outstanding	Purpose/Series	Rate Period	Final Maturity
11/29/2001	$9,300,000	Infrastructure, 2001B	Weekly	8/1/2021
12/15/2003	54,400,000	Common Schools, 2003D	Weekly	3/15/2024
3/3/2004	24,760,000	Infrastructure Refunding, 2004A	Weekly	2/1/2023
4/1/2005	60,750,000	Common Schools, 2005A/B	Weekly	3/15/2025
6/7/2006	74,050,000	Common Schools, 2006B/C	Weekly	6/15/2026
10/26/2016	64,620,000	DRC Prison Facilities, 2016B/C	Weekly	10/1/2036
8/7/2019	45,000,000	DRC Prison Facilities, 2019C	Weekly	10/1/2039
8/12/2020	57,000,000	Parks & Recreation Facilities, 2020B	Weekly	12/1/2040

Interest Rate Swaps

As part of its debt management, the State is also party to the following floating-to-fixed interest rate swap agreements with a total notional amount currently outstanding of $223,260,000:

Outstanding Notional Amount	Related Bond Series	State Pays	State Receives	Counterparty	Effective Date	Termination Date
$9,300,000	Infrastructure 2001B	4.630%	SIFMA[1]	JP Morgan/ Wells Fargo	11/29/2001	8/1/2021
54,400,000	Common Schools 2003D	3.414%	LIBOR[2]	JP Morgan/ Wells Fargo	9/14/2007	3/15/2024
24,760,000	Infrastructure 2004A Refunding	3.510%	LIBOR[2]	Wells Fargo	3/3/2004	2/1/2023
60,750,000	Common Schools 2005A/B	3.750%	LIBOR[2,3]	JP Morgan	3/15/2007	3/15/2025
74,050,000	Common Schools 2006B/C	3.202%	LIBOR[2]	US Bank/ RBC	6/15/2006	6/15/2026

[1] Securities Industry and Financial Markets Association (SIFMA) weekly variable rate index.
[2] Variable interest rate based on a percentage of one-month London Inter-Bank Offered Rate (LIBOR) plus a fixed increment.
[3] Variable interest rate based on 62% of 10-year LIBOR beginning September 15, 2014.

For all its swap agreements, the State has established minimum uncollateralized counterparty rating thresholds of AA-/Aa3. Under each of these agreements, the counterparty is required to progressively post collateral securing the State's position if the counterparty's credit ratings fall below these minimum thresholds.

Constitutional Limitation on Annual Debt Service

A 1999 constitutional amendment provides an annual debt service "cap" applicable to most future issuances of State general obligations and other State direct obligations payable from the GRF or net State lottery proceeds. Generally, new obligations may not be issued if debt service for any future Fiscal Year on those new and the then outstanding obligations of those categories would exceed 5% of the total of estimated GRF revenues (excluding GRF receipts from the American Recovery and Reinvestment Act of 2009) plus net State lottery proceeds for the Fiscal Year of issuance. Those direct obligations of the State include general obligations and special obligations that are paid from the State's GRF, but exclude (i) general obligation debt for third frontier research and development, development of sites and facilities, and veterans compensation, and (ii) general obligation debt payable from non-GRF funds (such as highway bonds that are paid from highway user receipts). Pursuant to the implementing legislation, the Governor has designated the OBM Director as the State official responsible for making the 5% determinations and certifications. Application of the 5% cap may be waived in a particular instance by a three-fifths vote of each house of the Ohio General Assembly and may be changed by future constitutional amendments.

The following table presents a current summary of State debt authorizations and the principal that has been issued and is outstanding against those authorizations, including the Series 2020 Bonds. The General Assembly has appropriated sufficient moneys to meet debt service requirements for the current biennium (ending June 30, 2021) on all of the obligations included in this and the accompanying tables.

	Authorized by General Assembly	Issued[(a)]	Outstanding[(b)]
Obligations Payable from the GRF			
General Obligations			
Coal Development[(c)]	$260,000,000	$254,000,000	$34,475,000
Infrastructure[(d,e,m)]	4,600,000,000	4,231,986,136	1,766,470,000
Natural Resources[(f)]	492,000,000	484,620,000	146,395,000
Common School Facilities[(e,m)]	5,945,000,000	5,370,000,000	2,596,470,000
Higher Education Facilities	4,453,000,000	4,130,000,000	2,212,730,000
Conservation[(g,m)]	750,000,000	600,000,000	308,860,000
Research & Development[(h)]	1,200,000,000	971,000,000	363,735,000
Site Development	150,000,000	150,000,000	18,065,000
Veterans Compensation[(i)]	200,000,000	83,910,000	25,190,000
		Total:	$7,472,390,000
Special Obligations			
DAS Facilities	$2,069,700,000	$1,991,960,000	$568,520,000
DRC Prison Facilities[(e)]	2,462,000,000	2,232,500,000	537,695,000
DYS Facilities	400,000,000	400,000,000	119,305,000
Cultural & Sports Facilities	725,000,000	639,690,000	118,395,000
Mental Health Facilities	1,850,000,000	1,667,085,000	185,360,000
Parks & Recreation Facilities	1,042,400,000	939,000,000	491,650,000
		Total:	$2,020,925,000
Obligations Payable from Non-GRF Sources[(j)]			
Highway User Receipts			
G.O. Highway[(k)]	$3,740,000,000	$3,381,000,000	$1,003,005,000
ODOT Facilities	385,000,000	326,590,000	141,580,000
DPS Facilities	140,285,000	140,285,000	1,530,000
		Total:	$1,146,115,000
Federal Transportation Grants			
ODOT GARVEE Highway[(l)]	n.a.	$2,755,720,000	$888,020,000

(a) Excludes refunding bonds; includes bonds refunded; as of August 7, 2020. Includes $58,960,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Refunding Bonds, Series 2020D (Administrative Building Fund Projects) (Federally Taxable) (the "Series 2020D Bonds") and $56,300,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Bonds, Series 2020A (Parks and Recreation Improvement Fund) (Tax-Exempt) (the "Series 2020A Bonds") that are each expected to be issued and delivered on the same date that the Series 2020 Bonds are issued and delivered.

(b) Excludes refunded bonds; includes refunding bonds; as of August 7, 2020. Includes $58,960,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Refunding Bonds, Series 2020D (Administrative Building Fund Projects) (Federally Taxable) (the "Series 2020D Bonds") and $56,300,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Bonds, Series 2020A (Parks and Recreation Improvement Fund) (Tax-Exempt) (the "Series 2020A Bonds") that are each expected to be issued and delivered on the same date that the Series 2020 Bonds are issued and delivered.

(c) Not more than $100,000,000 may be outstanding at any time.

(d) Not more than $5,625,000,000 may be issued with the annual issuance currently limited to no more than $175,000,000 in each Fiscal Year beginning in Fiscal Year 2018 through Fiscal Year 2022 and $200,000,000 in each Fiscal Year beginning in Fiscal Year 2023 through Fiscal Year 2027, plus any obligations unissued from previous Fiscal Years.

(e) Includes adjustable rate bonds.

(f) Not more than $50,000,000 may be issued in any Fiscal Year and not more than $200,000,000 may be outstanding at any time. Issued amount includes $130,000 in refunding bonds in excess of the principal amount of the bonds refunded.

(g) Not more than $50,000,000 may be issued in any Fiscal Year plus any obligations unissued from previous Fiscal Years and not more than $400,000,000 may be outstanding at any time.

(h) Not more than $1,200,000,000 may be issued with the annual issuance now limited to no more than $175,000,000 in any Fiscal Year plus any obligations unissued from previous Fiscal Years.

(i) Constitutional authorization was self-implementing and did not require further General Assembly authorization. No more new obligations may be issued under this authorization.

(j) See discussion above of "availability payments" under ODOTs first public-private agreement, which payments are expected to be made from biennial appropriations of non-GRF funds available to ODOT and remaining after the payment of debt service on highway general obligations, special obligations and GARVEE bonds shown above.

(k) Not more than $220,000,000 may be issued in any Fiscal Year plus any amount unissued from previous Fiscal Years, and not more than $1,200,000,000 may be outstanding at any time.

(l) Debt service on these "GARVEE" bonds is paid from federal transportation grants apportioned to the State (Title 23 of the U.S. Code).

(m) Senate Bill 4, signed by Governor DeWine on July 14, 2020, increasing the authorization of Infrastructure, Common Schools, and Conservation by $375,000,000, $300,000,000, and $50,000,000, respectively, has an effective date of October 13, 2020.

The following table shows total debt service by Fiscal Year on State obligations payable from the GRF, including the Series 2020 Bonds:

Annual Debt Service Requirements on State Obligations
Paid from the GRF

	General Obligations			Special Obligations			Total GRF Debt Service[f]		
FY	**Education[a,b,e]**	**Infra-structure[b,e]**	**All Other[c,e]**	**DAS Facilities[e]**	**DRC Facilities[b][e]**	**All Other[d][e]**	**Principal[e]**	**Interest[e]**	**Total[e]**
2021	$473,191,453	$132,244,093	$170,259,745	$87,332,526	$68,839,764	$128,730,671	$654,385,000	$406,213,252	$1,060,598,252
2022	707,006,079	217,916,001	149,129,552	77,484,807	68,135,938	117,112,506	956,810,000	379,974,885	1,336,784,885
2023	640,041,804	208,531,926	137,245,752	74,636,361	64,075,501	120,834,734	906,535,000	338,831,078	1,245,366,078
2024	598,908,816	196,378,683	116,861,478	64,573,353	62,226,749	115,575,361	855,560,000	298,964,439	1,154,524,439
2025	544,135,192	207,439,491	95,492,682	59,207,097	57,600,781	109,103,258	812,265,000	260,713,500	1,072,978,500
2026	440,434,537	172,759,718	89,411,808	36,534,358	34,124,608	91,527,300	637,455,000	227,337,328	864,792,328
2027	357,465,206	170,444,258	71,111,323	36,585,447	34,256,418	82,007,125	552,080,000	199,789,777	751,869,777
2028	316,271,067	153,417,008	69,022,286	36,638,374	34,212,231	75,616,392	509,590,000	175,587,359	685,177,359
2029	316,415,055	142,810,521	53,126,143	36,703,669	34,248,728	65,274,908	496,190,000	152,389,024	648,579,024
2030	330,649,567	129,221,401	34,329,125	32,377,141	31,387,656	60,759,094	487,925,000	130,798,983	618,723,983
2031	333,480,028	129,054,855	29,863,400	29,629,388	31,404,212	48,702,375	492,255,000	109,879,258	602,134,258
2032	309,174,347	105,302,736	20,180,350	29,641,002	28,712,200	40,982,592	442,965,000	91,028,228	533,993,228
2033	240,461,709	96,234,648	10,680,200	27,227,741	28,643,754	31,579,533	360,680,000	74,147,583	434,827,583
2034	216,821,974	85,407,670	7,310,950	23,566,148	28,905,732	18,638,263	321,035,000	59,615,736	380,650,736
2035	192,973,942	61,794,582	2,966,250	23,570,586	25,741,228	18,638,971	278,580,000	47,105,558	325,685,558
2036	168,783,750	61,778,582	-	17,591,922	25,766,650	18,639,283	257,760,000	34,800,188	292,560,188
2037	145,666,000	49,901,500	-	17,591,652	20,167,912	18,636,984	228,655,000	23,309,048	251,964,048
2038	96,242,000	38,646,500	-	11,955,375	14,847,847	18,639,972	167,565,000	12,766,693	180,331,693
2039	48,268,500	25,186,875	-	11,954,875	7,128,105	18,635,606	106,030,000	5,143,961	111,173,961
2040	-	-	-	6,462,750	7,125,588	8,012,389	20,835,000	765,728	21,600,728
2041						8,013,425	7,895,000	118,425	8,013,425
							$9,553,050,000	**$3,029,280,032**	**$12,582,330,032**

(a) Consists of common schools and higher education general obligation bonds.
(b) Includes estimated debt service on adjustable rate bonds at an assumed rate of 3%.
(c) Includes natural resources, coal development, conservation, research and development, site development and veteran's compensation general obligation bonds.
(d) Includes lease-rental bonds for mental health, parks and recreation, cultural and sports facilities, and facilities for the Department of Youth Services.
(e) Excludes refunded bonds; includes refunding bonds; as of August 7, 2020. Includes the Series 2020A Bonds and 2020D Bonds expected to be issued and delivered on the same date that the Series 2020 Bonds are issued and delivered.
(f) Totals may not foot due to rounding.

The following table shows total debt service by Fiscal Year on certain State obligations payable from the indicated non-GRF revenues:

Annual Debt Service Requirements on State Obligations
Paid from Non-GRF Revenues

	Highway User Receipts			GARVEE Federal Transportation Grants[c]
FY	Highway G.O.	ODOT/DPS Facilities[a]	Total[b]	
2021	$156,448,140	$18,087,250	$174,535,390	$168,591,051
2022	153,638,402	16,522,000	170,160,402	123,812,125
2023	148,959,706	16,526,250	165,485,956	123,036,838
2024	145,287,227	16,520,500	161,807,727	122,294,650
2025	126,903,145	16,524,000	143,427,145	121,550,875
2026	97,068,050	16,520,000	113,588,050	85,765,750
2027	93,990,300	16,522,500	110,512,800	85,766,625
2028	90,867,050	16,519,750	107,386,800	85,768,750
2029	73,977,550	16,520,500	90,498,050	85,768,000
2030	54,616,500	16,518,000	71,134,500	61,672,625
2031	52,317,500	8,375,750	60,693,250	20,387,750
2032	34,823,750	8,379,000	43,202,750	20,392,375
2033	33,290,000	8,379,000	41,669,000	-
2034	18,131,250	-	18,131,250	-
2035	4,803,750	-	143,110,000	-

(a) Lease rental payments are paid from highway user receipts for these Ohio Department of Transportation and Department of Public Safety facilities.
(b) As of August 7, 2020.
(c) Debt service paid from federal transportation grants apportioned to the State under Title 23 of the U.S. Code.
Totals may not foot due to rounding.

The following table shows the principal amount of those obligations that are currently scheduled to be outstanding as of July 1 of the indicated years, including the Series 2020 Bonds, as of August 7, 2020:

	Obligations Payable from the GRF			Non-GRF Obligations
Year	Education[a]	Other GO[b]	Special Obligations[c]	Highway User Receipts[d]
2021	$4,587,280,000	$2,486,350,000	$1,817,140,000	$1,026,715,000
2026	2,454,535,000	1,290,365,000	977,245,000	465,115,000
2031	1,217,165,000	495,290,000	471,650,000	98,555,000
2036	267,720,000	106,015,000	157,245,000	-

(a) Includes bonds for common school and higher education capital facilities.
(b) Includes natural resources, coal development, infrastructure improvement, conservation, research and development, site development and veterans compensation general obligation bonds.
(c) Includes lease-rental bonds for various State capital facilities.
(d) Includes general obligations for highways and lease-rental bonds for ODOT and DPS facilities.

The following tables show certain historical debt information and comparisons. These tables include only outstanding obligations of the State for which debt service is paid from the GRF.

Fiscal Year	Principal Amount Outstanding	Outstanding Debt Per Capita	Outstanding Debt as % of Annual Personal Income
1980	$1,991,915,000	$184	1.86%
1990	3,707,055,058	342	1.83
2000	6,308,680,025	556	1.94
2010	8,586,655,636	744	2.03
2011	8,996,752,848	779	1.99
2012	9,760,505,915	845	2.08
2013	9,263,358,266	800	1.94
2014	9,517,346,998	820	1.92
2015	9,354,508,600	805	1.81
2016	9,271,400,000	797	1.77
2017	9,450,790,000	810	1.73
2018	9,746,900,000	834	1.73
2019	9,496,850,000	812	1.68
2020	9,432,955,000	807(a)	1.60(b)

Fiscal Year	Debt Service Payable	Total GRF Revenue and Net State Lottery Proceeds	Debt Service as % of GRF Revenue and Lottery Proceeds	Debt Service as % of Annual Personal Income
1980	$187,478,382	$4,835,670,223	3.88%	0.18%
1990	488,676,826	12,230,682,298	4.00	0.24
2000	871,313,814	20,711,678,217	4.21	0.27
2010	710,284,236*	24,108,466,000**	2.95	0.17
2011	755,023,015*	26,777,133,000**	2.82	0.17
2012	692,776,090*	27,956,512,000	2.48	0.15
2013	1,204,775,861	30,361,815,000	3.97	0.25
2014	1,237,701,225	30,137,139,000	4.11	0.25
2015	1,278,258,664	32,463,100,000	3.94	0.25
2016	1,314,513,346	34,996,649,000	3.76	0.25
2017	1,328,276,711	35,218,700,000	3.77	0.24
2018	1,338,395,923	33,642,813,000	3.98	0.24
2019	1,402,757,299	34,921,508,000	4.02	0.25
2020	1,414,866,835	34,551,772,000	4.09	0.24(b)

(a) Based on July 2019 population estimate.
(b) Based on preliminary 2019 personal income data.
* Reduction is due in large part to the restructuring of certain GRF debt service payments resulting in net savings of $416.8 million in Fiscal Year 2010, $336.9 million in Fiscal Year 2011, and $449.3 million in Fiscal Year 2012.
** Excludes federal funds from the American Recovery and Reinvestment Act of 2009.

Recent Debt Authorizations

Only a portion of State capital needs can be met by direct GRF appropriations, so additional State borrowing for capital and other purposes has been and will continue to be required. The State legislature has not passed a comprehensive appropriations bill for new capital spending for the 2021-22 capital biennium. Senate Bill 4, which is effective for the 2021-22 biennium, has newly authorized $300,000,000 of general obligation debt for capital improvements for elementary and secondary public schools and a shared $255,000,000 of general obligation debt for local infrastructure projects and conservation purposes. It is unclear whether the General Assembly will authorize additional general obligation debt during the 2021-22 capital biennium.

Recent constitutional authorizations are:

- 2014 – authorizes an additional $1.875 billion of general obligation debt for public infrastructure as a ten-year extension of the existing local government infrastructure program authorized in 2005, with an increase in the annual issuance amount from $150 million to $175 million in the first five Fiscal Years and $200 million in each Fiscal Year thereafter.

- 2010 – authorizes the issuance of $700 million of State general obligation debt to renew and continue programs for research and development in support of Ohio industry, commerce, and business, with those obligations not subject to the 5% debt service cap described above. The authorization is in addition to the below-referenced 2005 constitutional amendment for the same purpose. The amount of all State general obligations that may be issued for, and the amounts of proceeds from those State general obligations that may be committed to, those research and development purposes, are limited to no more than $450 million total for the period including State Fiscal Years 2006 through 2011, no more than $225 million in Fiscal Year 2012 and no more than $175 million in any Fiscal Year thereafter, plus any amounts that in any prior Fiscal Year could have been but were not issued.

- 2009 – authorized the issuance of State general obligation debt to provide compensation to persons who have served in active duty in the United States armed forces at any time during the Persian Gulf, Afghanistan, and Iraq conflicts, with those obligations not subject to the 5% direct obligation debt service cap described above. Not more than $200 million in obligations could have been issued no later than December 31, 2013.
- 2008 – authorizes the issuance of State bonds for land conservation and revitalization purposes (including statewide brownfields clean-up). For each of the two purposes, the authorization is for not more than $50 million in principal amount to be issued in any Fiscal Year plus any amount unissued from previous Fiscal Years and not more than $200 million to be outstanding at any time. The bonds for conservation purposes are general obligations, and those for revitalization purposes are special obligations payable from revenues and receipts designated by the General Assembly (previously a portion of the State's net liquor profits; see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2012-13**). The authorization is in addition to the 2000 constitutional amendment for the same purposes.
- 2005 – authorizes the issuance over ten years of $500 million of State general obligation debt in support of research and development, and $150 million of State general obligation debt for the development of sites for industry, commerce, distribution and research and development, with those obligations not subject to the 5% debt service cap described above. Also authorizes an additional $1.35 billion of general obligation debt for public infrastructure as a ten-year extension of the existing local government infrastructure program, with an increase in the annual issuance amount from $120 million to $150 million in the last five Fiscal Years, which continues to be subject to that 5% debt service cap.
- 2000 – authorizes the issuance of State bonds for land conservation and revitalization purposes (including statewide brownfields clean-up). For each of the two purposes, the amendment authorizes not more than $50 million in principal amount to be issued in any Fiscal Year plus any amount unissued from previous Fiscal Years and not more than $200 million to be outstanding at any time. The bonds for conservation purposes are general obligations, and those for revitalization purposes are special obligations payable from revenues and receipts designated by the General Assembly (previously a portion of the State's net liquor profits; see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2012-13**).
- 1999 – authorizes State general obligation debt to pay costs of facilities for a system of common schools throughout the state and for state-supported and state-assisted institutions of higher education. The amendment also provides for the 5% direct obligation debt service cap described above.
- 1995 – authorizes additional highway bonds and extends the local infrastructure bond program. For the latter, it authorized an additional $1.2 billion of State's full faith and credit obligations to be issued over 10 years, with not more than $120 million to be issued in any Fiscal Year. The highway finance portion authorizes not more than $1.2 billion to be outstanding at any time and not more than $220 million to be issued in any Fiscal Year.
- 1994 – pledges the State's full faith and credit and taxing power to meet certain guarantees under the State's tuition credit program, a program that provides for the purchase of tuition credits which are guaranteed to cover a specified amount when applied to tuition and other eligible higher education costs. Under the amendment, to secure the tuition guarantees, the General Assembly shall appropriate money sufficient to offset any deficiency that occurs in the trust fund, at any time necessary to make payment of the full amount of any tuition payment or refund required by a tuition payment contract.
- 1990 – authorizes greater State and political subdivision participation in the provision of individual and family housing. This supplements the previous constitutionally authorized loans-for-lenders and other housing assistance programs, financed in part with State revenue bonds. The amendment authorizes the General Assembly to provide for State assistance for housing in a variety of ways, including State borrowing for the purpose by the issuance of obligations secured by a pledge of all or such portion of State revenues or receipts as it authorizes (but not by a pledge of the State's full faith and credit).

- 1985 – authorizes the issuance of general obligation debt to finance grants or make or guarantee loans for research and development of coal technology that will encourage the use of Ohio coal. Those grants or loans are available to any individual, association, or corporation doing business in the State or to any educational or scientific institution located in the State. Not more than $100 million may be outstanding at any time.

ECONOMY AND EMPLOYMENT

Although manufacturing (including auto-related manufacturing) in Ohio remains an integral part of the State's economy, the greatest growth in Ohio's economy in recent years has been in the non-manufacturing sectors. Ohio's 2019 economic output, as measured by gross state product (GSP), totaled $698.5 billion, 3.30% of the national GDP and seventh largest among the states. The State ranks third within the manufacturing sector as a whole ($112.8 billion) and fourth in durable goods ($64.2 billion). As a percent of Ohio's 2019 GSP, 16.2% was attributable to manufacturing, with 22.2% attributable to the goods-producing sectors and 34.5% to the business services sectors, including finance, insurance and real estate. Ohio is the ninth largest exporting state with 2019 merchandise exports totaling $53.0 billion. The State's leading export products are machinery (including electrical machinery), motor vehicles (including parts), aircraft/spacecraft and plastics, which together accounted for 57.6% of that total.

Non-farm payroll employment in Ohio, in a diversifying employment base, decreased in 2001 through 2003, increased in 2004 through 2006, decreased in 2007 through 2010, and increased in 2011 through 2019. In the last three decades, there has been a shift toward the services industry, with manufacturing employment decreasing since its 1969 peak. The "non-manufacturing" sector employs approximately 87.4% of all non-farm payroll workers in Ohio. The changing mix of employment sectors nationally and in Ohio are shown in the following tables.

Ohio Nonfarm Payroll Jobs by Industry Type
Not Seasonally Adjusted (in 000)

	1980	1990*	2000*	2010*	2019*
Mining & Logging	31	18	13	11	13
Construction	167	192	246	169	218
Manufacturing	1,264	1,060	1,021	621	703
Trade, Transportation & Public Utilities	1,180	963	1,115	945	1,025
Financial Activities	204	255	305	277	309
Services	831[1]	n.a.	n.a.	n.a.	n.a.
Professional & Business Services	n.a.	455	647	629	736
Educational & Health Services	n.a.	539	679	839	949
Leisure & Hospitality	n.a.	400	483	475	579
Information & Other Services	n.a.	279	331	284	284
Government	690	722	785	786	780
TOTAL	4,367	4,882	5,624	5,036	5,596

* Reflects change in the bases for industry classification from the 1987 Standard Industrial Classification (SIC) system to the current 2017 North American Industry Classification System (NAICS). Data since 1990 reflects this change.

[1] Data under SIC system included professional and business, education and health, leisure and hospitality, information and 'other' services under a single "Services" industry category.

Totals may not foot due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics, National and State Current Employment Statistics.

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Distribution of Nonfarm Payroll Jobs by Industry Type (%)

	1980		1990*		2000*		2010*		2019*	
	Ohio	U.S	Ohio	U.S.	Ohio	U.S.	Ohio	U.S.	Ohio	U.S.
Mining & Logging	**0.7**	1.1	**0.4**	0.7	**0.2**	0.5	**0.2**	0.5	**0.2**	0.5
Construction	**3.8**	4.8	**3.9**	4.8	**4.4**	5.1	**3.4**	4.2	**3.9**	5.0
Manufacturing	**28.9**	22.4	**21.7**	16.2	**18.2**	13.1	**12.3**	8.8	**12.6**	8.5
Trade, Transportation & Public Utilities	**27.0**	28.2	**19.7**	20.7	**19.8**	19.9	**18.8**	18.9	**18.3**	18.4
Financial Activities	**4.7**	5.7	**5.2**	6.0	**5.4**	5.9	**5.5**	5.9	**5.5**	5.8
Services	**19.0**[1]	19.8[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Professional & Business Services	n.a.	n.a.	**9.3**	9.9	**11.5**	12.6	**12.5**	12.8	**13.2**	14.1
Educational & Health Services	n.a.	n.a.	**11.0**	10.1	**12.1**	11.6	**16.7**	15.3	**17.0**	16.0
Leisure & Hospitality	n.a.	n.a.	**8.2**	8.5	**8.6**	9.0	**9.4**	10.0	**10.3**	11.0
Information & Other Services	n.a.	n.a.	**5.7**	6.3	**5.9**	6.7	**5.6**	6.2	**5.1**	5.8
Government	**15.8**	18.0	**14.8**	16.8	**14.0**	15.7	**15.6**	17.3	**13.9**	15.0

* Reflects change in the bases for industry classification from the 1987 Standard Industrial Classification (SIC) system to the current 2017 North American Industry Classification System (NAICS). Data since 1990 has been adjusted to reflect this change.

[1] Data under SIC system included professional and business, education and health, leisure and hospitality, information and 'other' services under a single "Services" industry category.

Totals may not foot due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics, National and State Current Employment Statistics. The distribution percentages are as calculated by OBM.

Ohio and U.S. unemployment rates have been as follows:

Average Monthly Unemployment Rates (Seasonally Adjusted)

Year	Ohio	U.S.
1980	8.4%	7.1%
1990	5.6	5.6
2000	4.0	4.0
2005	5.9	5.1
2006	5.4	4.6
2007	5.6	4.6
2008	6.4	5.8
2009	10.3	9.3
2010	10.3	9.6
2011	8.8	8.9
2012	7.4	8.1
2013	7.5	7.4
2014	5.8	6.2
2015	4.9	5.3
2016	5.0	4.9
2017	5.0	4.4
2018	4.6	3.9
2019	4.2	3.7
2020 January	4.1	3.6
February	4.1	3.5
March	5.5	4.4
April	16.8	14.7
May	13.7	13.3
June	10.9	11.1

Source: Ohio Labor Market Information.

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The following are the private sector employers that had the highest number of full-time equivalent employees (estimated and rounded) in Ohio in 2019:

OHIO'S TOP 25 PRIVATE SECTOR EMPLOYERS – 2019

Company	Employment Headcount (Estimated)	Sector
Cleveland Clinic Health System	50,825	Health Care
Wal-Mart Stores Inc	49,330	Retail: General Merchandise
Kroger Company	45,340	Retail Food Stores
Mercy Health	31,500	Health Care
University Hospitals Health System	28,000	Health Care
Ohio Health	26,600	Health Care
ProMedica Health System	22,500	Health Care
JPMorgan Chase & Co.	21,000	Finance: Bank
Giant Eagle Inc.	19,000	Retail: Food Stores
Cincinnati Children's Hospital Medical System	15,660	Health Care
Honda Motor Company	15,000	Motor Vehicles
Golden Gate Capital LP / Bob Evans Restaurants	14,500	Hospitality: Restaurants
United Parcel Service	14,425	Transportation: Air Delivery
Nationwide Mutual Insurance Company	14,000	Finance: Insurance
Premier Health Partners	14,000	Health Care
Lowe's Companies Inc	13,400	Retail: Home Improvement
TriHealth Inc.	12,500	Health Care
Home Depot Inc.	12,350	Retail: Home Improvement
General Electric Company	12,000	Manufacture: Aerospace/Electrical
Kettering Health Network	12,000	Health Care
Nationwide Children's Hospital	12,000	Health Care
Berkshire Hathaway	11,800	Retail General Merchandiser
Amazon Inc.	11,500	Retail: General Merchandise
Procter & Gamble Company	11,500	Soaps and Consumer Goods
Progressive Corporation	11,000	Finance, Insurance

* Boldface indicates headquartered in Ohio. Source: Development Services Agency, Office of Research, May 2019.

POPULATION

Ohio's 2010 decennial census population of 11,536,504 indicated a 1.6% population growth over 2000 and ranked Ohio seventh among the states in population. The following tables show selected census figures:

Ohio Population — Total and by Age Group

Year	Total	Rank Among States	Decennial Growth Rate	0-19 Years	20-64 Years	65 and Over
1970	10,652,017	6	9.7%	4,124,400	5,539,600	993,500
1980	10,797,630	6	1.4	3,502,900	6,125,200	1,169,500
1990	10,847,115	7	0.5	3,141,000	6,299,100	1,407,000
2000	11,353,140	7	4.7	3,216,000	6,629,400	1,507,800
2010	11,536,504	7	1.6	3,067,126	6,847,363	1,622,015

* July 2019 Census population estimate is 11,689,100.

Source: U.S. Census Bureau Web Site, Population Estimates.

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Population of Ohio Metropolitan Areas[a]

	1970	1980	1990	2000	2010
Cleveland	2,063,729	1,898,825	2,202,069[b]	2,250,871[b]	2,077,240[b]
Cincinnati	1,106,821	1,100,983	1,526,092[c]	1,646,395[c]	2,130,151[d]
Columbus	1,017,847	1,093,316	1,345,450[e]	1,540,157[e]	1,836,536[e]
Dayton	852,531	830,070	951,270[f]	950,558[f]	979,835[f]
Akron	679,239	660,328	657,575	694,960	703,200
Toledo	643,443	656,940	614,128	618,203	651,429
Youngstown-Warren	537,124	531,350	600,895[g]	594,746[g]	565,773[g]
Canton	393,789	404,421	394,106	406,934	404,422
Lorain-Elyria	256,843	274,909	[b]	[b]	[b]
Hamilton-Middletown	226,207	258,787	291,479	332,807	[d]
Lima	210,074	218,244	154,340	155,084	106,331
Mansfield	129,997	131,205	174,007[g]	175,818[g]	124,475
Steubenville	96,193	91,564	142,523[h]	132,008[h]	124,454[h]

(a) SMSAs in 1970 & 1980, MSAs in 1990, 2000 & 2010 (PMSA's for Cleveland, Cincinnati, Akron, and Hamilton-Middletown).
(b) Lorain-Elyria included with Cleveland.
(c) Includes 12 counties (two in Indiana and six in Kentucky).
(d) Includes 15 counties (three in Indiana and seven in Kentucky); includes Hamilton-Middletown.
(e) Newark added.
(f) Springfield added.
(g) Includes three counties.
(h) Weirton added; includes two counties in West Virginia.
Source: U.S. Census Bureau Web Site, Metropolitan Area Population Estimates.

AGRICULTURAL AND RESOURCES BASES

With 13.9 million acres (of a total land area of 26.4 million acres) in farmland and an estimated 77,800 individual farms, agriculture combined with related agricultural sectors is an important segment of Ohio's economy. Ohio's 2018 crop production value of $5.4 billion ranked twelfth among states and represented 2.9% of the U.S. total value. Ohio's 2018 livestock production value of $3.5 billion ranked nineteenth among states and represented 2.0% of the U.S. total value. As of 2018, Ohio accounts for 4.2% of total U.S. cash receipts for corn and 6.5% for soybeans. In 2018, Ohio's agricultural sector output (consisting of crops, livestock, poultry and dairy, and services and forestry, and all farm-related income) totaled $9.0 billion and represented 2.4% of the U.S. total value. Ohio farm expenses and purchased inputs (feed, seed, chemicals, fertilizer, livestock, utilities, labor, and machinery) totaled $7.5 billion. The net farm income on Ohio farms in 2018 was $2.8 billion.

The availability of natural resources, such as water and energy, is of vital nationwide concern. Ohio has large quantities of these important natural resources. With Lake Erie and the Ohio River on the State's borders, and many lakes and streams throughout the State, water is readily available for all uses. Additionally, Ohio has sizable coal resources ranking seventeenth among the states in coal reserves and fifteenth in coal production in 2018.

STATE EMPLOYEES AND COLLECTIVE BARGAINING AGREEMENTS

Since 1985, the number of regular State employees (excluding employees who are not paid by State warrant such as state university employees) has ranged from a low of 51,232 at the end of Fiscal Year 2020 to a high of 68,573 in 1994. The State engages in collective bargaining with five employee unions representing 14 bargaining units, and generally operates under three-year agreements. The State's current collective bargaining agreements expire between February 28, 2021 and June 30, 2021.

RETIREMENT SYSTEMS

The State has established five public retirement systems to provide retirement, disability retirement and survivor benefits, and other post-employment benefits such as retiree health care. None of these benefits are guaranteed under the Ohio Constitution or under State law, or subject to bargaining under the State's current public employee collective bargaining law.

The Public Employees Retirement System (PERS), the largest of the five, covers both State and local public employees and non-teaching employees at public higher education institutions. The State Teachers Retirement System (STRS) covers teaching employees at school districts and public higher education institutions. The School Employees Retirement System (SERS) covers non-teaching employees at school districts and community colleges. The Highway Patrol Retirement System (HPRS) covers State troopers, and the Ohio Police and Fire Pension Fund (OP&F) covers local safety forces. Full financial information for each retirement system can be found on its website in that system's Comprehensive Annual Financial Report (CAFR).

The five retirement systems began reporting pensions in accordance with GASB Statement No. 67, Financial Reporting for Pension Plans, in Fiscal Year 2014, and the State began reporting pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in Fiscal Year 2015. The retirement systems also began reporting in accordance with GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, in Fiscal Year 2017, and the State began reporting in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in Fiscal Year 2018.

The retirement systems were created by and operate pursuant to State law. As reflected in the 2012 pension reform acts discussed below, the General Assembly has the power to amend the structure and benefit levels, impose or revise contribution rates or amounts, and to make other changes. The systems have never been subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act (ERISA). Federal law requires employees hired on or after April 1, 1986 to participate in the Medicare program, with matching employer and employee contributions, each now 1.45% of the wage base. Otherwise, State employees covered by a State retirement system are not currently covered under the federal Social Security Act. Congress has from time to time considered legislation relating to public sector retirement funds and to other aspects of public employee retirement.

Funding for the retirement systems is provided by a combination of public employer and employee contributions based on percentages of each employee's compensation, with the employees' contributions being deducted from their paychecks. Employee contribution percentages are either established in State law or by the retirement system board subject to a maximum contribution amount established in State law. With the exception of employee contributions for PERS law enforcement and public safety personnel, the current contribution percentages for each system (set forth in the following table under **Pension Benefits**) reflect the maximums permitted under State law.

In 1968, the Ohio General Assembly created the Ohio Retirement Study Council (ORSC) to oversee the state's five public retirement systems and to advise and inform the legislature on all matters relating to the benefits, funding, investment, and administration of those systems. The ORSC consists of nine voting members: three members of the House appointed by the Speaker; three members of the Senate appointed by the President; and three members appointed by the Governor (one representing the State, one representing local governments, and the third representing public education institutions). The five executive directors of the retirement systems also serve as nonvoting members of the ORSC.

Under State law, each retirement system's board is required to establish a period of not more than thirty years to amortize its unfunded actuarial accrued pension liability (UAAL). If in any year the period required to amortize that UAAL exceeds thirty years, the board must prepare and submit to the ORSC and the applicable committees in the Ohio General Assembly, a plan to reduce that amortization period to not more than thirty years. Based on their most recent reporting years reflected in the table below under **Pension Benefits**, all of the retirement systems meet the 30-year funding requirement, with the number of years to fully amortize UAAL at seventeen years for STRS, twenty-three years for HPRS, twenty-five years for SERS, twenty-seven years for PERS, and twenty-nine years for OP&F. Prior to the 2012 pension reform acts described below, the board of each of the five retirement systems had approved and submitted to the ORSC and the Ohio General Assembly a plan to reduce or maintain its amortization period at not more than thirty years. Pursuant to this continuing requirement, the OP&F board increased (effective January 1, 2014) contributions to its pension fund by reducing from 2.85% to 0.5% the amount of employer contributions directed to health care and redirecting the 2.35% difference to pensions, and the STRS board increased (effective July 1, 2014) contributions to its pension fund by redirecting to pensions the 1.0% of employer contributions previously directed to healthcare. The HPRS board also increased (effective January 1, 2018) contributions to its pension fund by reducing from 4.0% to 3.5% the amount of employer contributions directed to its health care fund.

After extensive review, the General Assembly in September 2012 enacted, and the Governor signed into law effective January 7, 2013, five pension reform acts to implement with modifications plans previously submitted by the five retirement systems to reduce or maintain their UAAL periods to or at not more than thirty years. The reform act for PERS made changes including, among others, increasing the years of service and eligibility age necessary to retire with full benefits, increasing from three to five the number of years used in determining "final average salary" for purposes of calculating retirement benefits, reducing the post-retirement cost of living adjustment, and increasing the minimum salary threshold required to earn full-time service credit for public employee eligibility to participate in the system. The other reform acts made similar changes to STRS, SERS, OP&F and HPRS, and enacted phased increases in the employee contribution rate for STRS (from 10% to a maximum of 14% in July 2016) and OP&F (from 10% to a maximum of 12.25% in July 2015). The HPRS board was authorized to increase employee contributions up to a maximum of 14% from 10% beginning in July 2013, and it has implemented this authorization by increasing the employee contribution rate to 11.5% for 2014, 12.5% for 2015 to 2017, and 14.0% for 2018 and thereafter. With the exception of PERS, the reform acts also authorize each retirement system's board to adjust certain pension benefits levels within limits without General Assembly approval. Under this authority, the post-retirement cost of living adjustment for retirees was eliminated by the STRS board (from 2.0% to 0.0% beginning July 1, 2017) and reduced by the HPRS board (phased down from 3.0% to 1.25% beginning January 1, 2015). As reflected above, these reform acts did not change the requirement that each system establish a period of not more than thirty years to amortize its pension UAAL and prepare and submit to the ORSC and the Ohio General Assembly a plan to reduce that amortization period if it exceeds thirty years.

Retirement Contributions

The State makes its employer contributions based on a percent of salary for each State employee that is an active member of a state retirement system. Currently, just over 95% of State employees are members of PERS, about 3.2% are in HPRS and about 1.2% are in STRS. The following table summarizes State employer and employee contributions to those retirement systems with State employee members ($ in millions):

State	**PERS** Employer/Employee		**STRS** Employer/Employee		**HPRS** Employer/Employee		**Total** Employer/Employee
Fiscal Year	Amount	Pct. of Salary[a]	Amount	Pct. of Salary	Amount	Pct. of Salary	Contributions
2016	$395.9/$278.4	14.0%/10.0%	$5.7/$4.8	14.0%/13.0%	$27.2/$12.8	26.5%/12.5%	$428.9/$296.0
2017	411.5/289.5	14.0/10.0	5.9/5.4	14.0/14.0	31.1/14.6	26.5/12.5	448.5/309.5
2018	421.5/296.7	14.0/10.0	5.9/5.5	14.0/14.0	30.1/14.6	26.5/12.5	458.3/316.8
2019	433.0/304.6	14.0/10.0	6.0/5.6	14.0/14.0	31.7/14.9	26.5/14.0	470.6/325.1
2020	440.6/314.7	14.0/10.0	6.1/6.1	14.0/14.0	32.8/16.3	26.5/14.0	479.5/337.1

(a) Reflects PERS state and local contribution rates only. PERS law enforcement employer/employee contribution rate was 18.1%/12.1% in Fiscal Year 2012, increasing in increment to 18.1%/13.0% in Fiscal Year 2014, and public safety was 18.1%/11.5% in Fiscal Year 2012, increasing to 18.1%/12.0% in Fiscal Year 2013.

Source: Contributions based on percent of payroll expenses from State of Ohio accounting system records.

The State also has funded and continues to fund a subsidy to the OP&F system to pay for survivor benefits provided in law and not otherwise funded. The aggregate subsidies were $40.8 million in the 2016-17 biennium, $46.1 million in the 2018-19 biennium, and are appropriated at $69.7 million in the 2020-21 biennium. All State employer contributions are subject to appropriation in each State budget and are included in the appropriations for each department or agency's personnel costs.

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Pension Benefits

The following table summarizes State and local membership and financial data for each of the retirement systems for the most recent year reported by the particular system ($ in millions):

	PERS	**STRS**	**SERS[a]**	**OP&F[b]**	**HPRS**
Valuation as of:	**12/31/19**	**07/01/19**	**06/30/19**	**12/31/18**	**12/31/18**
Active Members	294,015	170,004	159,363	28,904	1,668
Retirees and Beneficiaries	214,669	157,418	81,024	29,566	1,671
Employer/Employee Contributions (% of Salary) [c]	14.0/10.0[d]	14.0/14.0	14.0/10.0	[e]	26.5/14.0
Active Member Payroll	$14,987.6	$12,296.8	$3,462.5	$2,218.0	$116.0
Market Value of Assets (MVA) [f]	$91,814.5	$75,726.5	$14,544.1	$13,941.1	$791.7
Actuarial Value of Assets (AVA) [g]	$88,572.0	$74,411.8	$14,293.0	$14,753.2	$769.1
Actuarial Accrued Liability (AAL) [h]	$111,371.0	$97,840.9	$20,129.8	$21,264.7	$1,158.2
Funding Ratio (AVA to AAL %, (MVA to AAL %))	79.5 (82.4)	76.1 (77.4)	71.0 (72.2)	69.4 (65.6)	66.4 (68.4)
Unfunded Actuarial Accrued Liability (UAAL)	$22,799.0	$23,429.1	5,836.8	$6,511.5	$389.1
UAAL to Active Member Payroll %	159.0	190.5	168.6	293.6	335.4
UAAL Funding Period (years) [i]	23	17	25	29	23

(a) SERS information excludes Medicare Part B reimbursement which is considered a post-employment healthcare benefit reported in accordance with GASB Statement 43 for all data except MVA.
(b) OP&F deferred retirement option plan balances are included in MVA, AVA, and AAL.
(c) For PERS and SERS, the maximum employer and employee contribution rates under law are 14.0% and 10.0%. For STRS and HPRS, the maximum employer and employee contributions rates are 14.0/14.0% and 26.5/14.0%, respectively. Each system's board annually determines the portion of the employer contribution, if any, that is directed to fund post-employment health care benefits.
(d) PERS state employer/employee contribution rate is 14.0/10.0%, local is 14.0/10.0%, law enforcement is 18.1/13.0%, and public safety is 18.1/12.0%. PERS state and local employer and employee contribution rates increased to their current statutory maximum of 14.0% and 10.0%, respectively, in calendar year 2008.
(e) OP&F employer and employee contribution rates increased to their current statutory maximum of 19.5/12.25% for police and 24.0/12.25% for fire in July 2015.
(f) Defined contribution plan assets are generally excluded for PERS and included for STRS.
(g) Recognizes assumed investment returns fully each year (7.2% for PERS and HPRS, 7.45% for STRS, 7.5% for SERS, and 8.0% for OP&F). Differences between actual and assumed investment returns, subject to each system's market corridor limitation, are phased-in over a closed four-year period.
(h) Reflects an individual entry age normal actuarial cost method.
(i) UAAL funding period is calculated based on a closed period as a level percent of payroll, except for the portion of PERS members who participate in the member directed plan which uses a closed period as a level dollar of payroll.

Sources: Retirement systems' CAFRs and annual actuarial valuations.

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The following table summarizes financial and funding information for each of the retirement systems for the five years previous to the current year information provided above as reported by the particular system ($ in millions):

Retirement System Valuation Year-End	Actuarial Value of Assets (AVA)[(a)]	Actuarial Accrued Liability (AAL)[(b)]	Unfunded Actuarial Accrued Liability (UAAL)[(c)]	Funding Ratio (AVA to AAL)	Market Value of Assets (MVA)[(d)]	Funding Ratio (MVA to AAL)	Active Member Payroll	UAAL Percent of Active Member Payroll
PERS								
12/31/19	$88,572.0	$111,371.0	$22,799.0	79.5%	$91,814.5	82.4%	$14,987.6	159.0%
12/31/18	$84,287.0	$108,705.0	$24,418.0	77.5%	$81,427.4	74.9%	$14,391.1	169.7%
12/31/17*	$83,292.2	$106,090.0	$22,797.8	78.5%	$87,104.9	82.1%	$14,058.0	162.2%
12/31/16	$80,279.7	$100,167.1	$19,887.4	80.1%	$77,514.2	77.4%	$13,717.6	145.0%
12/31/15	$78,061.0	$97,177.0	$19,116.0	80.3%	$74,560.1	76.7%	$13,177.0	145.1%
STRS								
07/01/19	$74,411.8	$97,840.9	$23,429.1	76.1%	$75,726.5	77.4%	$12,296.8	190.5%
07/01/18	$73,115.4	$96,904.1	$23,788.7	75.5%	$74,916.3	77.3%	$11,923.7	199.5%
07/01/17	$72,216.2	$96,126.4	$23,910.2	75.1%	$72,371.2	75.3%	$11,557.1	206.9%
07/01/16	$70,114.6	$100,756.4	$30,641.8	69.6%	$67,283.4	66.8%	$11,099.6	276.1%
07/01/15	$68,656.0	$99,014.7	$30,358.7	69.3%	$71,377.6	72.1%	$10,948.6	277.3%
SERS[(e)]								
06/30/19	$14,293.0	$20,129.8	$5,836.8	71.0%	$14,544.1	72.2%	$3,462.5	168.6%
06/30/18	$13,848.0	$19,598.1	$5,750.6	70.7%	$14,270.5	72.8%	$3,332.4	172.6%
06/30/17	$13,560.0	$19,186.6	$5,626.6	70.7%	$13,613.6	71.0%	$3,302.8	170.4%
06/30/16	$13,037.0	$19,368.6	$6,331.6	67.3%	$12,451.6	64.3%	$2,932.2	215.9%
06/30/15	$12,467.0	$18,122.0	$5,655.0	68.8%	$12,797.2	70.6%	$2,845.4	198.7%
OP&F[(f)]								
12/31/18	$14,753.2	$21,264.7	$6,511.5	69.4%	$13,941.1	65.6%	$2,218.0	293.6%
12/31/17	$14,594.6	$20,887.2	$6,292.7	69.9%	$14,963.6	71.6%	$2,209.3	284.8%
12/31/16	$14,162.5	$20,290.4	$6,127.9	69.8%	$13,682.4	67.4%	$2,180.9	281.0%
12/31/15	$13,653.0	$19,135.9	$5,482.9	71.3%	$12,923.9	67.5%	$2,060.9	266.1%
12/31/14	$13,029.3	$18,395.6	$5,366.3	70.8%	$13,453.4	73.1%	$1,986.6	270.1%
HPRS								
12/31/18	$769.1	$1,158.2	$389.1	66.4%	$715.5	66.4%	$116.0	335.4%
12/31/17	$774.7	$1,153.6	$378.9	67.2%	$786.4	68.2%	$112.7	336.2%
12/31/16	$763.7	$1,127.9	$364.3	67.7%	$721.7	64.0%	$108.8	334.8%
12/31/15	$739.8	$1,079.0	$339.1	68.6%	$704.2	65.3%	$100.0	339.2%
12/31/14	$712.3	$1,012.8	$300.5	70.3%	$740.7	73.1%	$99.2	302.9%

(a) Recognizes the assumed long-term investment return fully for each particular year. Differences between actual and assumed investment returns, subject to each system's market corridor limitation, are phased-in over a closed four-year period.
(b) Reflects an individual entry age actuarial cost method.
(c) UAAL is calculated based on a closed period as a level percent of payroll, except for STRS in 2013-2014 and OP&F in 2013-2014 for which UAAL is calculated based on an open period of time and the portion of PERS members who participate in the member directed plan which uses a level dollar of payroll.
(d) Defined contribution plan assets are excluded for PERS, except for annuitized define contribution assets, and included for STRS.
(e) Excludes Medicare Part B reimbursement which is considered a post-employment health care benefit reported in accordance with GASB 43 for all data except MVA.
(f) Effective with the January 1, 2015 valuation, OP&F deferred retirement option plan balances are included in AVA, AAL, and MVA.

*Reflects revised actuarial assumptions based on change in discount rate from 7.5% to 7.2%.

Sources: Retirement systems' CAFRs and annual actuarial valuations.

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GASB Statements No. 67 & 68. GASB Statement No. 67 replaced prior accounting standards for reporting pension plan information beginning in Fiscal Year 2014. Under this new accounting standard, the reporting of unfunded actuarial accrued liability (UAAL) has been replaced by the net pension liability (NPL). The NPL represents the excess of the total pension liability over fiduciary net position. The components of the NPL and the sensitivity of the NPL to changes in the single discount rate for each of the retirement systems for the most recent year are as follows ($ in millions):

	PERS[(a)]	STRS	SERS	OP&F	HPRS
Valuation as of:	**12/31/19**	**07/01/19**	**06/30/19**	**12/31/18**	**12/31/18**
Total Pension Liability [(b)(c)]	$111,371.0	$97,840.9	$20,527.3	$22,103.7[(e)]	$1,472.3[(f)]
Fiduciary Net Position [(d)]	$91,814.5	$75,726.5	$14,544.1	$13,941.1	$715.5
Net Pension Liability (NPL)	$19,553.0	$22,114.4	$5,983.2	$8,162.6	$756.9
Fiduciary Net Position as a Percentage of Total Pension Liability	82.4%	77.4%	70.9%	63.1%	48.6%
NPL Calculated With 1% Decrease in Discount Rate	$32,472.4	$32,317.7	$8,384.6	$10,729.2	$951.7
NPL Calculated With 1% Increase in Discount Rate	$7,955.7	$13,476.8	$3,969.3	$6,017.9	$608.0

(a) For PERS, figures reflect the traditional plan, the defined benefit portion of the combined plan, and the defined benefit annuities portion of the member-directed plan.

(b) Reflects a single discount rate of 7.2% for PERS, 7.45% for STRS, 7.5% for SERS, and 8.00% for OP&F. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions are made at the actuarially determined rates under State law. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of project benefit payments to determine total pension liability. Also reflects an individual entry age actuarial cost method.

(c) For HPRS, the fiduciary net position was not projected to be sufficient to make all projected future benefit payments and, therefore, a blended discount rate of 5.84% was used. The blended discount rate represents the long-term expected rate of return for the funded benefit payments and a tax-exempt, high-quality municipal bond rate for the unfunded benefit payment.

(d) Based on the market value of assets.

(e) Total pension liability was determined by an actuarial valuation as of 01/01/18, and updated with roll-forward procedures to 12/31/18.

(f) Total pension liability was determined by an actuarial valuation as of 12/31/17, and updated with roll-forward procedures to 12/31/18.

Sources: Retirement systems' CAFRs and annual actuarial valuations.

GASB Statement No. 68 replaced prior accounting standards for state and local governments reporting of pension plan information beginning in Fiscal Year 2015. This new accounting standard requires employers and non-employer contributing entities to report a proportionate share of their NPL in their financial statements. Employers determine their proportionate share of NPL by comparing their current year contributions to the plan to current year contributions to the plan made by all employers and non-employer entities, based on information provided to them by their retirement system(s). The State's proportionate share of the NPL and the sensitivity of the NPL to changes in the single discount rate for PERS, STRS and HPRS for the most recent year are as follows ($ in millions):

	PERS[(a)]	STRS	HPRS
Valuation as of:	**12/31/18**	**07/01/19**	**12/31/18**
Total Pension Liability [(b)]	$108,701.2	$97,840.9	$1,472.3[(d)]
Fiduciary Net Position [(c)]	$81,427.2	$75,726.5	$715.5
Net Pension Liability (NPL)	$27,274.0	$22,114.4	$756.9
State Proportionate Share of Net Pension Liability (PSL)	$5,692.5	$81.3	$756.9
PSL as a Percentage of NPL	**20.9%**	**0.3%**	**100.0%**
PSL Calculated With 1% Decrease in Discount Rate	$8,434.6	$118.7	$951.7
PSL Calculated With 1% Increase in Discount Rate	$3,415.4	$49.6	$608.0

(a) For PERS, figures reflect the traditional plan, the defined benefit portion of the combined plan, and the defined benefit annuities portion of the member-directed plan.

(b) Reflects a single discount rate of 7.2% for PERS, 7.45% for STRS, and 5.34% for HPRS.

(c) Based on the market value of assets.

(d) Total pension liability was determined by an actuarial valuation as of 12/31/17, and updated with roll-forward procedures to 12/31/18.

Sources: State of Ohio Fiscal Year 2018 CAFR, retirement systems' CAFRs and annual actuarial valuations.

Other Post-Employment Benefits

Each of the State's public retirement systems also offers post-employment health care benefits to its members. Contributions to and benefits under these health care programs are not vested and, as reflected by the recent actions of the OP&F and STRS boards described above, are subject to future adjustment by their respective boards. In this regard, PERS adopted, beginning in 2004, a series of health care preservation plans to adjust benefits and contributions by employers, employees, and retirees. In 2017 STRS implemented benefit adjustments that when coupled with strong investment returns and positive claims experience had a positive effect on its health care program. In 2019 OP&F replaced its health care plan with a new stipend-based health care model that also had a positive effect on its health care program. On January 15, 2020, the PERS board of trustees voted to curtail its discretionary retirement healthcare benefits for Medicare and pre-Medicare retirees and to reduce the monthly subsidy payments effective January 1, 2022. PERS eliminated the pension's healthcare group plan and replaced it with a stipend that will help supplement the cost of a new healthcare plan in the marketplace for some members. Base subsidy amounts were reduced from $1,380 to $1,200 monthly for pre-Medicare retirees and from $450 to $350 per month for Medicare-age retirees. Actual subsidies received by individual are determined based upon the age and years of service of a retiree.

The following table presents a summary of assets and actuarial accrued liabilities for post-employment healthcare benefits for each of the State's public retirement systems ($ in millions):

	PERS*	**STRS**	**SERS**	**OP&F[(a)]**	**HPRS**
Valuation as of:	**12/31/18**	**06/30/19**	**06/30/19**	**12/31/18**	**12/31/18**
Value of Assets [(b)]	$11,647.0	$3,872.2	$463.8	n/a	$109.5
Actuarial Accrued Liability (AAL) [(c)]	$17,849.0	$2,215.9	$2,198.7	n/a	$262.0
Unfunded Actuarial Accrued Liability (UAAL) [(d)]	$6,202.0	($1,656.2)	$1,734.9	n/a	$152.5
Funding Ratio (Assets to AAL %)	65.3%	174.7%	21.1%	n/a	41.8%
Employer Contribution (% of Salary) [(e)]	1.0%	0.0%	0.5%[(f)]	0.5%	0.0%

(a) OP&F is no longer reporting unfunded actuarial accrued liabilities under prior accounting standards. See GASB Statement No. 74 table below for information on the reporting of post-employment benefit plans other than pension plans.

(b) For PERS and HPRS, investment returns are recognized fully each year with the differences between actual and assumed investment returns (assumed at 6.0% for PERS and 7.25% for HPRS), subject to each system's market corridor limitation, phased-in over a closed four-year period. For STRS and SERS, reflects market value. For PERS, includes assets for member-directed plan participants.

(c) Reflects an individual entry age normal actuarial cost method.

(d) UAAL is calculated based on an open period as a level percent of payroll.

(e) Each system's board annually determines the portion of the employer contribution, if any, that is directed to fund post-employment health care benefits. See discussion above for recent adjustments by OP&F, STRS and HPRS boards to employer contribution directed to fund health care benefits.

(f) SERS also collects a health care surcharge from employers for employees who earn less than an actuarially determined minimum compensation amount. This amount is in addition to the amount allocated to health care from the employer contributions.

*Most recent PERS annual actuarial valuations for health care is as of 12/31/17.

Sources: Retirement systems' CAFRs and annual actuarial valuations.

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The following table presents a summary of assets and actuarial accrued liabilities for post-employment healthcare benefits for the four years previous to the current year information provided above for each of the State's public retirement systems ($ in millions). For Fiscal Years 2016 and prior, financial reporting of health care plans is in compliance with GASB Statement 43 -- Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans.

Retirement System Valuation Year-End	Value of Assets[(a)]	Actuarial Accrued Liability (AAL)[(b)]	Unfunded Actuarial Accrued Liability[(c)]	Funding Ratio (Assets to AAL)	Employer Contribution (% of Salary)[(d)(e)]
PERS					
12/31/18	$11,647.0	$17,849.0	$6,202.0	65.3%	1.0%
12/31/17	$12,021.0	$18,393.0	$6,372.0	65.4%	1.0%
12/31/16	$12,098.2	$19,924.4	$7,826.2	60.7%	2.0%
12/31/15*	$11,933.1	$19,224.0	$7,291.0	62.1%	2.0%
STRS[(f)]					
06/30/19	$3,872.2	$2,215.9	($1,656.2)	174.7%	0.0%
06/30/18	$3,721.3	$2,114.5	($1,606.8)	176.0%	0.0%
01/01/18	$3,691.4	$2,416.0	($1,275.4)	152.8%	0.0%
01/01/17	$3,222.1	$5,886.2	$2,664.1	54.7%	0.0%
01/01/16	$3,258.2	$5,154.2	$1,896.0	63.2%	0.0%
SERS					
06/30/19	$463.8	$2,198.7	$1,734.9	21.1%	0.0%
06/30/18	$435.6	$2,524.9	$2,089.3	17.3%	0.5%
06/30/17	$382.1	$2,396.5	$2,014.4	15.9%	0.0%
06/30/16	$370.2	$2,407.3	$2,037.1	15.4%	0.0%
OP&F[(g)]					
12/31/17	$901.7	$5,487.8	$4,586.2	16.4%	0.50%
12/31/16	$929.4	$5,166.6	$4,237.2	18.0%	0.50%
12/31/15	$1,031.9	$5,399.6	$4,367.6	19.1%	0.50%
12/31/14	$1,053.5	$5,244.6	$4,191.0	20.1%	0.50%
HPRS					
12/31/18	$109.5	$262.0	$152.5	41.8%	3.50%
12/31/17	$110.1	$248.1	$138.0	44.4%	3.50%
12/31/16	$108.3	$403.7	$295.4	26.8%	4.00%
12/31/15	$106.6	$412.4	$305.8	25.8%	4.00%

(a) For PERS & HPRS, recognizes investment returns fully each year (assumed at 5%) with the differences between actual and assumed investment returns, subject to each system's market corridor limitation, phased-in over a closed four-year period. For STRS, SERS and OP&F, reflects market value.
(b) Reflects an individual entry age normal actuarial cost method.
(c) UAAL is calculated based on an open period as a level percent of payroll.
(d) Each system's board annually determines the portion of the employer contribution, if any, that is directed to fund post-employment health care benefits.
(e) SERS also collects a health care surcharge from employers for employees who earn less than an actuarially determined minimum compensation amount. This amount is in addition to the amount allocated to health care from the employer contributions.
(f) STRS actuarial valuations, previously as of January 1, are now calculated as of June 30.
(g) OP&F is no longer reporting unfunded actuarial accrued liabilities under prior accounting standards. See GASB Statement No. 74 table below for information on the reporting of post-employment benefit plans other than pension plans.

*Reflects revised actuarial assumptions based on completion of a five-year experience study.
Sources: Retirement systems' annual actuarial valuations.

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GASB Statements No. 74 & 75. GASB Statement No. 74 replaced prior accounting standards for reporting post-employment benefit plans other than pension plans (OPEB) beginning in Fiscal Year 2017. Under this new accounting standard, the reporting of unfunded actuarial accrued liability has been replaced by the net OPEB liability (NOL). The NOL represents the excess of the total OPEB liability over fiduciary net position. The components of the NOL and the sensitivity of the NOL to changes in the single discount rate for those retirement systems that have reported information for the most recent year are as follows ($ in millions):

	PERS	**STRS**	**SERS**	**OP&F**	**HPRS**
Valuation as of:	**12/31/19**	**06/30/19**	**06/30/19**	**12/31/18**	**12/31/18**
Total OPEB Liability [(a)(b)]	$26,459.6[(d)]	$2,215.9	$2,978.6	$1,704.4[(e)]	$459.6[(d)]
Fiduciary Net Position [(c)]	$12,647.1	$3,872.2	$463.8	$793.8	$101.8
Net OPEB Liability (NOL)	$13,812.6	($1,656.2)	$2,514.8	$910.7	$357.8
Fiduciary Net Position as a Percentage of Total OPEB Liability	47.8%	174.7%	15.6%	46.6%	22.2%
NOL Calculated With 1% Decrease in Discount Rate	$18,076.1	($1,413.3)	$3,052.5	$1,109.4	$445.6
NOL Calculated With 1% Increase in Discount Rate	$10,399.0	($1,860.5)	$2,087.3	$743.8	$289.1
NOL Calculated With 1% Decrease in Cost Trend Rate	$13,405.0	($1,878.1)	$2,014.9	n/a	291.8
NOL Calculated With 1% Increase in Cost Trend Rate	$14,215.0	($1,384.5)	$3,178.1	n/a	434.9

(a) For PERS, SERS and HPRS, the fiduciary net position was not projected to be sufficient to make all projected future benefit payments and, therefore, blended discount rates of 3.12%, 3.70% and 3.82%, respectively, were used. The blended discount rates represent the long-term expected rate of return for the funded benefit payments and a tax-exempt, high-quality municipal bond rate for the unfunded benefit payment. For STRS, the fiduciary net position was projected to be sufficient to make all projected future benefit payments and, therefore, a discount rate of 7.45%, representing the long-term expected rate of return on assets, was used. For OP&F, the fiduciary net position was projected to be available to make projected future benefit payments until 2031 and, therefore, a single discount rate of 4.66%, representing a tax-exempt, high quality municipal bond rate, was used. After 2031, benefit payments will be funded on a pay-as-you go basis.

(b) For all retirement systems, reflects an individual entry age normal actuarial cost method as a level percent of payroll.

(c) Based on the market value of assets.

(d) Total OPEB liability was determined by an actuarial valuation as of 12/31/18, and updated with roll-forward procedures to 12/31/19.

(e) Total OPEB liability was determined by an actuarial valuation as of 01/01/18, and updated with roll-forward procedures to 12/31/18.

Sources: Retirement systems' CAFRs.

GASB Statement No. 75 replaced prior accounting standards for state and local governments reporting of postemployment benefit plans other than pensions beginning in Fiscal Year 2018. This new accounting standard requires employers and non-employer contributing entities to report a proportionate share of their NOL in their financial statements. Employers determine their proportionate share of NOL by comparing their current year contributions to the plan to current year contributions to the plan made by all employers and non-employer entities, based on information provided to them by their retirement system(s). The State's proportionate share of the NOL and the sensitivity of the NOL to changes in the single discount rate for PERS, STRS and HPRS for the most recent year are as follows ($ in millions):

	PERS	**STRS**	**HPRS**
Valuation as of:	**12/31/18**	**06/30/19**	**12/31/18**
Total OPEB Liability [(a)]	$24,290.6[(c)]	$2,215.9[(d)]	$459.6[(e)]
Fiduciary Net Position [(b)]	$11,252.9	$3,872.2	$101.8
Net OPEB Liability (NOL)	$13,037.7	($1,656.2)	$357.8
State Proportionate Share of Net OPEB Liability (PSL)	$2,704.8	($5.9)	$357.8
PSL as a Percentage of NOL	**20.8%**	**0.4%**	**100.0%**
PSL Calculated With 1% Decrease in Discount Rate	$3,460.5	($5.0)	$445.6
PSL Calculated With 1% Increase in Discount Rate	$2,103.9	($6.7)	$289.1
PSL Calculated With 1% Decrease in Cost Trend Rate	$2,599.9	($6.6)	$291.8
PSL Calculated With 1% Increase in Cost Trend Rate	$2,825.6	($5.3)	$434.9

(a) The fiduciary net position was not projected to be available to make all projected future benefit payments and, therefore, blended discount rates of 3.85% for PERS, 4.13% for STRS, and 3.42% for HPRS were used. The blended discount rates represent the long-term expected rate of return for the funded benefit payments and a tax-exempt, high-quality municipal bond rate for the unfunded benefit payment.

(b) Based on the market value of assets.

(c) Total OPEB liability was determined by an actuarial valuation as of 1/1/18, and updated with roll-forward procedures to 12/31/18.

(d) Total OPEB liability was determined by an actuarial valuation as of 01/01/19, and updated with roll-forward procedures to 6/30/19.

(e) Total OPEB liability was determined by an actuarial valuation as of 01/01/18, and updated with roll-forward procedures to 12/31/18.

Sources: State of Ohio Fiscal Year 2018 CAFR and retirement systems' CAFRs.

TAX LEVELS AND TAX BASES

The variety of taxes and excises levied by the State is indicated in several tables in this Appendix. According to the Federation of Tax Administrators, citing the U.S. Census Bureau as its source, Ohio ranked 39th in state taxes per capita in 2019 and it ranked 26th in combined state and local taxes in 2017, the most recent available year for such data. Three major tax bases in the State, personal income (taxed by the State and municipalities and, with voter approval, by certain school districts), retail sales and use (taxed by the State and by counties and several transit authorities), and all taxable real property as well as the tangible personal property of public utilities (taxed by local governments and school districts), are described below. The State also levies a commercial activity tax on business activities as described below.

The State also imposes a tax on the use, distribution, or sale of motor vehicle fuel. This excise tax was raised by 10.5 cents per gallon effective July 1, 2019 to 38.5 cents per gallon of gasoline. At the same time, the rate imposed on diesel fuel was also increased from 28.0 cents per gallon to 47.0 cents per gallon.

Sales and Use Tax

The State sales and use tax rate was increased one-quarter percent from 5.5% to 5.75% beginning September 1, 2013 (see **FISCAL MATTERS** – **Recent and Current Finances – Recent Biennia – 2014-15**). Prior to this increase, the rate had been 5.5% since July 1, 2005. The sales and use tax is levied uniformly across counties on retail sales of tangible personal property that are not specifically exempt. Retail sales include the rental and storage of tangible personal property, the rental of hotel rooms, and certain specified services including, but not limited to, repair and installation services, data processing, computer, and electronic information services, telecommunication and certain personal care services.

Counties and transit authorities each are authorized to levy permissive sales and use taxes at rates of 0.25% to 1.5% in quarter-percent increments and beginning in Fiscal Year 2019 in one-tenth percent increments. The highest potential aggregate of State and permissive local sales taxes is 8.75% and the highest currently levied in any county is 8%. The State collects the combined state and local tax and returns the local share directly to the counties and transit authorities.

Personal Income Tax

State personal income tax rates, applying generally to federal adjusted gross income minus (or plus) adjustments and personal exemptions, when compared to the 2012 tax rates, were reduced by 8.5% in calendar year 2013, 1.5% in calendar year 2014, 6.3% in calendar year 2015 (see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2014-15** and **2016-17**) and 4.0% in calendar year 2019 (see **FISCAL MATTERS – Recent and Current Finances – Current Biennium**). The reduction percentages listed above represent incremental changes from the prior year; when compared to the rates in effect during calendar year 2012, the rates imposed as of calendar year 2019 are 16% lower. Recent legislation also established a deduction for pass-through entities and sole proprietorships annual business net income of 75% in tax years 2014 and 2015, and 100% in tax year 2016 and beyond, up to $250,000 per taxpayer (see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia – 2014-15** and **2016-17)**. Previously, personal income tax rates were reduced by 21% across five installments (4.2% annually in each of the tax years 2005 through 2008, with the final 4.2% reduction delayed from tax year 2009 to tax year 2011).

The 2019 personal income tax rates after an inflation adjustment to income brackets ranged from $310.47 plus 2.85% on incomes more than $21,750 but less than $43,450, with increasing bracketed base rates and percentages up to a maximum on incomes over $217,400 of $7,999.84 plus 4.797% on the amount over $217,400. There is no tax liability if taxable income is $21,750 or below.

The Ohio Constitution requires 50% of State income tax receipts to be returned to the counties in which those receipts originate. There is no constitutional limit on income tax rates.

Municipalities and school districts, and joint economic development districts and zones, may also levy certain income taxes. Any municipal rate (applying generally to wages and salaries and business net income) over 1%, and any school district income tax (applying generally to the State income tax base for individuals and estates), requires voter approval. Most cities and villages levy a municipal income tax. The highest municipal rate in 2019 was 3%. A school district income tax is currently approved in 203 districts. Each joint economic development district or zone may also levy an income tax (which like municipal income taxes applies generally to wages and salaries and business net income) with the rate of that tax limited to the highest income tax rate of a municipal member of the district or zone). Effective July 1, 2005, there may also be proposed for voter approval municipal income taxes to be shared with school districts, but those taxes may not be levied on the income of nonresidents.

Since 1970 the ratio of Ohio to U.S. aggregate personal income has declined, with Ohio's ranking among the states moving from fifth in 1970 to seventh in 1990, and eighth since 2000. This movement, portrayed below, in significant measure reflects "catching up" by several other states and a trend in Ohio toward more service sector employment.

Personal Income ($ in Billions)

		U.S.	Ohio	Ohio Percent of U.S.	State Rank*
1970	Total	$855.1	$44.1	5.2%	5
	per capita	4,196	4,136	98.6	18
1980	Total	2,307.0	107.0	4.6	6
	per capita	10,153	9,909	97.6	25
1990	Total	4,890.5	202.8	4.1	7
	per capita	19,591	18,669	95.3	21
2000	Total	8,650.3	326.0	3.8	8
	per capita	30,657	28,684	93.6	26
2010	Total	12,542.0	423.1	3.4	8
	per capita	40,546	36,663	90.4	32
2015	Total	15,711.6	515.9	3.3	8
	per capita	44,406	48,985	90.7	29
2016	Total	16,115.6	525.1	3.3	8
	per capita	45,127	49,883	90.5	29
2017	Total	16,820.3	544.8	3.2	8
	per capita	46,710	51,731	90.3	29
2018	Total	17,813.0	569.7	3.2	8
	per capita	54,526	48,793	89.5	31
2019	Total	18,599.1	590.8	3.2	8
	per capita	53,712	52,429	89.2	31

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
* Excludes District of Columbia.

In addition to personal income, the retail sales base is an important indicator of sales and use tax receipts.

Retail Sales ($ in Billions)

Fiscal Year	Ohio Retail Sales	U.S. Retail Sales	Ohio Percent of U.S.
1980	$39.01	$979.25	4.0%
1990	66.95	1,914.04	3.5
2000	117.72	3,213.82	3.6
2010	133.44	4,170.78	3.2
2016	166.34	5,417.16	3.1
2017	170.40	5,620.10	3.0
2018	172.82	5,905.83	2.9
2019	180.34	6,084.82	3.0

Source: Calculated by IHS Markit based on data from the U.S. Department of Commerce, Bureau of the Census and other sources.

Commercial Activity Tax

The State implemented a new commercial activity tax (CAT) on taxable gross receipts in excess of $1,000,000 from doing business in Ohio phased-in over Fiscal Years 2006 through 2010 until levied at the current rate of 0.26%. Beginning calendar year 2014, the State established a variable minimum tax on the CAT for businesses with taxable gross receipts greater than $1 million (see **FISCAL MATTERS** – **Recent and Current Finances – Recent Biennia** – **2014-15**). The State phased-out over the same general period its corporate franchise tax in equal annual increments over the 2006 through 2010 tax years, except for application to financial institutions and certain affiliates of insurance companies and financial institutions which was replaced with a new financial institutions tax effective tax year 2014 (see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia – 2012-13** and **2014-15)**. On December 7, 2012, the Ohio Supreme Court upheld the application of the CAT to gross receipts from the sales of motor fuels but ordered that the proceeds of the CAT derived from those gross receipts – estimated by OBM at approximately $100 million annually – could not in the future be applied to non-highway purposes. Under provisions enacted in the biennial appropriations Act for the 2014-15 biennium and other legislation, the State phased-out the CAT on the sale of motor vehicle fuel and replaced it with a "petroleum activity tax" (PAT), computed on the basis of the average price of a gallon of gasoline or diesel fuel. In accordance with the Ohio Supreme Court's ruling, PAT receipts are required to be used for highway purposes.

As described further below, the receipts from the CAT are directed in part to make compensating payments to school districts and other local taxing units in connection with the phase-out of the tangible personal property tax in 2006 through 2009. Beginning in Fiscal Year 2012, the State has accelerated the phase-out of compensating payments to school districts and local governments resulting in an increased share of the CAT being deposited into the GRF (see **Property Tax** below and **FISCAL MATTERS** – **Recent and Current Finances – Recent Biennia** – **2014-15**, **2016-17** and **2018-19)**.

Property Tax

The following table lists, for informational purposes only, the non-exempt real and tangible personal property tax base in the State and taxes levied on that base (on a calendar year basis). Only local taxing subdivisions, and not the State, currently tax the real and tangible personal property included in this table. Reported figures for 2019 show that these property taxes represent 3.27% of Ohio personal income.

		Assessed Value [(a)]	Percent of True Value [(b)]	Taxes Charged
1980	Real[(c)]	$56,457,842,607	27.1%	$2,343,384,488[(e)]
	Tangible[(d)]	15,649,200,844	39.2	765,047,826
	Public Utility[(c)]	8,670,052,613	83.3	411,321,235
1990	Real	93,857,482,000	35.0	4,593,147,000[(e)]
	Tangible[(d)]	18,473,055,000	28.0	1,149,643,000
	Public Utility[(c)(f)]	12,934,191,000	88.6	799,396,000
2000	Real	167,857,657,350	35.0	8,697,809,112[(e)]
	Tangible[(d)]	23,298,302,564	25.0	1,720,740,378
	Public Utility[(c)(f)]	13,635,709,860	67.0	967,674,709
2010	Real	238,264,394,249	35.0	14,486,087,962[(e)]
	Tangible[(d)]	320,961,400	5.0[(b)]	18,432,832
	Public Utility[(c)(f)]	10,096,712,600[(g)]	52.9	747,237,219
2015	Real	234,225,079,130	35.0	15,676,144,409[(e)]
	Tangible[(d)]	-0-	-0-[(b)]	-0-
	Public Utility[(c)(f)]	14,111,055,940[(g)]	52.9	1,120,681,300
2016	Real	238,100,197,518	35.0	16,170,309,495[(e)]
	Tangible[(d)]	-0-	-0-[(b)]	-0-
	Public Utility[(c)(f)]	15,962,565,444[(g)]	56.8	1,271,855,503
2017	Real	247,070,913,220	35.0	16,591,449,814[(e)]
	Tangible[(d)]	-0-	-0-[(b)]	-0-
	Public Utility[(c)(f)]	16,700,657,510[(g)(h)]	58.7	1,347,897,157
2018	Real	255,789,561,245	35.0	17,060,795,040[(e)]
	Tangible[(d)]	-0-	-0-[(b)]	-0-
	Public Utility[(c)(f)]	19,220,171,390[(g)(h)]	60.67	1,533,994,082
2019	Real	260,947,879,749	35.0	17,321,071,684[(e)]
	Tangible[(d)]	-0-	-0-[(b)]	-0-
	Public Utility[(c)(f)]	25,436,220,050[(g)(h)]	64.69	1,971,197,491

(a) Increases in assessed value of "Real" are in part products of reappraisals.
(b) Regular annual reductions for "Tangible" (except for most public utility tangible) reached 0% in 2009; only telecommunication and telephone personal property was taxable in 2009 and 2010.
(c) Includes public utility personal property owned and located within Ohio and railroad real property; excludes public utility real property.
(d) Includes machinery, inventories, fixtures; effective tax year 2007 includes telephone company property. Excludes public utility tangible property. Effective tax year 2009 includes only telephone company property.
(e) Includes the statutory 10% rollback (12.5% for owner-occupied residences) and elderly/handicapped partial exemption amounts, paid by the State to local taxing entities to compensate for statutory reductions in local tax collections. Effective for tax year 2005 and thereafter, the 10% rollback was eliminated for real property used in business, with exceptions for certain property used in farming or for housing. The 12.5% rollback for owner-occupied residences was eliminated for new voter-approved tax levies (see **FISCAL MATTERS** – **Recent and Current Finances** – **Recent Biennia** – **2018-19**).
(f) Beginning in 1990, the true value of most public utility property is based on annual composite allowances that vary according to the type and age of property.
(g) Beginning in 2001, the statutory assessment rate for electric and gas utilities decreased from 88% to 25%.
(h) The statutory assessment rate for waterworks utilities is 88%, except for certain property first subject to taxation in 2017 is 25%.

Source: Ohio Department of Taxation.

Under State legislation effective July 1, 2005 and as reflected in the above table, the tangible personal property tax (TPPT) (including that tax on inventories) was phased out over tax years 2006 through 2009, with that tax generally eliminated beginning in tax year 2009. That legislation provided for the State to make replacement distributions to school districts and other local taxing units from revenue generated by the State commercial activity tax (CAT). Distributions were and are generally based on the taxable value of tangible personal property as reported in 2004 and property tax levies in effect for 2005. In Fiscal Year 2012, the State began phasing-out those TPPT replacement payments to schools and local governments with replacement payments to schools reduced by two percent of each district's total resources in each of Fiscal Years 2012 and 2013 for a total reduction of four percent; and replacement payments to local governments reduced by two percent of total resources for tax years 2011, 2012, and 2013 for a total reduction of six percent. Replacement payments were then frozen in Fiscal Years 2014 and 2015. The phasing out of these replacement payments resumed beginning in Fiscal Year 2016, with payments to school districts to be reduced in Fiscal Years 2016 and 2017 by between 1% and 2% of each district's total resources with the variance based on district wealth levels, with guarantees in both Fiscal Year 2016 and Fiscal Year 2017 that no district will fall below 100% and 96%, respectively, of its Fiscal Year 2015 total funding level. Fiscal Year 2016 and thereafter replacement payments to other local governments are reduced annually by two percent of their total resources (see **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2016-17**).

Beginning July 2007, the State's homestead exemption program, which takes the form of a credit on local residential real property tax bills, was expanded to allow all senior citizens and disabled Ohioans, regardless of income, to exempt from tax the first $25,000 of the market value of their home. Previously eligibility was restricted and benefits were tiered based on income. Beginning July 1, 2013, eligibility for new applicants is based on income (see **FISCAL MATTERS – Recent and Current Finances - Recent Biennia** – **2014-15)**. The total cost of the homestead exemption program in Fiscal Year 2018 was $434.7 million, in Fiscal Year 2019 was $418.8 million, and in Fiscal Year 2020 was $395.0 million.

Real property tax relief payments by the State to school districts and local subdivisions – consisting of the homestead exemption program, the 10% rollback for non-business property, and the 2.5% rollback for owner-occupied homes - totaled $3.58 billion for the 2016-17 biennium, $3.60 billion for the 2018-19 biennium, and are appropriated at $3.70 billion for the 2020-21 biennium.

SCHOOLS AND MUNICIPALITIES

Schools

Litigation was commenced in the Ohio courts in 1991 questioning the constitutionality of Ohio's system of school funding and compliance with the constitutional requirement that the State provide a "thorough and efficient system of common schools". On December 11, 2002, the Ohio Supreme Court, in a 4-3 decision on a motion to reconsider its own decision rendered in September 2001, concluded (as it had in its 1997 and 2000 opinions in that litigation) that the State did not comply with that requirement, even after again noting and crediting significant State steps in preceding years.

In its prior decisions, the Ohio Supreme Court stated as general base threshold requirements that every school district have enough funds to operate, an appropriate number of teachers, sound and safe buildings, and equipment sufficient for all students to be afforded an educational opportunity. With particular respect to funding sources, the Court concluded in 1997 and 2000 decisions that property taxes no longer may be the primary means of school funding in Ohio.

On March 4, 2003, the plaintiffs filed with the original trial court a motion to schedule and conduct a conference to address compliance with the orders of the court in that case, the State petitioned the Ohio Supreme Court to issue a writ prohibiting that conference on compliance, and the trial court subsequently petitioned the Ohio Supreme Court for guidance as to the proper course to follow. On May 16, 2003, the Ohio Supreme Court granted that writ and ordered the dismissal of the motion before the trial court. On October 20, 2003, the United States Supreme Court declined to accept the plaintiffs' subsequent petition requesting further review of the case.

In the years following this litigation, the General Assembly has taken steps, including significantly increasing State funding for public schools, as discussed below. In addition, at the November 1999 election, electors approved a constitutional amendment authorizing the issuance of State general obligation debt for school buildings and for higher education facilities (see discussion under **STATE DEBT**). December 2000 legislation also addressed certain mandated programs and reserves, characterized by the plaintiffs and the Court as "unfunded mandates."

Under the financial structure in place before the 2009-10 biennium, Ohio's 613 public school districts and 49 joint vocational school districts received a major portion (but less than 50%) of their operating moneys from State subsidy appropriations (the primary portion of which is known as the Foundation Program) distributed in accordance with statutory formulae that take into account both local needs and local taxing capacity. The Foundation Program amounts have steadily increased in most recent years, including small aggregate increases even in those Fiscal Years in which appropriations cutbacks were imposed.

School districts also rely upon receipts from locally voted taxes. In part because of provisions of some State laws, such as partially limiting the increase (without further vote of the local electorate) in voted property tax collections that would otherwise result from increased assessed valuations, some school districts have experienced varying degrees of difficulty in meeting mandated and discretionary increased costs. Local electorates have largely determined the total moneys available for their schools. Locally elected boards of education and their school administrators are responsible for managing school programs and budgets within statutory requirements.

The State's school subsidy formulas that were used until the 2009-10 biennium were structured to encourage both program quality and local taxing effort. Until the late 1970's, although there were some temporary school closings, most local financial difficulties that arose were successfully resolved by the local districts themselves by some combination of voter approval of additional property tax levies, adjustments in program offerings, or other measures. For more than 20 years, requirements of law and levels of State funding have sufficed to prevent school closings for financial reasons, which in any case are prohibited by current law.

To broaden the potential local tax revenue base, school districts also may submit for voter approval income taxes on the district income of individuals and estates. Many districts have submitted the question, and income taxes are currently approved in 184 districts.

Biennial school funding State appropriations from the GRF (including property tax reimbursements) and Lottery Profits Education Fund (but excluding federal and special revenue funds) for recent biennia were:

- 2012-13 - $16.6 billion (a 2.3% decrease over the previous biennium).
- 2014-15 - $18.3 billion (a 10.5% increase over the previous biennium).
- 2016-17 - $20.0 billion (a 9.3% increase over the previous biennium).
- 2018-19 - $20.7 billion (a 3.5% increase over the previous biennium).

Those appropriations for school funding for the 2020-21 biennium are $21.8 billion (an 5.4% increase from the previous biennium), representing an increase of 3.7% in Fiscal Year 2020 over Fiscal Year 2019 and an increase of 1.9% in Fiscal Year 2021 over Fiscal Year 2020.

The amount of lottery profits transferred to the Lottery Profits Education Fund (LPEF) totaled $1.04 billion in Fiscal Year 2017, $1.17 billion in Fiscal Year 2018, $1.15 billion in Fiscal Year 2019, $1.13 billion in Fiscal Year 2020, and is currently estimated to be $1.18 billion in Fiscal Year 2021. Ohio participation in the multi-state lottery commenced in May 2002. A constitutional provision requires that net lottery profits be paid into LPEF be used solely for the support of elementary, secondary, vocational and special education purposes, including application to debt service on general obligation bonds to finance common school facilities. The 2010-11 biennial appropriations Act also authorized the implementation of video lottery terminals (VLTs) at Ohio's seven horse racing tracks.

The 2014-15 biennial appropriations Act enacted a new funding formula for the distribution of State funding to school districts based on a per pupil amount. This per pupil formula is similar to the "Building Blocks" school funding formula in place through Fiscal Year 2009 until its replacement with the "Evidence Based Model" for the 2010-11 biennium. The Evidence Based Model was repealed in July 2011 and a temporary formula was put in place for the 2012-13 biennium that allocated funding to each school district based on the per pupil funding it received for Fiscal Year 2011, adjusted by its share of a statewide per pupil adjustment amount that was indexed by the district's relative tax valuation per pupil.

The 2016-17 biennial appropriations Act modified certain components of the funding formula to distribute new resources to districts with less capacity to raise revenue through local sources. Under the modified formula, the State Department of Education will compute and pay to each school district education aid based on a per pupil funding amount of $5,900 in Fiscal Year 2016 and $6,000 in Fiscal Year 2017, multiplied by each school district's "state share index," which uses a three-year average of adjusted property valuation per pupil and the median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. The 2016-17 biennial appropriations Act also supplemented transportation funds for low density districts and continued to provide additional funds for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding was also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's 3rd grade reading guarantee. The Act continued funding for the "Straight A Fund" to provide school districts with grants to develop and implement creative and innovative instructional models to inspire learning and student growth.

The 2018-19 biennial appropriations Act maintained all components of the 2016-17 funding formula with certain minor modifications. School district's education aid continued to be paid based on a per pupil funding amount (increasing to $6,010 in Fiscal Year 2018 and $6,020 in Fiscal Year 2019) multiplied by each school district's state share index. The 2018-19 appropriations Act reduced the minimum share of transportation funding to better target school districts with lower capacity to raise revenue locally and increased the multiplier in the formula for computing capacity aid to provide additional aid to low wealth school districts and those with small populations and low property valuation. The Act also modified the calculations for temporary transitional aid and the gain cap to take into account changes in student population. Funding also continued for other education initiatives including Early Childhood Education, EdChoice Expansion Scholarships, and the Community Connectors grant program.

The 2020-21 biennial appropriations Act provides each school district with the same amount of core funding and pupil transportation funding as it received under the funding formula for Fiscal Year 2019, along with certain other limited payments and adjustments, such as preschool special education payments and catastrophic cost reimbursements. The 2020-21 biennial appropriations Act also provides additional payments to school districts for student wellness and success to provide support for mental health counseling, wraparound supports, mentoring, and after-school programs. The Act also provides for additional payments to qualifying school districts that experienced an increase in enrollment between Fiscal Years 2016 and 2019.

Legislation was enacted in 1996 to address school districts in financial straits. It is similar to that for municipal "fiscal emergencies" and "fiscal watch" discussed below under **Municipalities**, but is particularly tailored to certain school districts and their then-existing or potential fiscal problems. Newer legislation created a third, more preliminary, category of "fiscal caution". A current listing of school districts in fiscal emergency or watch status can be found on the Auditor of State's website at http://www.auditor.state.oh.us.

Municipalities

Ohio has a mixture of urban and rural population, with approximately three-quarters urban. There are 932 incorporated cities and villages (municipalities with populations under 5,000) in the State. Six cities have populations of more than 100,000 and 15 cities exceed 50,000 in population.

A 1979 act established procedures for identifying and assisting those few cities and villages experiencing defined "fiscal emergencies." A commission composed of State and local officials, and private sector members experienced in business and finance appointed by the Governor, is to monitor the fiscal affairs of a municipality facing substantial financial problems. That act requires the municipality to develop, subject to approval and monitoring by its commission, a financial plan to eliminate deficits and cure any defaults and otherwise remedy fiscal emergency conditions and to take other actions required under its financial plan. It also provides enhanced protection for the municipality's bonds and notes and, subject to the act's stated standards and controls, permits the State to purchase limited amounts of the municipality's short-term obligations (used only once, in 1980).

As noted in the discussion above under **FISCAL MATTERS – Recent and Current Finances – Recent Biennia - 2012-13**, the amount of distributions to most local governments, including municipalities, from the several State local government revenue assistance funds have been subject to reductions and other adjustments in several of those recent biennia.

The fiscal emergency legislation has been amended to extend its potential application to counties (88 in the State) and townships. This extension is on an "if and as needed" basis and is not aimed at particularly identified existing fiscal problems of those subdivisions. A current listing of governments in each status can be found on the Auditor of State's website at http://www.auditor.state.oh.us.

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APPENDIX B

GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE

Glossary

When used in this Official Statement, the following terms shall have the meanings set forth below. The definitions set forth below are qualified in their entirety by reference to the Trust Agreement and the Lease, copies of which are available from the Treasurer and the Trustee and, during the underwriting period, the Underwriter. Use of the singular includes plural and use of the plural includes singular, where applicable.

"Act" means Chapter 154 of the Revised Code, together with the provisions of any act or resolution of the General Assembly authorizing or limiting the issuance of, or otherwise pertaining to Obligations, as the same may be amended, modified, revised, supplemented or superseded from time to time.

"Additional Bonds" means additional Obligations issued pursuant to the Trust Agreement after the first issuance of Obligations pursuant to the Trust Agreement.

"Additional Rent" means rentals paid by the DNR to the Treasurer under the Lease in amounts at least adequate to provide for the purposes of the Administrative Service Fund.

"Administrative Service Fund" means the Administrative Service Fund established by the Treasurer in the custody of the Treasurer for the payment of those administrative expenses of the Treasurer identified in the General Bond Order.

"Annual Information" means such financial information provided or caused to be provided by the Treasurer as may be required under the Rule.

"Authenticating Agent" means the Trustee and any other bank, trust company or other person designated as an Authenticating Agent for a series of Obligations by or in accordance with the Trust Agreement, which shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934, as amended.

"Authorized Denominations" means for Series 2020 Bonds bearing interest at a Weekly Rate, the denomination of $100,000 or any integral multiple of $5,000 in excess of $100,000.

"Authorized Officer" means any person duly authorized to perform the particular acts or sign the particular documents on behalf of the State or other indicated Person or official. In the case of the Treasurer, it means any officer or employee of the Treasurer authorized by, or pursuant to, a designation or order of the Treasurer to perform the particular act or sign the particular document, and if there is no such authorization means the Treasurer.

"Basic Rent" means rentals paid by the DNR directly to the Treasurer under the Lease in amounts at least adequate to (i) meet the Bond Service Charges on the Obligations, and (ii) establish and maintain any Required Reserve.

"Beneficial Owner" or "beneficial owner" means the owner of a book-entry interest in a Series 2020 Bond held by a Securities Depository in book-entry form.

"Bond" or "Bonds" means any Obligation in the form of a bond, or all of the bonds, or an issue or series of bonds, of the State issued pursuant to the General Bond Order and any Series Order.

"Bondholder" or "holder" or "Holder" or "holder of Bonds," "owner" or "Owner," or any similar term means the person in whose name an Obligation is registered, or the holder or owner of Obligations as may otherwise be prescribed by a Series Order.

"Bond Proceedings" means the General Bond Order, the Trust Agreement, the applicable Series Order and Supplemental Trust Agreement, the Lease, and any other order, resolution, agreement and lease, and amendments of and supplements to the foregoing or any combination of them, authorizing or providing for the terms and conditions applicable to, or providing for the security of, Obligations issued pursuant to the Act.

"Bond Registrar" means the Person that keeps and maintains the Register for the Obligations, which shall be the Trustee except as may otherwise be provided pursuant to the Trust Agreement or a Series Order.

"Bond Service Account" means the Bond Service Account so designated in the Bond Service Fund and created in the General Bond Order.

"Bond Service Charges" means the principal, Mandatory Sinking Fund Requirements, and interest, and redemption premium, if any, required to be paid by the State on the Obligations. In the case of payment of Bond Service Charges by a Person other than the State pursuant to a Credit Enhancement Facility, "Bond Service Charges" means the payment or reimbursement by the State to the provider of that facility of the amount so paid. In determining Bond Service Charges for a Fiscal Year or any other period, Mandatory Sinking Fund Requirements for that Fiscal Year or period shall be taken into account. With respect to Obligations in the form of notes, the amount of Bond Service Charges on those notes shall be deemed to be the Bond Service Charges for the bonds anticipated by those notes as set forth in the Bond Proceedings applicable to those notes pursuant to Section 154.12 of the Revised Code.

"Bond Service Fund" means the parks and recreation bond service trust fund created by the provisions of Revised Code Section 154.22(E), in the custody of the Treasurer but separate and apart from and not a part of the State treasury, including the accounts in it provided for in the General Bond Order.

"Bond Service Reserve Account" means a Bond Service Reserve Account that may be established in a Series Order pursuant to the General Bond Order.

"book-entry form" or "book-entry system" means a form or system under which physical Obligation certificates are issued only to a Securities Depository or its nominee as owner, with the certificated Obligations held by and "immobilized" in the custody of the Securities Depository, and the book-entry system, maintained by and the responsibility of the Securities Depository or others, is the record that identifies and records the transfer of the interests of the owners of book-entry interests in those Obligations.

"book-entry interests" means the interests of the ultimate purchasers of book-entry interests in Obligations issued in book-entry form.

"Business Day" means a day, other than a Saturday or Sunday, and other than a day on which banks located in Columbus, Ohio, and in New York, New York, are required, or authorized or not prohibited by law (including without limitation executive orders), to close and are closed.

"Capital Facilities" means any capital facilities for the DNR for the financing or refinancing of which the Treasurer is authorized to issue Obligations under the Act.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement of the Treasurer dated as of August 12, 2020 relating to the Series 2020 Bonds.

"Costs of Capital Facilities" or "Project Costs" means costs of Capital Facilities as set forth in the Act, and the financing of those costs, for the payment of which Obligations may be issued under the Act.

"Cover" means the cover and inside cover page of this Official Statement.

"Credit Enhancement Facility" or "Credit Enhancement Facilities" means letters of credit, lines of credit, stand-by, contingent, or firm securities purchase agreements, insurance, or surety arrangements, guarantees, and other arrangements that provide for direct or contingent payment of debt charges, for security or additional security in the event of nonpayment or default in respect of securities, or for making payment of debt charges to and at the option and on demand of securities holders or at the option of the issuer or upon certain conditions occurring under put or similar arrangements, or for otherwise supporting the credit or liquidity of the securities, and includes credit, reimbursement, marketing, remarketing, indexing, carrying, interest rate hedge, and subrogation agreements, and other agreements and arrangements for payment and reimbursement of the person providing the credit enhancement facility and the security for that payment and reimbursement, or an arrangement to provide, in whole or in part, a Required Reserve.

"DAC" means Digital Assurance Certification, L.L.C.

"Director" means the Director of the State Office of Budget and Management, or the designee of that official for the purpose.

"Disclosure Dissemination Agent" means DAC.

"Disclosure Dissemination Agreement" means the Disclosure Dissemination Agent Agreement entered into by the State with DAC for the benefit of the holders of the Series 2020 Bonds to provide certain continuing disclosure in accordance with the Rule.

"DNR" means the Department of Natural Resources of the State created by Section 121.02 of the Revised Code.

"DTC" or "Depository" means The Depository Trust Company (a limited purpose trust company), New York, New York, its successors and their assigns.

"Electronic Means" means telecopy, telegraphy, telex, facsimile, time-sharing terminal, e-mail or any electronic means of communication that produces a record, and includes, without limitation, for notices of the Weekly Rate to be given to holders of the Series 2020 Bonds by the Remarketing Agent, publication on customary, industry websites including the MSRB's EMMA system website.

"Eligible Investments" means

(i) Direct obligations of the United States of America;

(ii) Obligations, whether representing principal and interest or either principal or interest, guaranteed as to payment by the United States of America or to the payment of which the faith of the United States of America is pledged;

(iii) Obligations issued by any agency or instrumentality of the United States of America which are accepted by the Rating Services for refunding purposes generally to result in the particular refunded obligations being assigned the highest rating of the particular Rating Service;

(iv) General obligations of the State or of any political subdivision of the State that are rated at one of the two highest letter ratings of a Rating Service;

(v) Certificates of deposit issued by a national bank located in the State or a bank (as defined in Section 1101.01 of the Revised Code) subject to inspection by the State Superintendent of Banks, which bank has a combined capital and surplus of at least $100,000,000 in dollars of the United States of America and is rated at least "A" (or its equivalent) by the Rating Services, provided that such certificates of deposit (a) do not exceed in the aggregate 10% of the combined capital, surplus and undivided profits of the issuing bank and (b) shall be in the possession of the Treasurer or that office's agents and shall be (A) continuously and fully insured by the Federal Deposit Insurance Corporation or its successors and (B) to the extent not so insured, continuously and fully secured by securities described in clauses (i) through (iii) above which have a market value (exclusive of any accrued interest) at all times at least equal to the principal amount of the certificates of deposit. The bank issuing a certificate of deposit required to be secured as provided in clause (B) above shall furnish the Treasurer with an undertaking that the aggregate market value of all such pledged securities securing each certificate of deposit will at all times be an amount at least equal to the principal amount of that certificate of deposit, and the Treasurer shall be entitled to rely on each such undertaking;

(vi) Repurchase agreements, for a period not to exceed 30 days, with any institution described in Section 135.143(A)(4)(a) of the Revised Code that is rated at least "A" (or its equivalent) by the Rating Services, and which agreement is fully and continuously collateralized by securities described in clauses (i) through (iii) above based on the market value of those pledged securities;

(vii) Any no front end load money market fund (including those for which the Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise) that is rated at least "A" (or its equivalent) by the Rating Services, consisting exclusively of obligations described in clauses (i) through (iii) above; and

(viii) The Treasurer's investment pool provided for in Section 135.45 of the Revised Code.

For purposes of clauses (v) and (vi) above the respective pledged securities are to be in the possession of the Treasurer or that officer's agent, and are to be free and clear of all liens or rights of any third party and in which securities the State is to have a first perfected security interest.

"EMMA" means the MSRB's Electronic Municipal Market Access system.

"Event of Default" means an Event of Default as described in this **APPENDIX B – GLOSSARY AND SUMMARIES OF THE TRUST AGREEMENT AND THE LEASE - Summary of the Trust Agreement – Events of Default and Remedies**.

"Federal Securities" means: (i) direct obligations of, or obligations representing principal and interest, or principal or interest, the full and timely payment of which is guaranteed by, or to the full and timely payment of which is pledged the faith of, the United States of America; (ii) any certificates or other evidences of direct ownership interest in obligations of the character described in clause (i) or in specified portions of those obligations, including, without limitation, portions consisting solely of the principal of or solely of the interest on those obligations; or (iii) obligations of any state of the United States or any political subdivision of any state of the United States carrying the highest rating category of a Rating Agency, the full payment of principal of and interest and any premium on which are provided for by an irrevocable deposit in trust of the Federal Securities described in clause (i) or (ii), to the extent such investments are permitted by applicable law. With respect to Federal Securities described in clause (ii), the underlying obligations must be, as evidenced by a receipt held by the owner, held in safekeeping on behalf of the owner.

"Financial Institution" means any financial institution or institutions, including without limitation any insurance company, providing a Credit Enhancement Facility in connection with one or more series of Obligations outstanding.

"Financial Obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of a debt obligation or a derivative instrument described in (A) or (B) of this definition. The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means a period of 12 consecutive months commencing on the first day of July of any year and ending on the last day of June of the following year, or, such other consecutive 12-month period as may by law be established as the fiscal year of the State for general fiscal purposes.

"Fitch" means Fitch Ratings.

"General Assembly" means the body in which the legislative power of the State is vested.

"General Bond Order" means the General Bond Order No. 10-12 issued by the Treasurer on May 3, 2012, as it may be amended, supplemented or superseded from time to time in accordance with the provisions of the Trust Agreement.

"General Revenue Fund" means the State's general revenue fund.

"Improvement Fund" means the Parks and Recreation Improvement Fund created under Section 154.22(F) of the Revised Code.

"Initial Term" means the initial term of the Lease that commenced on May 17, 2012 and ended at twelve o' clock midnight on June 30, 2013.

"Interest Payment Date" means the date(s) on which interest on a particular Obligation is due and payable, whether at maturity, prior redemption or otherwise and, for the Series 2020 Bonds, means each June 1 and December 1, commencing June 1, 2021 while the Series 2020 Bonds are outstanding.

"Lease" means the Original Lease Agreement as amended and supplemented from time to time, including as amended and supplemented by the Series 2020B Supplemental Lease, and unless content or use clearly indicates otherwise, includes all Supplemental Leases.

"Liquidity Facility" means the Self-Liquidity Facility and any Substitute Liquidity Facility.

"Liquidity Provider" means the State, acting by and through the Treasurer and any Substitute Liquidity Provider.

"Liquidity Provider Bonds" means the Series 2020 Bonds purchased using the Self-Liquidity Facility or Substitute Liquidity Facility, as applicable, pending their subsequent remarketing after a Purchase Date.

"mail" or "mailed" or "mailing" means sending by first-class mail, postage prepaid.

"Mandatory Redemption Obligation" or "Mandatory Redemption" or "Mandatory Sinking Fund Redemption" means mandatory prior redemption of Term Bonds pursuant to Mandatory Sinking Fund Requirements.

"Mandatory Sinking Fund Requirements" means amounts required by any Series Order to be deposited to the Bond Service Fund and credited to the Bond Service Account in any Fiscal Year for the purpose, as provided in that Series Order, of retiring, by mandatory prior redemption or other prior retirement, principal maturities of Obligations, which by the terms of the Obligations are due and payable in any subsequent Fiscal Year.

"Maximum Rate" shall mean 9% per annum; provided that if 9% shall be more than the maximum interest rate permitted by law, then the "Maximum Rate" shall be the maximum rate permitted by law.

"Moody's" means Moody's Investors Service, Inc.

"MSRB" means the Municipal Securities Rulemaking Board.

"Municipal Advisor" means Acacia Financial Group, Inc.

"Obligated Person" has the meaning given to it in the Rule.

"Obligations" means Bonds, notes, or other evidences of obligation of the State, including any appertaining coupons for interest, issued pursuant to the Act and the Trust Agreement.

"Officer's Certificate" means a certificate signed by an Authorized Officer.

"OPFC" means the Ohio Public Facilities Commission, a body corporate and politic, constituting an agency and instrumentality of the State, created by Revised Code Section 151.02.

"Original Lease Agreement" means the Lease Agreement between the OPFC and the DNR, dated as of May 1, 2012.

"Original Purchaser" as to any series of Obligations means the person or persons named in, or in a certificate authorized by, the applicable Series Order as the original purchaser of those Obligations from the State.

"Original Trust Agreement" means the Trust Agreement between the State, acting by and through the Treasurer, and the Trustee, dated as of May 1, 2012, authorized in the General Bond Order.

"Outstanding Bonds" or "Bonds outstanding" or "outstanding" as applied to particular Obligations, to Obligations of any series or to all Obligations, means, as of any date, the Obligations to which the reference applies and which have been authenticated and delivered, or are then being authenticated and delivered, by the Trustee under the Trust Agreement except:

(i) Obligations or portions of Obligations cancelled on or prior to that date, or delivered to or acquired by or on behalf of the State for cancellation on or prior to that date, by reason of payment or prior redemption;

(ii) Obligations, or the portion of Obligations, for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited prior to that date with the Trustee or Paying Agents (whether upon or prior to the maturity or redemption date of those Obligations), or which are deemed to have been paid or caused to be paid, as provided in the Trust Agreement; provided (a) that if those Obligations are to be redeemed prior to their stated maturity, notice of that redemption has been given to each holder of those Obligations or arrangements satisfactory to the Trustee have been made for giving that notice, or waiver of that notice satisfactory in form to the Trustee has been filed with the Trustee, and (b) that if those Obligations are to be purchased for cancellation, a firm offer for sale stating the price has been received and accepted; and

(iii) Lost, stolen, mutilated or destroyed Obligations in lieu of which others have been authenticated (or payment when due of which is made without replacement) under the Trust Agreement.

"Parks and Recreation Improvement Fund" means the Parks and Recreation Improvement Fund created in the State treasury pursuant to Revised Code Section 154.22(F) in the custody of the Treasurer.

"Paying Agents" means the Trustee and any other banks or trust companies, and the Treasurer of State, designated as the paying agencies or places of payment for Obligations by or pursuant to the applicable Series Order, and their successors designated pursuant to the Trust Agreement.

"Person" means any natural person, firm, corporation, limited liability company, partnership (including, without limitation, general and limited partnerships), joint venture, society, estate, trust, public or governmental body or other entity, and any combination of those persons.

"Pledged Receipts" means:

(i) All rentals and other revenues and receipts received pursuant to the Lease, excepting only those portions to be deposited to the Administrative Service Fund as provided in the General Bond Order, and amounts necessary to pay any rebate amount or related amount computed in accordance with Section 148(f) of the Code and the regulations under that Section;

(ii) All amounts standing to the credit of the Bond Service Fund including the Bond Service Reserve Account (other than sub-accounts in the Bond Service Reserve Account which are limited to a certain series of Obligations);

(iii) Any gifts, grants, donations and pledges, and receipts from those gifts, grants, donations and pledges, available for payment of applicable Bond Service Charges, but excluding any such amounts which under restrictions imposed as a condition of their receipt are not available for payment of those Bond Service Charges; and

(iv) Any other "available receipts," as defined in Section 154.22(C) of the Revised Code, which are pledged for the payment of Bond Service Charges by a Series Order.

"Principal Payment Date(s)" means the date(s) on which principal is stated to be payable on Obligations at stated maturity or pursuant to Mandatory Sinking Fund Requirements and Mandatory Redemption Obligations and, for the Series 2020 Bonds, as shown on the Cover of the Official Statement.

"Prior Bonds" means the bonds issued pursuant to the Prior Trust Agreement.

"Prior Trust Agreement" means the Trust Agreement dated as of October 1, 1992, as supplemented, between the OPFC and U.S. Bank National Association, successor to BancOhio National Bank, as trustee.

"Project Costs" means costs of the Projects.

"Projects" means those Capital Facilities, or portions of Capital Facilities, the Project Costs of which have been or are to be financed or refinanced by Obligations, and shall include that undivided portion of any Capital Facilities representing the part of Project Costs financed or refinanced by Obligations.

"Purchase Date" means the date for the payment of the Purchase Price for optionally or mandatorily tendered Series 2020 Bonds.

"Purchase Price" means the purchase price equal to 100% of the principal amount of tendered Series 2020 Bonds to be purchased, plus unless the Purchase Date is a regularly scheduled Interest Payment Date, all accrued and unpaid interest thereon to the Purchase Date, which principal and interest components shall be applied to the purchase of the rights to receive such principal and interest, when and as the same is or becomes due, from the Owners of such rights.

"Rate Determination Date" means the Business Day immediately preceding the commencement date of each Weekly Rate Period.

"Rate Period" means a period at which interest shall accrue on the Series 2020 Bonds as provided in the Series 2020B Supplemental Trust Agreement, which includes the Weekly Rate Period.

"Rating Service" means any of Fitch, Moody's or S&P or their successors and assigns. If any of these corporations ceases to act as a securities rating agency, the Treasurer may, with the approval of the Trustee, appoint any nationally recognized securities rating agency as a replacement.

"Register" means the books kept and maintained by the Bond Registrar for the registration, exchange and transfer of Obligations pursuant to the Trust Agreement.

"Registered Obligations" means fully registered obligations registered as to both principal and interest in the name of the owner or holder.

"Registered Owner" means any Person in whose name an Obligation is registered pursuant to the Bond Proceedings.

"Regular Record Date" or "Record Date" means the 15th day of the calendar month immediately preceding the month when an Interest Payment Date on the Obligations occurs, and for the Series 2020 Bonds while bearing interest at the Weekly Rate, the Business Day immediately preceding any date for payment.

"Remarketing Agent" means the remarketing agent then acting under the Remarketing Agreement, initially Barclays Capital Inc.

"Remarketing Agreement" means the Remarketing Agreement dated as of August 1, 2020 between the Remarketing Agent and the Treasurer relating to the Series 2020 Bonds, as the same may be amended, supplemented or replaced from time to time.

"Renewal Term" means each successive term of the Lease resulting from the exercise by the DNR of its right to renew the term of the Lease to end at twelve o'clock midnight on the last day of the State's fiscal biennium (June 30th of each odd-numbered year) or until the Treasurer shall have paid and retired, or shall have made due and adequate provision for the payment and retirement of, all Obligations issued by the Treasurer.

"Required Reserve" means any reserve for payment of Bond Service Charges on any Obligations, or series or two or more series or part of a series of Obligations, that may be provided for in a Series Order, which Required Reserve may be provided for by deposit of moneys or Eligible Investments in a Special Fund or Account or by a Credit Enhancement Facility or by any combination of the foregoing.

"Revised Code" means the Ohio Revised Code.

"Rule" means U.S. Securities and Exchange Commission Rule 15c2-12.

"S&P" means S&P Global Ratings, a division of S&P Global Inc.

"Securities Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership and effect transfers of book-entry interests in bonds, notes or other evidence of obligations. Securities Depository includes its nominee for the particular purpose.

"Self-Liquidity Facility" means an agreement of the State set forth in the Series 2020 Supplemental Trust Agreement, whereby the Treasurer has agreed to use moneys then in the investment portfolio of the State Treasury to purchase, as an investment of the investment portfolio of the State Treasury, the Series 2020 Bonds tendered for purchase but not remarketed by the Remarketing Agent and remarketed Series 2020 Bonds for which the Tender Agent does not have sufficient amounts on hand at the time for draw on the Self-Liquidity Facility. The Self-Liquidity Facility terminates and ends if: (i) there occurs any failure to make timely payment of principal of, interest on or redemption premium, if any, required to be made on the Series 2020 Bonds; or (ii) the General Assembly fails in any State fiscal biennium to appropriate amounts to the DNR sufficient to meet its rental payment obligations to the OPFC under the Lease, which failure remains unremedied and the Lease not reinstated pursuant to its terms. The Self-Liquidity Facility is limited to paying the Purchase Price of the Series 2020 Bonds that have been tendered and not remarketed (i.e., "liquidity support") and is not a commitment or agreement for the payment of the principal of or interest on the Series 2020 Bonds (i.e., "credit support").

"Series 2020 Bond Purchase Fund" means an account within the investment portfolio of the State Treasury designated the "State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B (Parks and Recreation Improvement Fund Projects) Bond Purchase Fund."

"Series 2020 Bonds" means the $57,000,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B (Parks and Recreation Improvement Fund Projects) authorized by the Series 2020B Order.

"Series 2020B Order" means Series Bond Order No. 8-20 issued by the Treasurer on August 11, 2020 providing for the Series 2020 Bonds.

"Series 2020B Payment Account" means the trust fund established by the provisions of the Series 2020B Supplemental Trust Agreement in the custody of the Trustee for payment on the Series 2020 Bonds.

"Series 2020B Supplemental Lease" means the Series 2020B Supplemental Lease Agreement dated as of August 1, 2020 between the OPFC and the DNR, amending or supplementing the Lease.

"Series 2020B Supplemental Trust Agreement" means the Series 2020B Supplemental Trust Agreement dated August 1, 2020 between the State, acting by and through the Treasurer, and the Trustee, amending or supplementing the Trust Agreement, and includes the Series 2020B Order set forth in it.

"Series Order" means an order or resolution of the Treasurer authorizing the issuance of Obligations in accordance with the General Bond Order, including the Series 2020B Order, and includes any order, resolution or certificate providing for or evidencing the award and specific terms of Obligations authorized by the Series Order.

"SIFMA Rate" means, on any date, a rate determined on the basis of the seven day high grade market index of tax-exempt variable rate demand obligations, as produced by Bloomberg (or successor organizations) and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the State and effective from such date or if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or successor organizations) or (ii) with a Favorable Opinion of Bond Counsel, such other index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to the Bonds as selected by the State.

"Special Funds" or "Special Funds and Accounts" means the Bond Service Fund and accounts in that Fund to the extent pertaining to the Obligations, and any other funds or accounts, including, without implied limitation, a Bond Service Reserve Account providing a Required Reserve or funds or accounts relating to a Credit Enhancement Facility, permitted by, established under or identified in the Trust Agreement or a Series Order or Supplemental Trust Agreement.

"State" means the State of Ohio.

"State Treasury" means the monies, claims, bonds, notes, other obligations, stocks, and other securities, receipts or other evidences of ownership, and other intangible assets of the State that are required by law to be deposited in the State Treasury or otherwise a part of the State Treasury pursuant to Section 113.05 of the Revised Code.

"Substitute Liquidity Agreement" means an agreement to provide a Substitute Liquidity Facility for the Series 2020 Bonds.

"Substitute Liquidity Facility" means a liquidity facility for the Series 2020 Bonds other than the Self-Liquidity Facility.

"Substitute Liquidity Provider" means the provider of a Substitute Liquidity Facility.

"Supplemental Lease" means any Supplemental Lease amending or supplementing the Lease as contemplated by the Lease.

"Supplemental Trust Agreement" means any Supplemental Trust Agreement amending or supplementing the Trust Agreement.

"Tender Agent" means U.S. Bank National Association

"Term Bonds" means those Bonds designated as such and maturing on the date or dates set forth in the Bond Proceedings, bearing interest payable on each Interest Payment Date and subject to Mandatory Redemption pursuant to Mandatory Sinking Fund Requirements.

"Treasurer" means the State Treasurer of Ohio.

"Trust Agreement" means the Original Trust Agreement, including the General Bond Order set forth in it, as the same may be amended, modified or supplemented, including as amended, modified or supplemented by the Series 2020B Supplemental Trust Agreement, and unless the context indicates otherwise, includes all Supplemental Trust Agreements.

"Trustee" means the Trustee at the time serving under the Trust Agreement, originally U.S. Bank National Association, New Albany, Ohio, and any successor Trustee as determined or designated pursuant to the Trust Agreement.

"Underwriter" means Barclays Capital Inc.

"Weekly Rate" means the interest rate that is to be determined by the Remarketing Agent on a weekly basis for each Weekly Rate Period.

"Weekly Rate Period" means the Rate Period from Wednesday to Tuesday of each week, except the first Weekly Rate Period shall begin on the date of delivery of the Series 2020 Bonds and end the following Tuesday.

Summary of the Trust Agreement

General

The following, in addition to information contained above under the heading **THE TRUST AGREEMENT** and **THE SERIES 2020 BONDS**, summarizes certain provisions of the Trust Agreement, to which reference to the full document is made for its detailed provisions. The General Bond Order and the Series 2020B Order authorizing the Series 2020 Bonds are incorporated in their entirety in, and constitute part of, the Trust Agreement and all references in this summary to the Trust Agreement shall, unless specific section references are made, include the General Bond Order and the Series 2020B Order.

So long as the Series 2020 Bonds are immobilized in a book-entry system with a Securities Depository, that Securities Depository or its nominee is for all purposes of the Trust Agreement considered by the Treasurer and the Trustee to be the holder of those Series 2020 Bonds and the book-entry interest owners of the Series 2020 Bonds will not be considered holders of the Series 2020 Bonds and have no rights as holders under the Trust Agreement. (See THE SERIES 2020 BONDS – Registration, Payment and Transfer and APPENDIX C – BOOK-ENTRY SYSTEM; DTC)

Security

The Trust Agreement provides for a pledge of the Pledged Receipts by the State to the Trustee, for the benefit of the holders of the Obligations. Nothing in the Act, the Trust Agreement or other Bond Proceedings gives the holders of the Obligations, and they do not have, the right to have the General Assembly levy any excises or taxes for the payment of Bond Service Charges. (See **THE BONDS GENERALLY – Security**)

Funds and Accounts

The Trust Agreement establishes for the Series 2020 Bonds the following funds and accounts to be held in the custody of the Treasurer, separate and apart from and not a part of the State Treasury, and used for specific purposes described below: the Bond Service Fund, which includes the Bond Service Account; and the Administrative Service Fund. The Trust Agreement also establishes a Series 2020B Payment Account to be held by the Trustee and used for the specific purposes described below. In addition, the General Assembly has created the Parks and Recreation Improvement Fund (the "Improvement Fund"), held by the Treasurer, which may include a separate account for each Project and each series of Obligations. The Improvement Fund is not pledged to the payment of Bond Service Charges on the Obligations. In addition, as described below, the Administrative Service Fund is not pledged to the payment of Bond Service Charges on the Obligations.

Bond Service Fund. The Act establishes the bond service fund, designated the "parks and recreation bond service trust fund," in the custody of the Treasurer, separate and apart from and not a part of the State Treasury, and provides that all moneys received by or on account of the Treasurer or the OPFC and required by the Bond Proceedings to be deposited, transferred, or credited to the Bond Service Fund, and all other moneys transferred or allocated to or received for the purposes of the Bond Service Fund, shall be deposited with the Treasurer and credited to the Bond Service Fund, subject to the Bond Proceedings, without necessity for any act of appropriation. The Bond Service Fund is a trust fund pledged to the payment of Bond Service Charges on Obligations to the extent provided in the Bond Proceedings and payment of Bond Service Charges from the Bond Service Fund shall be made or provided for by the Treasurer in accordance with the Bond Proceedings without necessity for any act of appropriation. Pursuant to the Act, it is required that all money received by or on account of the OPFC from the DNR under the Lease will be deposited, transferred or credited to the Bond Service Fund, except for Additional Rent which will be deposited, transferred or credited to the Administrative Service Fund. The Treasurer may create accounts within the Bond Service Fund including a Bond Service Account referred to below and one or more payment accounts for the Obligations.

Bond Service Account. The Bond Service Account has been established in the Bond Service Fund. There will be deposited in the Bond Service Account: (i) unless otherwise provided in a Series Order, from the proceeds of the sale of Obligations any amounts representing accrued interest and capitalized interest; (ii) all moneys received by the Treasurer under the Lease, excepting the portion of those moneys to be credited to the Administrative Service Fund; and (iii) any grants, gifts, donations, pledges, and the receipts from such grants, gifts, donations and pledges, received by the Treasurer for the purposes of the Bond Service Account or any Required Reserve (there is no Required Reserve for the Series 2020 Bonds) any moneys to be transferred from the Improvement Fund to the Bond Service Account or any Required Reserve or any Special Fund, except the Administrative Service Fund, and any other moneys transferred or allocated to or received for the purposes of the Bond Service Account or any Required Reserve. The Bond Service Account is pledged to and shall be used except as excess amounts may be transferred pursuant to the General Bond Order, solely for the payment of Bond Service Charges on the Obligations as they fall or become due and payable.

Administrative Service Fund. The Administrative Service Fund will be used to pay (i) regular and special fees and reimbursement of reasonable expenses of the Trustee, Paying Agent, Authenticating Agent, Bond Registrar, depositories, financial advisors, consultants, attorneys, accountants and others providing services with respect to the authorization, sale, issuance, delivery and servicing of the Obligations, including audits, certifications, and reports provided for in the General Bond Order or any Series Order and (ii) the financing charges, costs of Credit Enhancement Facilities, costs of printing, engraving, advertising, and other expenses in connection with such authorization, sale, issuance, delivery and servicing of the Obligations. Amounts necessary to pay any rebate amount computed in accordance with the requirements of Section 148(f) of the Code and the related regulations, may also be paid by the Treasurer from the Administrative Service Fund. The Administrative Service Fund is not pledged to the payment of Bond Service Charges on the Obligations.

Series 2020B Payment Account. The Series 2020B Payment Account is established in the custody of the Trustee. Moneys for the payment of Bond Service Charges on the Series 2020 Bonds transferred by the Treasurer to the Trustee pursuant to the General Bond Order shall be deposited in the Series 2020B Payment Account. The Trustee shall make all payment of Bond Service Charges on the Series 2020 Bonds with moneys on deposit or credited to the Series 2020B Payment Account.

Series 2020B Bond Purchase Fund/Self-Liquidity Facility. The Series 2020B Bond Purchase Fund is established as a "Special Fund" under and pursuant to the Trust Agreement and the Revised Code within the investment portfolio of the State Treasury and is maintained by the Treasurer. Moneys then available in the investment portfolio of the State Treasury will be applied to the purchase, as an investment of the investment portfolio of the State Treasury, of Series 2020 Bonds tendered for purchase but not remarketed by the Remarketing Agent and remarketed Series 2020 Bonds for which proceeds are not available at the time for draw on the Self-Liquidity Facility. On each Purchase Date, if the Remarketing Agent has not successfully remarketed all the Series 2020 Bonds tendered for purchase on such Purchase Date, the Treasurer will purchase, or cause to be purchased, from the Tender Agent with moneys then in the investment portfolio of the State Treasury in an amount equal to the principal amount of, and unpaid interest accrued through the day immediately preceding the Purchase Date for, the Series 2020 Bonds tendered for purchase but not remarketed on such Purchase Date and remarketed Series 2020 Bonds for which proceeds are not then available. If the portfolio of the State Treasury has insufficient cash to make payment in full of the Purchase Price of such Series 2020 Bonds, the Treasurer will take, or cause to be taken, such actions as may be necessary, including liquidating investments within the portfolio of the State Treasury, to ensure that on the Purchase Date with respect to such unremarketed Series 2020 Bonds and remarketed Series 2020 Bonds for which proceeds are not available, there will be sufficient cash to pay in full the Purchase Price of all such Series 2020 Bonds on such Purchase Date. Holders or owners of the Series 2020 Bonds shall have no right to have excises or taxes levied by the General Assembly to provide monies for the for the investment portfolio of the State Treasury or otherwise to provide for an amount sufficient therein to pay the principal amount of, and unpaid interest accrued the Series 2020 Bonds tendered for purchase. The Self-Liquidity Facility is not a credit agreement, credit obligation or credit commitment. The Self-Liquidity Facility shall terminate and shall not be available for the purchase of Series 2020 Bonds tendered but not remarketed by the Remarketing Agent or remarketed Series 2020 Bonds for which sufficient funds are not then available in the event: (i) there occurs any failure to make timely payment of principal of, interest on or redemption premium, if any, required to be made on the Series 2020 Bonds; or (ii) the General Assembly fails in any State fiscal biennium to appropriate amounts to the DNR sufficient to meet its rental payment obligations to the OPFC under the Lease and the Lease is not reinstated pursuant to its terms, and in either of (i) or (ii) above such failure remains unremedied. Anything in the Original Trust Agreement to the contrary notwithstanding, neither the failure of the Treasurer to purchase any unremarketed Series 2020 Bonds tendered for purchase, to pay or remit any moneys or perform or observe any covenant, agreement or condition under the section of the Series 2020B Supplemental Trust Agreement providing for the Self-Liquidity Facility nor any failure to remedy the same will constitute an Event of Default under the Trust Agreement. (See **THE SERIES 2020 BONDS – Tender of Series 2020 Bonds** and **– Liquidity**)

<u>Other Special Funds and Accounts</u>. If and to the extent required by any loan or grant agreement or other agreement with the United States of America or the State or any other governmental or public agency providing for any financial assistance, guarantee or insurance in connection with the financing of any Project or in connection with the issuance of Obligations, or by any Credit Enhancement Facility, the Treasurer may, pursuant to a Series Order, create Special Funds and Accounts or sub-accounts in the Bond Service Fund and in the Bond Service Account or other accounts, relating to that Project or its financing or the particular Obligations, and make special provisions, among others, that moneys received under that agreement or instrument be restricted to such Special Funds and Accounts or sub-accounts, and for the holding, investing and disposition of any moneys in Special Funds and Accounts or sub-accounts in accordance with that agreement or instrument and for the primary or exclusive benefit of the applicable Obligations, but all only as and to the extent required by that agreement or instrument. If any Special Funds or Accounts or sub-accounts are so restricted, then the amounts in those Special Funds or Accounts or sub-accounts, to the extent so restricted, shall not be considered to be available for Bond Service Charges on other Obligations in determining the sufficiency of or deposits to the Bond Service Account under the provisions of the General Bond Order with respect to the other Obligations.

Investment of Certain Funds

Moneys in the Improvement Fund will be invested in accordance with State law. Moneys held in the Bond Service Account may be invested and reinvested by the Treasurer in any Eligible Investments as provided in the Trust Agreement, provided that investments of moneys in the Bond Service Account shall mature or be redeemable at the option of the holder at the times and in the amounts necessary to provide moneys to meet the payment of Bond Service Charges as they fall due. The Treasurer may from time to time sell such investments and reinvest the proceeds in similarly rated Eligible Investments maturing or redeemable as provided above. Any Eligible Investments may be purchased from the Trustee or its affiliates. Subject to the provisions of the Bond Proceedings, an investment made from moneys credited to the Bond Service Account shall constitute part of the Bond Service Account, and the Bond Service Account shall be credited with all proceeds of sale and income from that investment. Those investments shall be valued at the lesser of face amount or market value. Moneys held in the Administrative Service Fund, until required for payments to be made from the Administrative Service Fund, may also be invested in Eligible Investments upon or pursuant to order of the Treasurer.

Additional Bonds

One or more series of Additional Bonds may be issued under the Trust Agreement to pay Costs of Capital Facilities for the purposes described therein and in the Act, and to refund, advance refund, fund or retire Obligations or Prior Bonds. Such Additional Bonds shall be authorized by Series Orders as provided in the General Bond Order.

The issuance of Additional Bonds under the Trust Agreement is also subject to the following conditions, among others: (i) the State is not in default, and the authentication and delivery of the Additional Bonds will not result in any default, of any of the State's covenants or obligations under the Trust Agreement or the Prior Trust Agreement; (ii) the aggregate outstanding principal amount of those Additional Bonds and any other Obligations outstanding and issued under the Act, will not exceed in aggregate the amount of those particular Obligations that may be issued or outstanding under the Act; (iii) upon such issuance and delivery, the amount in or of any Required Reserve for any Additional Bonds is not less than that Required Reserve; (iv) other requirements provided in the Trust Agreement for the issuance of Additional Bonds have been met; and (v) the Trustee has received (a) a copy, certified by the Treasurer of the Series Order authorizing the issuance and delivery of those Additional Bonds, adopted in conformity with the General Bond Order; (b) an original executed counterpart of the Supplemental Trust Agreement entered into in connection with the issuance of those Additional Bonds; (c) an original executed counterpart of the Supplemental Lease entered into in connection with the issuance of those Additional Bonds; (d) a request and authorization to the Trustee on behalf of the Treasurer, signed by its Authorized Officer, to authenticate and deliver the Additional Bonds to or on the order of the Original Purchaser identified, and upon payment of an amount specified, in that request and authorization; (e) a certificate of an Authorized Officer confirming that conditions (i) through (iv) above are satisfied; (f) the written opinion of legal counsel retained by the Treasurer, or other legal counsel satisfactory to the Trustee, to the effect that documents submitted to the Trustee in connection with that request and authorization comply with the requirements of the Trust Agreement, and that all legal conditions precedent to the issuance of those Additional Bonds as provided in the Trust Agreement have been complied with and a written opinion of bond counsel for or designated by the Treasurer, who may also be the legal counsel referred to above, that those Additional Bonds, when duly executed, authenticated and delivered, will be valid and legal special obligations of the State, by the Treasurer, in accordance with their terms and those Additional Bonds, together with all Obligations then outstanding under the Trust Agreement, will be secured by the Trust Agreement; (g) a certificate of an authorized officer of the State confirming that amounts sufficient to support all rentals estimated to be due under the Lease, or other leases of the DNR relating to Prior Bonds, if and to the extent applicable, for the current fiscal biennium have been appropriated to the lessee for the payment of such rentals and that, to the extent that budget requests have been made for the next succeeding fiscal biennium, amounts sufficient to support all rentals estimated to be due under the Lease and any other leases relating to Prior Bonds, if and to the extent applicable, for such biennium have been requested; and (h) any items required by the applicable Supplemental Trust Agreement to be filed with the Trustee before such Additional Bonds are initially authenticated and delivered.

Further Covenants

Certain other covenants of the Treasurer contained in the Trust Agreement are as follows:

Payment. The Treasurer covenants in the Trust Agreement to, from the sources provided in the General Bond Order, pay or cause to be paid the Bond Service Charges on each and all Obligations on the dates, at the places and in the manner provided in the General Bond Order, Bond Proceedings and Obligations, according to their true intent and meaning.

Maintenance of Pledge. The Treasurer covenants in the Trust Agreement not to make any pledge or assignment of or create or suffer any lien or encumbrance upon the Pledged Receipts prior to or on a parity with the pledge of the Pledged Receipts, except as and if authorized or permitted under, the General Bond Order and the Trust Agreement.

Observance of Covenants. The Treasurer covenants in the Trust Agreement to faithfully observe and perform all agreements, covenants, undertakings, stipulations, and provisions contained in the General Bond Order, the Trust Agreement, any other applicable Series Order, and any and every outstanding Obligation executed, authenticated and delivered under the Trust Agreement.

Duties Binding on All with Authority; Enforcement by Mandamus. The Treasurer has acknowledged that each provision of the Bond Proceedings is binding upon the officer, board, authority, agency, department, or other person or body as may from time to time have the authority under law to take the actions as may be necessary to perform all or any part of the duty required by the provision. The Treasurer also acknowledged that each duty of the Treasurer and the Treasurer's officers and employees is established as a duty of the Treasurer, and of each officer and employee having authority to perform that duty, specifically enjoined by law resulting from an office, trust or station within the meaning of Section 2731.01 of the Revised Code, providing for enforcement by writ of mandamus.

Annual Reports. The Treasurer will, within 90 days after the end of each Fiscal Year, submit to the Trustee, the Governor and to the General Assembly by delivery to the presiding officers of each house of the General Assembly, an annual report by the Treasurer in the form required by Section 154.05 of the Revised Code.

Events of Default and Remedies

Events of Default. The occurrence of any of the following events is declared to be and to constitute an Event of Default under the Trust Agreement:

- Failure to pay any interest on any Obligation, when and as the same shall have become due and payable;
- Failure to pay the principal of or any redemption premium on any Obligation, when and as the same shall have become due and payable, whether at maturity or by acceleration or call for redemption; or

- Failure to perform or observe duly or punctually any other covenant, condition or agreement contained in the Obligations or the Trust Agreement and to be performed by the State, which failure shall have continued for a period of 60 days after written notice of it to the Treasurer given by the Trustee or the holders of not less than 25% in aggregate outstanding principal amount of affected Obligations.

The Trustee shall not be required to take notice, and shall not be deemed to have notice or knowledge, of any Event of Default described in the third bullet above, unless the Trustee is notified specifically of the Event of Default in a written instrument delivered to it by the Treasurer or by the holders of at least 10% of the aggregate outstanding principal amount of Obligations under the Trust Agreement. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default as described in the third bullet above.

If an Event of Default occurs, the Trustee shall give written notice to the Treasurer within five business days after having knowledge of that Event of Default, and to the Original Purchasers of each series of Obligations then outstanding under the Trust Agreement, to the Bondholders of those Obligations, and to any other Paying Agent and Authenticating Agent within 90 days after having such knowledge, unless the Event of Default has been remedied or cured before the giving of that notice or, in the case of an Event of Default under the third bullet above, the Trustee in good faith determines that the withholding of that notice is in the interests of the Bondholders.

Remedies. If an Event of Default as described in the first and second bullets above has occurred and is continuing the Trustee shall, and if an Event of Default as described in the third bullet above has occurred and is continuing the Trustee may, and upon the written request of the holders of not less than 25% in aggregate outstanding principal amount of the Obligations shall, proceed in its own name to protect and enforce its rights and the rights of the Bondholders under the Trust Agreement by such of the following remedies as the Trustee, being advised by counsel, shall deem most effective to protect and enforce those rights:

(i) By mandamus or other suit, action or proceeding at law or in equity enforce all the rights of the Bondholders, including the compelling of the performance of all duties of the Treasurer or governmental agencies under the Bond Proceedings and the enforcement of the payment of the Bond Service Charges;

(ii) Bring suit upon the Obligations;

(iii) Enjoin unlawful activities or activities in violation of the rights of the Bondholders under the Trust Agreement;

(iv) In the case of an Event of Default that is a payment default (described in the first and second bullets above), apply to a court having jurisdiction of the cause to appoint a receiver (which may be the Trustee) to receive and administer the Pledged Receipts, other than those in the custody of the Treasurer, with full power to pay and to provide for payment of Bond Service Charges, and with such powers, subject to the discretion of the court, as are accorded receivers in general equity cases, excluding any power (i) to pledge additional revenues or receipts or other income or moneys of the Treasurer or the State or State agencies to the payment of the Bond Service Charges, and (ii) to take possession, mortgage or cause the sale or otherwise dispose of any Capital Facilities; and

(v) In the case of an Event of Default that is a payment default (described in the first and second bullet above), by notice in writing to the Treasurer declare the principal of all Obligations then outstanding (if not then due and payable) and any interest accrued on those Obligations to be due and payable immediately, and upon that declaration that principal and interest, shall become and be immediately due and payable.

The provisions of the above subparagraph (v) are subject, however, to the condition that if at any time after principal and interest have been so declared due and payable and prior to the entry of judgment in a court of law or equity for enforcement or the appointment of a receiver under the Trust Agreement all sums payable under the Trust Agreement, except the principal of the Obligations which have not reached their stated maturity dates and which are due and payable solely by reason of such declaration, plus interest (to the extent permitted by law) on any overdue installments of interest at the rate borne by the Obligations in respect of which such Event of Default shall have occurred, shall have been duly paid or provided for by deposit with the Trustee or Paying Agent and all existing defaults thereunder shall have been made good, then and in every such case the payment or provision for payment shall, in and of itself, constitute a waiver of the applicable Event of Default and its consequences and an automatic rescission and annulment of the declaration under the above subparagraph (v). No such waiver, rescission and annulment shall extend to or affect any or impair any rights consequent on a subsequent or other Event of Default.

Enforcement of Rights Under Agreement. Upon the occurrence and continuance of any Event of Default the Trustee may proceed, and upon the written request of the holders of not less than 25% in aggregate outstanding principal amount of the Obligations shall proceed to protect and enforce its rights and the rights of the Bondholders under the Trust Agreement by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained in the Trust Agreement or in the aid or execution of any power granted in the Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effective to protect and enforce those rights.

In the enforcement of any remedy under the Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming due and at any time remaining unpaid on account of principal, interest or otherwise under any of the provisions of the Trust Agreement or of the Obligations, with interest on overdue payments at the rate or rates of interest specified or provided for in the Obligations or the Series Order, together with any and all costs and expenses of collection and of all proceedings under the Trust Agreement and under those Obligations, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the State or the Treasurer, but solely as provided in the Trust Agreement and in the Obligations, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the Pledged Receipts and the Special Funds and Accounts from which the Obligations are payable) in any manner provided by law, the moneys adjudged or decreed to be payable.

The holders of not less than a majority in aggregate outstanding principal amount of the Obligations shall have the right at any time by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any and all remedial proceedings under the Trust Agreement. However, (i) that direction shall not be otherwise than in accordance with the provisions of law or of the Trust Agreement, (ii) the Trustee shall be indemnified as provided in the Trust Agreement, and (iii) the Trustee shall have the right to decline to follow any such direction which in its opinion would be unjustly prejudicial to Bondholders not parties to that direction.

No remedy by the terms of the Trust Agreement conferred upon or reserved to the Trustee (or to the holders of the Obligations) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and in addition to any other remedy given to the Trustee or to the holders of the Obligations under the Trust Agreement or now or existing in the future.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of or acquiescence in that default or Event of Default. Every such right and power may be exercised from time to time and as often as may be deemed expedient.

On the occurrence of an Event of Default, neither the Treasurer nor the State nor any governmental agency, nor anyone claiming through or under any of them, shall set up, claim, or seek to take advantage of any laws now in force or in force in the future, in order to prevent or hinder the enforcement of the Trust Agreement, but the Treasurer, for the Treasurer and all who claim through or under the Treasurer, and for the State and for any governmental agency, waives, under the Trust Agreement, to the extent it may lawfully do so, the benefit of all such laws to which they or the State or such governmental agency may be entitled.

Waiver of Events of Default

At any time the Trustee may in its discretion waive any Event of Default under the Trust Agreement and its consequences, and rescind any declaration of accelerated maturity of principal and interest, and shall do so upon the written request of the holders of (i) at least a majority in aggregate outstanding principal amount of all the Obligations in respect of which an Event of Default in the payment of Bond Service Charges has occurred, or (ii) at least 25% in aggregate outstanding principal amount of all Obligations in case of any other Event of Default. However, there may not be so waived any Event of Default that is a payment default (described in the first and second bullets under **Summary of the Trust Agreement – Events of Default and Remedies –** Events of Default above), or any such declaration in connection with such an Event of Default rescinded, unless at the time of that waiver or rescission payments of the amounts as provided under **Summary of the Trust Agreement – Events of Default and Remedies** – Remedies above for waiver and automatic rescission in connection with that acceleration have been made or provided for. In case of any such waiver or rescission, the Treasurer, the Trustee and the Bondholders shall be restored to their respective positions and rights under the Trust Agreement. No such waiver or rescission shall extend to or impair any rights consequent on any subsequent or other Event of Default.

Supplemental Trust Agreements

The State and the Trustee, without the consent of or notice to any of the Bondholders, may enter into agreements supplemental to the Trust Agreement as shall not, in the opinion of the Treasurer and the Trustee, be inconsistent with the terms and provisions of the Trust Agreement for any one or more of the following purposes:

(i) to cure any ambiguity, inconsistency or formal defect or omission in the Trust Agreement;

(ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;

(iii) to subject additional revenues or receipts to the lien and pledge of the Trust Agreement;

(iv) to add to the State's covenants and agreements contained in the Trust Agreement other covenants and agreements to be observed for the protection of all or particular Bondholders, or to surrender or limit any right, power or authority reserved to or conferred upon the State in the Trust Agreement, including the limitation of rights of redemption so that in certain instances Obligations of different series will be redeemed in some prescribed relation to one another;

(v) to evidence any succession to the Treasurer and the assumption by the successor of the Treasurer's covenants and agreements contained in the Trust Agreement and the Obligations;

(vi) in connection with the issuance of Obligations in accordance with the Trust Agreement, including any and all appropriate provisions relating to the issuance of Additional Bonds in form other than Registered Obligations;

(vii) to permit compliance with changes in federal or state securities or tax laws or regulations;

(viii) to permit the Trustee to comply with any obligations imposed upon it by law;

(ix) to specify further the duties and responsibilities at and to define further the relationship among, the Trustee and any other Authenticating Agent, Bond Registrar or Paying Agent;

(x) the transfer of Obligations from one Securities Depository to another, and the succession of Securities Depositories, and the withdrawal of Obligations issued to a Securities Depository for holding in a book-entry system and the issuance of replacement Registered Obligations to others than a Securities Depository;

(xi) to limit the Eligible Investments of moneys in the Bond Service Account as listed in the Trust Agreement, or to add to that list other Eligible Investments. If there be such a Rating Service at the time, the addition of Eligible Investments must be approved for the purpose by each Rating Service that has at the Treasurer's request assigned a rating to, and at the time maintains a rating on, the outstanding Obligations; and

(xii) in connection with any other amendment to the Trust Agreement which, in the judgment of the Trustee is not to the prejudice of the Trustee or the holders of outstanding Obligations which that amendment may affect.

The provisions of clauses (vii) and (viii) of the preceding paragraph shall not be deemed to constitute a waiver by the Trustee, the Treasurer or any holder of any right which it may have in the absence of those clauses (vii) and (viii) to contest the application of any change in law to the Trust Agreement or those Obligations.

In addition, subject to the terms, provisions and limitations that follow, and not otherwise, the holders of not less than a majority in aggregate of the outstanding principal amount of the Obligations shall have the right, from time to time, anything contained in the Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Treasurer and the Trustee of such other agreement or agreements supplemental to the Trust Agreement as may be deemed necessary and desirable by the Treasurer for the purpose of modifying, altering, adding to or rescinding, in any particular, any of the terms or provisions contained in the Trust Agreement. However, nothing in the Trust Agreement shall permit or be construed as permitting:

(i) an extension of the maturity of the principal of or the interest on any Obligation, or a reduction in the principal amount of or the rate of interest or redemption premium on any Obligation, or a reduction in the amount or extension of the time of any payment required by any Mandatory Sinking Fund Requirements, without the consent of the holder of each Obligation so affected; or

(ii) a reduction in the aggregate outstanding principal amount of the Obligations required for consent to such Supplemental Trust Agreement without the consent of the applicable holders of all of the Obligations then outstanding.

Where the consent of the holders of the Obligations is required, procedures are established in the Trust Agreement for notice to those holders and for the execution and filing of the requisite consents. Any consent shall be binding upon the holder of the Obligation giving that consent and upon any subsequent holder of the Obligation and of any Obligation issued in exchange for it, whether or not that subsequent holder has notice of the consent. However, the consent may be revoked by the holder of the Obligation who gave the consent if still the holder, or by a subsequent holder of the Obligation, by filing a written revocation with the Trustee prior to the date of execution by the Trustee of the Supplemental Trust Agreement. If the holders of the required percentage in aggregate outstanding principal amount of the Obligations have consented to and approved the execution of the Supplemental Trust Agreement as provided in the Trust Agreement, no holder of any Obligation shall have any right to object to the execution of the Supplemental Trust Agreement, or to object to any of the terms and provisions contained in or the operation of the Supplemental Trust Agreement, or in any manner to question the propriety of the execution of the Supplemental Trust Agreement or to enjoin or restrain the Trustee or the Treasurer from executing it or from taking any action pursuant to its provisions.

In addition to supplements and amendments otherwise authorized by the Trust Agreement, the Series 2020B Supplemental Trust Agreement, including any Annexes and Exhibits, may be supplemented or amended by an Officer's Certificate:

(i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision relating to the Series 2020 Bonds;

(ii) to identify particular Series 2020 Bonds for purposes not inconsistent with the Series 2020B Bond Order, including credit or liquidity support, remarketing, Conversion, redemption, serialization and defeasance;

(iii) to insert such provisions with respect to the Series 2020 Bonds as are necessary or desirable and are not to the prejudice of the Bondholders; or

(iv) to provide for a credit enhancement or Liquidity Provider other than the Treasurer.

None of the foregoing amendments referred to in (i)-(iv) above shall be effective unless there shall have been delivered a Favorable Opinion of Bond Counsel.

Defeasance

If the State, by the Treasurer, shall pay or cause to be paid, or there shall otherwise be paid, to the holders of the outstanding Obligations all Bond Service Charges due or to become due thereon, and provision shall also be made for paying all other sums payable under the Trust Agreement by the Treasurer, then and in that event the Trust Agreement shall cease, determine and become null and void, and the covenants, agreements and other obligations of the Treasurer under the Trust Agreement shall be discharged and satisfied. Bond Service Charges due or to become due on the outstanding Obligations shall be deemed to have been so paid or caused to be paid if:

(i) the Trustee and Paying Agents shall hold, in trust for and irrevocably committed to the payment of Bond Service Charges, sufficient moneys; or

(ii) the Trustee shall hold, in trust for and irrevocably committed to the payment of Bond Service Charges, non-callable Federal Securities certified by a firm of independent certified public accountants of national reputation to be of such maturities and interest payment dates and to bear such interest or other investment income as will be, without further investment or reinvestment of either the principal amount of or the interest earnings from them, sufficient, together with any moneys referred to in (i) above, for the payment, when due, of all Bond Service Charges to the date or respective dates of maturity or redemption, as the case may be; provided, that if any Obligations are to be redeemed prior to their maturity, notice of that redemption shall have been duly given or irrevocable provision reasonably satisfactory to the Trustee shall have been duly made for the giving of that notice.

Non-Presentment of Bonds

If an Obligation is not presented for payment when due in whole or in part, whether at maturity, prior redemption or otherwise, or a check or draft for interest is uncashed, and if moneys for the purpose of paying and sufficient to pay the amount involved have been made available to the Trustee for the benefit of the Bondholder, all liability of the State or the Treasurer to that holder for that payment shall then cease and be discharged completely, and it shall then be the duty of the Paying Agent to hold those moneys in trust, without liability for interest on them, for the exclusive benefit of that holder. Subject to the provisions of the Trust Agreement, that Bondholder (and successive holders of that Obligation) shall, from that time, be restricted exclusively to those moneys for any claim of whatever nature on such holder's part under the Trust Agreement or on or with respect to that amount then due on that Obligation or that check or draft.

Any moneys so held by the Trustee or Paying Agent and remaining unclaimed by the holder (or successive holders) of that Obligation, for a period of three years after the date on which that Obligation became payable as provided above or on which that check or draft was issued, shall be paid to the Treasurer and, from that time, the holder (or successive holders) of that Obligation shall look only to the Treasurer for payment and then only to the amounts so received by the Treasurer without any interest on those amounts, and the Paying Agent and the Trustee shall have no further responsibility with respect to those moneys.

Payments Due on Saturdays, Sundays and Holidays

If any Interest Payment Date or Principal Payment Date (the date of maturity of the principal of any Obligations, or date fixed for redemption of any Obligations) (each referred to below as "the applicable date") is a Saturday or Sunday, or a day on which:

(i) the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of interest, principal, and any redemption premium (each referred to as the "payment") need not be made by the Trustee or any Paying Agent on that date, and that payment shall be made on the next succeeding business day on which the Trustee and the Paying Agent are open for business with the same force and effect as if that payment were made on the applicable date, and no interest shall accrue for the period after that applicable date; or

(ii) a Paying Agent is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then the payment need not be made by that Paying Agent on that date, and the payment shall be made on the next succeeding business day on which that Paying Agent is open for business with the same force and effect as if the payment were made on the applicable date, and no interest shall accrue for the period after that applicable date.

If, however, the Trustee is open for business on the applicable date it shall make any payment with respect to interest on outstanding Obligations and principal of and premium on Obligations presented to it for payment, regardless of whether any other Paying Agent is open for business or closed on that date.

Trustee

The Trustee under the Trust Agreement is U.S. Bank National Association, which is a national banking association organized and existing under and by virtue of the laws of the United States of America and authorized to exercise corporate trust powers in the State. The Trustee accepts the trusts imposed upon it by the Trust Agreement, but only upon the terms and conditions set forth in the Trust Agreement. The Trustee, prior to the occurrence of an Event of Default under the Trust Agreement and after the curing of all Events of Default under the Trust Agreement which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Trust Agreement, and no implied covenants or obligations should be read into the Trust Agreement against the Trustee. If any Event of Default under the Trust Agreement shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by the Trust Agreement and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs. Before taking action under the provisions of the Trust Agreement related to intervention by the Trustee and default (with the exception of any action required to be taken under the Trust Agreement related to giving notice of an Event of Default), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement to it of all reasonable expenses to which it may be put and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence, bad faith or willful misconduct by reason of any action so taken. The permissive right of the Trustee to do things enumerated in the Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence, bad faith or willful misconduct.

Summary of the Lease

General

Pursuant to the Act, the OPFC may lease Capital Facilities, including a lease of the Capital Facilities to the DNR. Accordingly, the OPFC has entered into the Lease with the DNR. The following, in addition to information contained above under **THE LEASE**, summarizes certain provisions of the Lease, to which reference to the complete document is made for its detailed provisions.

Term of the Lease

The Initial Term of the Lease has been renewed to expire at twelve o'clock midnight the last day of the State's fiscal biennium, currently June 30, 2021. The DNR shall have the right to renew the term of the Lease for successive Renewal Terms until the Treasurer shall have paid and retired, or shall have made due and adequate provision for the payment and retirement of, all Obligations issued by the Treasurer. Subject to any change in the method of determining the State's fiscal biennium, or the length of the last Renewal Term, each Renewal Term shall be for the two-year period commencing on the day succeeding the expiration of the preceding term and ending on the last day of any fiscal biennium, currently June 30 of every odd-numbered year, upon the same terms as are contained in the Lease, unless sooner terminated in accordance with the provisions of the Lease and the Trust Agreement. The DNR shall be deemed to have exercised its right to renew the term of the Lease and the Lease shall be renewed, upon the effectiveness, at or prior to the expiration of the Initial Term or the Renewal Term then in effect, of legislation enacted by the General Assembly appropriating sufficient funds to the DNR for the purpose of paying the rentals required by the Lease during the next succeeding Renewal Term.

Rental Payments and Pledges

The Lease requires the DNR to pay Basic Rent directly to the Treasurer in amounts at least adequate to meet the Bond Service Charges on the Obligations and establish and maintain any Required Reserve (there is no Required Reserve for the Series 2020 Bonds). The Lease also requires the DNR to pay Additional Rent directly to the Treasurer in amounts at least adequate to provide for the purposes of the Administrative Service Fund established under the Trust Agreement. The Act requires that all money received by or on account of the OPFC from the DNR under the Lease be deposited, transferred or credited to the Bond Service Fund, except for Additional Rent which shall be deposited, transferred or credited to the Administrative Service Fund. See **Summary of the Trust Agreement – Funds and Accounts** above. The Lease rental payments, other than those deposited in the Administrative Service Fund, are pledged by the Treasurer pursuant to the Trust Agreement for the payment of Bond Service Charges on the Obligations under the Lease, and the OPFC has assigned those rentals to the Treasurer for the purpose.

The DNR may, at its option, make from time to time prepayments of Basic Rent under the Lease to be used, to the extent allowable pursuant to the Trust Agreement, together with any additional deposit of money of the DNR, for the purchase or redemption of the Obligations. It is specifically acknowledged that Additional Rent to be paid for the purpose of the Administrative Service Fund in connection with the Series 2020 Bonds may include any sums necessary to pay any rebate amount or related payment on the Series 2020 Bonds which are not paid from other sources.

Except as described below under **Summary of the Lease – Legislative Appropriations**, the obligation of the DNR to pay Basic Rent and Additional Rent under the Lease shall be absolute and unconditional, and such Basic Rent and Additional Rent shall be payable without any rights of termination, set-off, recoupment, deduction, defense or counterclaim it might have against the OPFC, the Treasurer, the Trustee, or any other Person, and without abatement, suspension, deferment, diminution or reduction for any reason or as the result of any occurrence whatsoever, including without limitation, whether the Projects are ever constructed, installed or made ready for occupancy or are ever used or occupied by the DNR or available for use or occupancy by the DNR, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title or frustration of purpose, any damage to or destruction of a Project, the taking by condemnation, eminent domain or operation of law of title to or the right of temporary use of all or any part of a Project, or the disposal of all or any part of a Project.

Project Substitutions and Alterations; Other Rights and Duties

In addition to other rights and privileges under the Lease, the DNR shall have the privilege from time to time of substituting furnishings, equipment and related property in connection with the Projects, provided that such substitution shall not impair the character of the Projects as Capital Facilities useful to the DNR. Any such substituted property shall become part of the Projects for purposes of the Lease, and the replaced property shall become the property of the DNR. The DNR shall also have the privilege of removing any portion of the Projects without substitution for such removed portion; provided, however, that the removal of such portion will not impair the usefulness of the Projects to the DNR.

The DNR shall, subject to applicable laws, have the right at any time and from time to time, without liability to the OPFC, to make or cause to be made such changes, alterations and additions, structural or otherwise, to any portion of the Projects, as the DNR shall deem necessary or desirable in connection with its use of the Projects. All alterations, additions and improvements to the Projects shall become a part of the Projects. The DNR has other rights and duties under the Lease including the right to grant licenses and leases on the Projects with certain restrictions and such other rights it may have under applicable laws. Likewise, the DNR shall have the duties to keep the Projects in good repair and order, comply with applicable law, and keep the Projects free of liens.

Insurance

The OPFC is not to, and shall not be required to, expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, operation, insurance, repair, restoration, reconstruction or protection of any Project or any part of any Project.

The DNR shall maintain, or cause to be maintained, general liability insurance and property insurance, including if applicable builders' risk insurance, in an amount that, at a minimum, covers the full replacement cost of Projects funded, in whole or in part, by the State. Insurance proceeds are <u>not</u> Pledged Receipts.

Reserved Right of Amendment

Notwithstanding any other provision of the Lease, the OPFC and the DNR reserve the right to modify or amend the Lease, including any Supplemental Lease, in a duly authorized signed writing. However, no modification or amendment shall impair or reduce the minimum rental requirements of the Lease.

Legislative Appropriations

It is the understanding and agreement of the parties that the DNR will pay rentals required by the Lease solely from moneys appropriated by the General Assembly to the DNR for the purpose and not from funds received from any Project, and that the agreement of the DNR to pay those rentals during any period for which appropriations may lawfully be made by the General Assembly is effective and binding upon the DNR only when and to the extent that moneys have been appropriated for that purpose and for that period. Under the Ohio Constitution, an appropriation may not be made beyond the fiscal biennium. In addition, the Lease may be renewed only for two-year periods. Accordingly, the DNR is obligated to make rental payments under the Lease only for two-year periods, to the extent moneys have been appropriated and are available.

Annually and on or before the first day of each Fiscal Year, the OPFC will submit, or cause to be submitted, to the DNR a written report, prepared and signed by the Treasurer and confirmed by the Director of the State's Office of Budget and Management on behalf of the OPFC, setting forth the rental to become due (subject to the lawful availability of appropriations for that rental) as of each rental payment date as established under Supplemental Leases during the ensuing three Fiscal Years. Prior to the issuance of any Additional Bonds, and upon any determination of the OPFC that a different amount than last reported will be required, the OPFC shall submit, or cause to be submitted, to the DNR a revised report, prepared, signed and confirmed as provided above, setting forth the updated required amount. Each revised report will from its date supersede the next previous report made. The DNR agrees that it will include in its estimated budget and in its certificates and supplemental certificates, as provided in Section 126.02 of the Revised Code, the amounts, at the dates, and for credit to the Special Funds and Accounts, as shown in the reports by the OPFC provided pursuant to the Lease.

Under the terms of the Lease, a failure by the General Assembly to appropriate moneys at least equal to Basic Rent under the Lease, amounts the Treasurer estimates are necessary for Additional Rent and other sums payable under the Lease for the next State fiscal biennium would result in the termination of the Lease at the end of the two-year term then in effect. The

Lease will, however, be fully reinstated, as if it had never been terminated, provided the conditions set forth below under **Summary of the Lease – Reinstatement** are met.

The General Assembly may not make appropriations for a period longer than two years. While the Treasurer expects that, for each State fiscal biennium, the General Assembly will appropriate amounts to the DNR sufficient to make its rental payments to the Treasurer under the Lease consistent with the State budget, the General Assembly is not under a legal obligation to make appropriations in accordance with such State budgets for future State fiscal biennia. Accordingly, none of the Treasurer, the OPFC or the DNR can make any assurance that appropriations will be made. Section 2i of Article VIII of the Ohio Constitution and the Act provide that the Bondholders and book-entry interest owners of the Obligations will have no right to have excises or taxes levied by the General Assembly for the payment of Bond Service Charges on the Obligations.

Remedies

Under the Lease, the OPFC waives, relinquishes and releases any and all rights it may have of re-entry or to take or retake possession of any Project, and covenants and agrees not to exercise any such rights in the event of a failure to make payment of rentals, the occurrence of any other default by the DNR under the Lease, or the termination of the Lease for any reason. **Consequently, the OPFC does not have the remedies generally available to lessors upon default under or termination of a lease and the OPFC, the Treasurer and the Trustee may have no practical remedy to ensure that moneys are available for the payment of Bond Service Charges on the Series 2020 Bonds.**

Termination

If the DNR fails to exercise its right to renew the term of the Lease for any Renewal Term, the Lease will terminate at the end of the Renewal Term then in effect. The DNR will be deemed to exercise its renewal right upon the effectiveness of legislation enacted by the General Assembly appropriating sufficient funds to the DNR for the purpose of paying rentals under the Lease. In the event of such a termination of the Lease, the obligation of the DNR to make rental payments to provide moneys to pay Bond Service Charges on the Obligations would terminate. The Lease also terminates upon payment in full of all Obligations outstanding under the Trust Agreement and all obligations of the Treasurer to Financial Institutions providing Credit Enhancement Facilities in connection with the Obligations. Under the Act and the Trust Agreement, the Trustee may not take possession of, or operate, or sell the Projects in the event of a failure to pay Basic Rent or Additional Rent under the Lease or upon any termination of the Lease.

Reinstatement

Notwithstanding any termination of the Lease, if (a) all overdue installments, if any, of interest on outstanding Obligations, all principal of all Obligations then outstanding which have become due and payable otherwise than by acceleration, if any, in accordance with the terms of the Trust Agreement, and all other sums (including, without limitation, all obligations of the Treasurer to Financial Institutions) then payable under or pursuant to the Trust Agreement (except the principal of and the interest on such Obligations which by such acceleration shall have become due and payable) shall have been paid, and such acceleration, if any, shall have been duly rescinded and annulled, and (b) the General Assembly shall have appropriated funds to enable the DNR to pay or provide for the payment of the amounts to be paid under the Lease as set forth in the latest revised report delivered pursuant to the Lease (which shall at least equal the amounts of Basic Rent payable) for the Initial Term or Renewal Term to be reinstated and the observation and performance of all covenants and agreements on the part of the DNR to be observed or performed under the Lease, then the Lease shall be fully reinstated, as if it had never been terminated.

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APPENDIX C

BOOK-ENTRY SYSTEM; DTC

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its "Sample Offering Document Language Describing Book-Entry-Only Issuance," Schedule A to Blanket Issuer Letter of Representations (labeled BLOR 06-2013). As such, the State and the Treasurer believe it to be reliable, but take no responsibility for the accuracy or completeness of that information. It has been adapted to the Series 2020 Bonds (the "Bonds") by substituting "Bonds" for "Securities," "Treasurer" for "Issuer" and "Trustee" for "registrar". See also the additional information following those numbered paragraphs.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2020 Bonds (the "Bonds"). The Bonds will be issued as fully-registered obligations registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each Bond, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of Bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit

notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Treasurer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede &. Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Treasurer or his agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Treasurer or his agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Treasurer or his agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Treasurer or his agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

11. The Treasurer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Treasurer believes to be reliable, but the Treasurer takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The State, the Treasurer and the Trustee have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The State, the Treasurer and the Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The State, the Treasurer and the Trustee cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Bond Proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Bonds, see **CONTINUING DISCLOSURE AGREEMENT**), DTC will be and will be considered by the State, the Treasurer and the Trustee to be the owner or holder of the Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement will not be or be considered by the State, the Treasurer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond Proceedings.

Reference herein to "DTC" includes when applicable any successor Securities Depository and the nominee of the depository.

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EXHIBIT A

PROPOSED TEXT OF BOND COUNSEL LEGAL OPINION

$57,000,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Variable Rate Bonds,

Series 2020B (Parks and Recreation Improvement Fund Projects)

We have examined the transcript of proceedings relating to the issuance by the State Treasurer of Ohio (the "Treasurer"), on behalf of the State of Ohio (the "State"), of the $57,000,000 State of Ohio (Treasurer of State) Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B (Parks and Recreation Improvement Fund Projects) (the "Series 2020 Bonds"), for the purpose of providing moneys to pay costs of capital facilities to be leased to the Department of Natural Resources of the State of Ohio (the "DNR"). The transcript includes conformed or executed counterparts of the Trust Agreement dated as of May 1, 2012 (the "Trust Agreement") between the State, acting by and through the Treasurer, and U.S. Bank National Association, as trustee (the "Trustee"), including in it the General Bond Order No. 10-12 of the Treasurer dated May 3, 2012 (the "General Bond Order"), the Series 2020B Supplemental Trust Agreement dated as of August 1, 2020 (the "Series 2020B Supplemental Trust Agreement") between the State, acting by and through the Treasurer, and the Trustee, including in it the Series Order of the Treasurer dated August 11, 2020 (the "Series 2020B Order"), the Lease Agreement dated as of May 1, 2012 (the "Lease Agreement") between the Ohio Public Facilities Commission ("OPFC") and the DNR, and the Series 2020B Supplemental Lease Agreement dated as of August 1, 2020 (the "Series 2020B Supplemental Lease Agreement") between OPFC and the DNR. We have also examined a conformed copy of a signed and authenticated Series 2020 Bond of the first maturity.

The Series 2020 Bonds are issued under and pursuant to Section 2i of Article VIII of the Ohio Constitution, Chapter 154 of the Ohio Revised Code and other authorizations by the Ohio General Assembly (the "General Assembly"), the Trust Agreement and the Series 2020B Supplemental Trust Agreement.

Based on this examination we are of the opinion that, under existing law:

1. The Series 2020 Bonds are valid and legally binding special obligations of the State in accordance with their terms and provisions; the principal of and interest on the Series 2020 Bonds, together with the principal of and interest on other Obligations (as defined in the Trust Agreement) previously or hereafter issued and outstanding pursuant to the Trust Agreement (collectively with the Series 2020 Bonds, the "Bonds"), are payable from and secured by a pledge of the Bond Service Account in the Bond Service Fund (the "Bond Service Fund") established by and as provided in the Trust Agreement and Section 154.22 of the Ohio Revised Code and the payments received by such Bond Service Account under the Lease Agreement and supplemental agreements to it constitute "Pledged Receipts" as defined in and subject to the provisions of the Trust Agreement. The Series 2020 Bonds are not otherwise secured and the owners of the Series 2020 Bonds are given no right to have any excises or taxes levied by the General Assembly for the payment of principal or interest.

2. The Trust Agreement and the Series 2020B Supplemental Trust Agreement have been duly authorized, executed and delivered by the Treasurer and constitute legal, valid and binding obligations of the State enforceable in accordance with their terms.

3. The Lease Agreement and Series 2020B Supplemental Lease Agreement have been duly made and entered into by OPFC and the DNR and are legal and valid contractual obligations of the parties in accordance with their terms; pursuant to the Lease Agreement, the DNR has agreed to pay rentals directly to the Treasurer at least adequate to meet, among other requirements, the principal and interest and any call premium and mandatory sinking fund requirements (the "Bond Service Charges") on all Bonds; pursuant thereto, those rentals are to be paid by the DNR from funds appropriated to the DNR for that purpose by the General Assembly, and the agreement of the DNR to pay those rentals during any two-year period for which appropriations may lawfully be made by the General Assembly is effective and binding upon the DNR only when and to the extent that funds have been appropriated and are available for that purpose and for that period; and the General Assembly is not at any time obligated to make appropriations to pay those rentals.

4. The interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue

Code of 1986, as amended. The opinion set forth in the preceding sentence is subject to the condition that the Treasurer, the DNR and the State comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2020 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes.

5. The Series 2020 Bonds, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, are free from taxation within the State.

We express no other opinion as to the federal or state tax consequences regarding the Series 2020 Bonds.

In giving the opinions contained herein with respect to the treatment of the Series 2020 Bonds under federal tax laws, we have assumed compliance with and the accuracy of, and have relied upon, the covenants, representations and certifications in the Transcript. We have not independently verified the accuracy of those representations and certifications. The accuracy of those representations and certifications, and the compliance with those covenants may be necessary for the interest on the Series 2020 Bonds to be and to remain excludable from gross income for federal income tax purposes. Failure to comply with certain of those covenants subsequent to issuance of the Series 2020 Bonds could cause the interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2020 Bonds.

Under the Internal Revenue Code of 1986, as amended, interest on the Series 2020 Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

We have assumed for purposes of this opinion the due authorization, execution and delivery by, and the binding effect upon and enforceability against, the Trustee of the Trust Agreement and the Series 2020B Supplemental Trust Agreement. Please be advised that the rights of the owners of the Series 2020 Bonds and the enforceability of the Series 2020 Bonds, the Trust Agreement, the Series 2020B Supplemental Trust Agreement, the Lease Agreement and the Series 2020B Supplemental Lease Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally heretofore or hereafter enacted, general principles of equity, whether considered at law or in equity, governing specific performance, injunctive relief and other equitable remedies, and the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. We bring to your attention the fact that our legal opinions are an expression of our professional judgment and are not a guarantee of a result.

Respectfully submitted,