

1992

State Budget Cuts 1991-1992

Bowling Green State University. Administrative Staff Council

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Pre-Microfilm Inventory

Collection: Bowling Green State University
Administrative Staff Council, UA-022

Location: Bowling Green, Ohio

Title of Series: State Budget Cuts

Inclusive Dates: 1991-1992

Format: Bound Loose

Order: Alpha Chronological Numerical

Index: Included Separate None

Notes

1. Colored Ink
2. Photocopies
3. Highlighter



Bowling Green State University

Office of the President
Bowling Green, Ohio 43403-0010
Cable: BGSUOH
Phone: (419) 372-2211
Fax: (419) 372-8446

July 15, 1991

TO: Faculty & Administrative Staff
FROM: Paul J. Olscamp, President
RE: Contracts for 1991-92

A handwritten signature in cursive script, appearing to read "Paul".

Enclosed you will find your contract for 1991-92 which should be signed and returned to your contracting officer by July 31st. (If an earlier due date is typed on the contract itself, please ignore it.) As you are probably aware, the difficult State budget picture makes it impossible to recommend general salary increases for 1991-92 at this time, and the budget the Board of Trustees approved at their June 28, 1991 meeting funds 1991-92 contracts at the same amount as 1990-91 contracts except for the increases accompanying promotions.

Although the state budget which the Ohio General Assembly passed late last week provides a higher level of instructional subsidy for BGSU in 1991-92 than was projected in the budget approved by the Board of Trustees, our 1991-92 subsidy, as well as our planned 1991-92 student fees, may still be lowered as a result of line item vetoes by the Governor. Furthermore, there is still considerable uncertainty regarding the accuracy of the state revenue estimates for the next biennium. The Governor has warned State agencies of the possible need for further budget cuts this fall. It will most likely be late fall before we have a reasonably clear picture of 1991-92 revenue for both the state and BGSU. At that time, if we are confident that funds are available, our first priority will be to give a \$315 one-time payment to each full-time continuing employee to help manage the increase in employee health care costs. Additional increases will also be considered at that time for recommendation to the Board of Trustees if sufficient continuing income is available.

In last year's Annual Report I made the enhancement of salaries a top priority, and it is a bitter pill indeed to have to admit that we have completely failed in this endeavor. I also regret that we have had to eliminate many vacant full-time positions and also make significant reductions in part-time staff and operating budgets. All of these cuts reduce the services we can provide to our students. I am, however, grateful that as of yet we have not had to lay off any full-time employees. The preservation of essential academic programs at the University, as well as the jobs of continuing full-time employees, will remain our highest priorities throughout this financial difficulty.

I would like to thank you for your cooperation, understanding, and devotion to Bowling Green State University. I have been a senior university administrator for more than two decades in several universities, and I have never seen community and institutional commitment as strong as you have shown in the last six months at this University.




Bowling Green State University

December 16, 1991

Office of the President
Bowling Green, Ohio 42403-0010
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Phone: (419) 372-2211
Fax: (419) 372-8446

MEMORANDUM

TO: BGSU Faculty and Staff

FROM: Paul J. Olscamp
President 

RE: Latest Budget Developments

We have recently received important pieces of information that provide us with a more accurate picture of our 1991-92 revenue and allow us to better estimate our ability to manage potential mid-year reductions in the instructional subsidy we receive from the state of Ohio. Although there has been recent speculation (including mine) that there may be a reduction of as much as 3% in instructional subsidy early next year, the state revenue picture is still uncertain. State revenues for November were \$13 million below estimates, much less than the \$42 million shortfall in October, but still sufficient to bring the overall shortfall in state revenue for the first five months to \$73 million. The shortfall is almost entirely due to lagging sales tax revenues.

The most important pieces of information we have recently received are the initial OBOR estimate of BGSU instructional subsidy for 1991-92 and our preliminary spring 1992 enrollment data. These data, although still subject to modest change, allow us to project with reasonable accuracy what our 1991-92 Educational Budget revenue will be prior to any anticipated mid-year reductions in subsidy ordered by the state.

I am pleased to be able to report that taking into account both the initial subsidy projections, which are modestly higher than budgeted, and the spring enrollments, which are currently running slightly below projections, we currently estimate that 1991-92 revenue for the BGSU Educational Budget will be between 1.25% and 1.50% higher than projected when the budget was approved by the Board of Trustees in June 1991. Since approximately half of our Educational Budget revenue is instructional subsidy, this means that we should have sufficient revenue in an emergency to cover a mid-year subsidy reduction of between 2.5% and 3.0% without having to reduce expenditure budgets or terminate full-time positions.

The calculations of our instructional subsidy will not be finalized until the Board of Regents meeting on December 20th and our spring enrollments will not be known with certainty until January. We do feel, however, that we now have sufficiently accurate and complete information to be able to say with some confidence that we would be able to manage any state-ordered subsidy reduction of a size currently being discussed without having to lay-off full-time employees. Furthermore, I believe that we can now move ahead with the \$315 one-time lump sum payment for all full-time faculty and staff. This will help to mitigate the impact of the increased employee contributions toward health care coverage. Please note that because January will be the first month under the University's new payroll and personnel systems the one-time \$315 payment will not appear until your February paychecks.

Unfortunately, given the uncertainty of the state revenue picture, we can not move forward at this time with any recommendations for general mid-year salary increases. Providing salary increases now would eliminate the modest cushion that we have built up against a potential midyear reduction in state subsidy. We, also, cannot rule out the possibility that the state budget situation could worsen as the year progresses. Later this spring, when the state budget picture for 1991-92 is known with more certainty, we will reevaluate whether funds are available for general salary increases.

Because the situation is reasonably stable and no reductions are necessary at this point, I decided to share this information with you by letter rather than scheduling a University-wide forum for this week.

With best wishes for a happy holiday season.



Bowling Green State University

Office of the President
Bowling Green, Ohio 43403

December 27, 1991

Dear Colleagues:

By now you have undoubtedly read that the governor intends to order further budget reductions because of shortfalls in actual state revenues as compared to projected income figures on the basis of which the state budget was prepared. In fact, we expect that a reduction of 5% is now entirely possible, and there is a possibility that it could be even higher, although that does not appear to be likely at this point. The governor has said that reductions will be higher in some areas than in others, and that education, including higher education, will be "protected" from the higher cuts. But we do not at present know what that means.

Your administration has been carefully preparing for such a contingency. As you well know, we have held back on any mid-year salary increases and although we kept the promise I made to make a one-time \$315 payment to help defray the additional health care costs brought about by changes in our health plan last July 1st, we have at the same time kept a modified hiring freeze in effect for most vacant, as well as new positions, and we have held operating expenses to a minimum. This was made more difficult by the 5% reductions in our subsidy that occurred prior to and on July 1, 1991 and which became permanent by legislative action. Furthermore, the maximum tuition increases for this year and for the 1992-93 fiscal year set by the government are unrealistically low, given the state's financial condition.

Nonetheless, we created a cushion equal to approximately 3% of the state subsidy for this year. To manage a subsidy reduction of 5%, which corresponds to an income reduction of 2.5%, we will need to institute expense cuts averaging 1% for both personnel and operating budgets in the 1991-92 budget. Reductions in some areas will be higher than in some others. If the state subsidy reduction is higher than 5%, or if there are further reductions after this reduction, then obviously the cuts would have to be larger.

Therefore, effective immediately (December 27) the total hiring freeze, both for vacant positions and new positions and for all employee groups is re-instated until further notice. The freeze applies to auxiliary areas as well as to the educational budget. Any exceptions to this general freeze in hiring must have the personal approval of the president, and the prior recommendation of the appropriate area vice president must have been obtained before consideration will be given. The essential nature of the replacement and evidence that internal transfer cannot meet the need must accompany any application for exception.

This hiring freeze is likely to stay in effect throughout the 1992-93 fiscal year unless there is a restoration of budget funds or a raising of tuition caps currently in place sufficient to generate the needed revenue for previous levels of operation and for salary increases. The second year of the biennial state budget was prepared on the assumption that state revenues would grow by 3%. At this point in time, that does not appear to be likely.

Throughout this sad state of affairs, I have consistently maintained that our first priorities were the preservation of the essential academic program of the university and the avoidance of layoffs of full-time employees. I am very proud that we have been able to accomplish this and I believe we can manage up to a 5% subsidy reduction this time without layoffs of full-time continuing employees.

But I must advise you now that the cupboard is bare, and if there are further reductions in the state subsidy for the university, it is very likely that full-time continuing staff layoffs in all categories of employment would be necessary in order to manage the additional cuts. Let us all hope that this does not happen.

Our situation is worrisome, but bad as it is, we have but to look around us to find those in much more dire need. Massive layoffs in the auto industry, a 12% unemployment rate in Toledo, and much larger cuts and financial difficulties at other universities in our state (Wright State and Cincinnati, for example) are there to instruct us. In other states, such as those in New England, matters are catastrophic in comparison. I very much hope that things here will not get worse, but your attitude and willingness to work hard, and your commitment to the long term interests of the university and to its students above all convinces me that even if we must face additional hardship, we will ultimately restore ourselves to our position before the recession and maintain Bowling Green State University's eminent status among the nation's finest schools. Thank you for all your help and understanding.

Sincerely,

Paul J. Olscamp
President

BASIC FACTS RE: BUDGET CUTS

Disproportionate Cuts

Higher education comprises only 12.4% of the state budget. Yet it received 39% (\$45 million) of the February 1991 state budget cut and 29% (\$57 million) of the January 1, 1992 cut. Elementary and secondary education also was reduced out of proportion to its state budget share. As a result, education at all levels absorbed 75% of the 1992 cut, even though we receive less than 50% of the state budget. In the past two years, education's share of the state budget pie has dropped by nearly 5%, which translates into a loss in share over the two years of \$650 million, \$200 million to higher education and \$450 million to elementary and secondary education.

Decreasing Buying Power Per Student

State support for higher education, on a per student basis and after adjusting for inflation, has fallen 16% in the past five years. Unlike elementary and secondary education which has seen enrollment decline, public higher education has grown by 55,000 students or about 3% per year over the past five years.

FY 93 Budget Deficit Growing

Because state revenues are now expected to fall below estimated levels for FY 93 while Medicaid, ADC and General Assistance costs are expected to exceed estimates, the State of Ohio will enter FY 93 with a budget deficit projected between \$577 million (OEM) and \$657 million (LBO).

Elementary and Secondary Education to Be Held Harmless

Governor Voinovich has now promised elementary and secondary education that it will receive its full appropriation in FY 93. This means K-12 will not absorb its proportionate share of the state budget deficit and will, in fact, receive an increase of about 7%. The Governor made no such promise to exclude higher education from further cuts. This leaves higher education vulnerable to cuts that are gravely more disproportionate than those already experienced in 1991 and 1992.

Estimating the FY 93 Higher Education Cuts

The Governor is expected to announce the FY 93 cuts on or about April 1. The earliest possible notice is essential to university planning, given that personnel commitments consume the overwhelming part of educational costs.

The size of cut that higher education will have to bear will be dependent on what other agencies and functions of state government can absorb. If, as in FY 92, the assumption is that human services, childrens programs, prisons and small state agencies cannot (or should not) carry their share of the state's budget problem, and if the Governor keeps his promise to elementary and secondary education, then the only other major source of funds from which the state can draw to solve the deficit is higher education. Given the magnitude and impact of the cuts already taken by higher education in 1991 and 1992, that could translate into a percentage and dollar cut for higher education that would be devastating, not only for FY 93 but for years to come.

OHIO
BOARD
OF
REGENTS

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Columbus, Ohio 43266-0417

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RECEIVED

MAR 26 1992

VICE PRESIDENT
PLANNING and BUDGETING



Memorandum

TO: State College and University Fiscal Officers

FROM: Matthew V. Filipic *Matt*
Vice Chancellor for Administration

DATE: March 24, 1992

SUBJECT: Monthly Update

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The news of the past month has been especially grim for higher education in Ohio. As a consequence of these developments, we face the prospect of cuts of a magnitude without precedent in our memory. These cuts threaten not merely the quality but the very existence of many of our programs - and perhaps of some of our institutions as well.

In late February, Governor Voinovich announced that primary and secondary education would be spared from further cuts that might be required to deal with the ongoing state budget problem. While we shared the Governor's conviction that a strong public school system is vital to the state's future, we were concerned that the announcement meant that whatever cuts would be required would have to be applied to a very narrow spending base. This exemption also removed the best argument for a tax increase to deal with at least part of the problem. With this single announcement, a serious but manageable fiscal problem for higher education became a crisis threatening its future.

The exemption of primary and secondary education was an important decision because state support for primary and secondary education is a large part of the controllable portion of the state budget. For example, primary and secondary education absorbed 45 percent of the cut imposed in January, even though it was reduced by a lower percentage than many other parts of the budget. Had primary and secondary education been exempt in January, remaining cuts would have had to have been increased by over 83 percent to make up the loss. Higher education's cut, which was \$57.6 million, would have had to have been increased to almost \$105 million, making our cut over 53 percent of the total cut. Our share of future cuts is

Memorandum To: State College and University Fiscal Officers
March 24, 1992
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likely to be about half of the total as long as primary and secondary education remains exempt.

January's cut was intended to generate \$196 million. The cuts required next year will be much larger. By June 30, the state will have drawn down its cash reserves. Its options for dealing with next year's problem are tax increases and spending reductions. The legislative leadership will find it extraordinarily difficult to raise taxes in an election year. Meanwhile, estimates of the magnitude of the problem to be addressed next year continue to grow. The Office of Budget and Management (OBM) believes the problem will be \$576 million, while the Legislative Budget Office (LBO) estimates it at \$743 million. Spending in non-exempt categories would have to be reduced by twenty percent or more to generate savings of these magnitudes.¹

The Legislative Budget Office estimates of the magnitude of the problem and the way spending reductions would be distributed imply that higher education's share of the cut next year could exceed a quarter of a billion dollars, even if the Governor's tax proposals are adopted. This is equivalent to the support provided to one out of every six students in the system or, alternatively, the support provided to all two year campuses in the state.

Some observers have expressed the hope that if economic recovery began this spring, the problem would become much more manageable in size. They have been disappointed to learn that both OBM and LBO assume the recovery will begin this spring, but expect it to be a relatively sluggish one. Only an early and robust recovery would permit them to reduce their estimates of the problem, which is as large as it is because the recovery did not take hold last year, as expected.

Prospects for a sluggish recovery and generally anemic economic growth in the longer term, combined with projected continued extraordinary increases in spending for Medicaid and prisons, suggests that these cuts in state support for higher education, unlike those imposed ten years ago, will not quickly be restored. Our problem is not the management of a brief interruption in state cash support, but the management of a possibly permanent reduction in Ohio's financial commitment to the higher education of its people.

¹The Legislative Budget Office estimates that a cut of 23.13% would be needed, producing a reduction of \$357.6 million in state appropriations for higher education. This would bring our funding below the levels provided in 1986-87, when we had 55,000 fewer students.

March 25, 1992

BULLETS FOR LETTERS TO GOVERNOR
AND OTHER LEGISLATIVE LEADERS

- We appreciate the monumental task you have of balancing the budget.
- We know you are committed to as much support for higher education as possible.
- We understand in these times that we need to help ourselves first.
- We will continue to economize.
- BGSU is one of lowest cost universities in state.
 - On-campus Ohio resident student pays \$25.60 per day for room, board, tuition and fees.
- High quality, low cost.
- BGSU is one of top 2 or 3 most sought after universities in state and ranked among top universities in country.
- Funding reductions have reached point of crisis.
- In last 14 months, support for BGSU cut 10% or nearly \$6 million.
- Reduced access to computer labs and library.
- Today BGSU has 75 fewer faculty and staff than a year ago.
 - Result: larger classes, increased dependence on part-time and temporary instructors to accommodate demand, some courses not offered and faculty at various academic units are teaching more class sections.
- Library purchases have been reduced (heart and soul of an institution).
- Fewer job opportunities on campus for students.
- Deferred maintenance of plant.
- Operating and equipment budgets reduced.
- BGSU is doing more with less and working harder and smarter.
- We are approaching a second consecutive year without a salary increase for employees.

- Employees are now paying a larger portion of their health insurance premiums.
 - Faculty salaries presently rank among the bottom of our peer institutions in Ohio.
 - We will begin to lower our quality and lose devoted employees through layoffs.
- We have done a great deal to help ourselves; we have reached the limit.
- With recent union election in a non-academic unit, BGSU no longer only university in Ohio with no unions.
- BGSU has much to offer northwest Ohio businesses.
 - Center for Photochemical Sciences
 - Center for Quality, Measurement and Automation
 - Center for Canadian Studies
- Without the opportunity to increase enrollment (BG is legislatively capped) and with ongoing reductions in state subsidy, we must have permission to increase tuition (presently tuition is legislatively capped).
- The importance of managing for the future: Governor Voinovich requested that higher education participate in his statewide review of costs. We have responded positively, because we know that as higher education absorbs its share of state budget cuts, it must still perform its missions of teaching, research and service if our people are to have the knowledge we need to deal with our pressing problems, both economic and social.
- Education's cuts are disproportionate: While it is reasonable for the public to expect education to examine its operations and absorb its share of cuts, the public needs to understand that education is being asked to absorb a disproportionate share of the state's budget problem. The cuts being imposed on education are enormous and cannot possibly be absorbed through increased efficiency. Education at all levels will be in a weakened position to make its needed contribution to the long term future of the state.
- Consider the following facts:
 - State support for higher education, on a per student basis and after adjusting for inflation, has fallen 16% in the past five years. For every \$6 of support per student we received in 1987, we received \$5 of comparable purchasing power today.

- Higher education received 29% of the total cut imposed on December 30, but has between 10% and 13% of state General Fund appropriations. Higher education's problem is aggravated by the need to serve steadily growing enrollments. We have grown by 55,000 students in the past 5 years -- that's the size of an institution like Ohio State. Our share of the cut imposed last year was 39%.
- The rate of increase in state spending has been brought down to the rate of inflation, but this is true only on average and only because education support has not grown at all. Even after the December 30 budget cuts, fiscal year 1992 General Revenue Fund spending from all sources, including federal, will be a full \$1.5 billion above the amounts spent in fiscal year 1990. This entire increase will be spent on the non-educational portion of the budget. Education, from kindergarten through graduate school, will receive less state General Revenue Fund support in FY 1992 than it did in FY 1990.
- Another way to look at these same facts is to examine the share of the budget that is allocated to education. In the past 2 years, education's share of the budget pie has dropped by nearly 5%. This may not seem like much until one realizes the pie is over \$13 billion. If education's share of the pie had not been reduced in the past 2 years - if it had been treated no better but no worse than the General Revenue Fund budget as a whole - it would be receiving an additional \$650 million from the state this year. Higher education alone would be receiving an additional \$200 million this year.
- Medicaid spending is out of control.
- Public statements from Columbus indicates Higher Education could be forced to absorb up to 20% additional budget reductions. That reduction would be the equivalent of total subsidy for BGSU, Miami, Kent State and Ohio University.



Bowling Green State University

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Vice President for
Planning and Budgeting
Bowling Green, Ohio 43403-0030
(419) 372-8262
FAX: (419) 372-3446
Cable: BGSUOH

March 31, 1992

MEMORANDUM

TO: Senate Executive Committee
✓Administrative Staff Council Executive Committee
Classified Staff Council Executive Committee

FROM: Chris Dalton *Chris Dalton*
Vice President for Planning & Budgeting

RE: List of Potential Ways To Address Projected Educational Budget Deficits

Enclosed is a preliminary list of suggestions for revenue enhancements and budget reductions that reflects ideas generated by FSBC and UBC, as well as input received from Deans, Classified Staff Council and various individuals.

The document is marked "confidential," because we feel that it would be premature for it to be publicly released to the media at this time. You should feel free, however, to share the list with individuals whom you feel it might be helpful to have review the list and provide comments and additional suggestions. I would be happy to receive additional input (ideally in writing) regarding potential ways to enhance revenue and reduce expenditures either from you or directly from other people with whom you share this list. I would also, of course, be willing to meet with you to provide additional information and respond to questions should you wish me to do so.

Please be sure that folks with whom this document is shared appreciate that this is a simply a list of suggestions compiled from various sources. These ideas have not been carefully reviewed, many of them have serious drawbacks, some are contradictory and most will be found objectionable by at least some members of the campus community.

xc: University Budget Committee
Faculty Senate Budget Committee

CONFIDENTIALCONFIDENTIALCONFIDENTIALDRAFT FOR DISCUSSION PURPOSES ONLY**POTENTIAL WAYS TO ADDRESS PROJECTED EDUCATIONAL BUDGET DEFICITS**

NOTE: This list is intended to stimulate discussion and ideas. It has been compiled from suggestions from UBC, FSBC, Deans' Council and CSC. This is not a list of carefully reviewed proposals. Many of the ideas may have serious drawbacks. Comments and/or suggestions for additions should be sent to Chris Dalton.

REVENUE ENHANCEMENT

Hold Down General Fee Increase To Allow a Higher Instructional Fee Increase

Reduce General Fee Allocations (Comparable Changes General Fee/Ed Budgets?)

Union (Move toward self-sufficiency)

UAO (Reduce General Fee Support)

Other Reductions (likely require layoffs in General Fee areas)

Eliminate/Reduce Small Funding Areas

e.g. Band Trip, Non-Emergency Transportation

Increase Enrollment (Lobby to Raise Enrollment Cap Longer Term?)

Main Campus Increase Unlikely in Short Run Without Lowering Quality

Off-Campus Extension Enrollments Are Not Affected By Cap

Need Incentives for Department/Faculty

Increase Overhead Charges To Auxiliaries (Rationale?)

Increase Miscellaneous and Special Charges Paid By Students

e.g. Transcript and Drop/Add Fees

Additional Fees for Service (?).

Laboratory & Special Course Fees (Where Related To Higher Costs)

Increase Nonresident Surcharge More Than Instructional Fees

Likely To Reduce Out-of-State Enrollment and Be Counterproductive

Increase Charging of Salaries to Grants; Contracts; External Funds; Endowments, etc.

Reduce the Formula for Sharing of Grant Overhead Income

Use Overhead Income To Pay For Research Services Office

Begin Use of Income from Internal Endowment To Support Educational Budget

Introduce Incentives for Increasing Income Generation

Tie College Budgets Somewhat More Closely To Revenue Generation

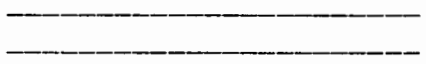
Sell Farm Land or Other University Assets To Enhance Income Generation
Not Likely To Generate Significant Revenue At This Time

Redouble Efforts To Have All Students Registered And Paid For By 14th Day OBOR Report
Currently Miss A Small Number of Late Starting Extension Courses
Ensure Seniors Continuing For Grad School Are Properly Classified

AREAS TO POTENTIALLY PHASE OUT EDUCATIONAL BUDGET SUPPORT

Selected Activities/Offices

- Lower Priority Activities (Less Central to Mission)
- Reduce Levels of Service to Community
- Possible Examples
 - Pre-College Summer Program
 - Non-Credit Programs



Consider Elimination/Consolidation of Lower Quality and/or Low Enrollment Programs

Eliminate (Consolidate) Support Staff for One Person Offices
Consolidate Smaller Offices

Reduce Funding for Non-Need Scholarships (Replace with Private Support)
Might Also Apply to Some Non-Instructional Graduate Fellowships

Reduce (Eliminate) HPER Requirement & Reduce PT HPER Faculty (Longer Term)
Encourage Incoming Freshmen To Take Another Course

WAYS TO PERMANENTLY REDUCE EDUCATIONAL BUDGET EXPENSES

Freeze Value of Fee Waivers at 1991-92 Level (Employees/Dependents)

Cut Back Benefit Program

- Eliminate Dental/Vision (Non Catastrophic; Couple to Salary Increase?)
- Eliminate Free Employee Parking Stickers
- Couple to Increase in Benefits Without Direct Cost (Vacation, etc.)

Abandon Effort To Maintain \$315 One-Time Payment Received in 1991-92

Change Summer Salary Formula for Instruction

- Institute Flat Salaries By Rank?
- Put Cap On Maximum Earnings per Course?
- Modify Salary Formula From 1/30 per Credit Hr To 1/36 per Credit Hr

Put Department Chairs/Asst & Assoc Deans, etc on 9-10 Month Admin. Appointments

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- Where Possible Employ PT or Full-Time AY Rather Than Full-Time FY Employees
 - Where Activity Decreases in Summer Move Staff To 9 Month Contracts
 - Encourage Voluntary Reductions In Work Week (Year) Keeping Benefits
 - Consider Flex-Time or Job Sharing
 - Reduce Staff Hours & Salary by 10% (Maintaining Full Benefits)

- Modify or Eliminate Faculty STRS ERIP
 - e.g. 3 Year Buyout Rather Than 5 (Still Cost-Effective?)
 - Financial Exigency Would Be Likely To Result In Termination of ERIP

- Modify or Eliminate Faculty SRP
 - Offer Faculty On SRP's A Chance To Defer A Year
 - Don't Replace Any Faculty Taking SRP Until They Have Completed SRP
 - Offer A 5 Year SRP To Faculty Who Retire By August 1, 1992
 - Financial Exigency Would Be Likely To Result In Termination of SRP

- Modify or Eliminate Administrative Staff SRP

- Institute A Short Term PERS Buyout For Classified & Administrative Staff
 - Don't Replace Retirees
 - Possible To Institute ERIP On Selective Basis?

- Modify Faculty Improvement Leave Program
 - AY Leaves Only? 70% Salary for One Semester?

- Enhance Instructional Productivity
 - Increase Average Teaching Loads & Class Sizes
 - Develop Incentives (College, Dept., Faculty) for Increased Productivity
 - In Selected Cases Increase % of Faculty Time Dedicated To Instruction
 - Establish Minimum Teaching Loads for Regular Faculty
 - Reduce Use of Part-Time Staff
 - Convert More Courses to Large Lecture/Recitation Format
 - Make Every Effort To Have Enough Spaces So Students Get Full Schedules
 - Modify Class Schedules To Broaden Enrollment Options (More Evenings)
 - Mandate 11 Hr/Sem Loads For All Instructors & One-Year Replacements
 - Mandate At Least 3 Hr/Sem Loads for Chairs (Unless On Funded Research)
 - All Graduate Students Teach In Lecture/Lab Course At Least Once per Year

- Require All Administrators with Faculty Rank to Teach

- Increase Utilization of Administrative Staff in Instructional Activities

- Consider Cancelling More Low Enrollment Courses
 - Subsidy Implications?

- Switch Advising Function Back To Faculty
 - Reduce Staff in College Offices?

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- Targeted Cuts By Functional Activity (In Addition to Selected Deeper Cuts)
 - Administrative Areas (e.g. VP/College Offices - x% Reduction?)
 - Public Service Functions
 - Reduce Service Hours/Levels
 - Reduce Layers of Management/Supervision
- Renegotiate with MCOT To Increase BGSU Share of Nursing/Physical Therapy Revenue
(Negotiations Are In Progress)
- Decrease Educational Budget Support for WBGU-TV (Increase Other Sources of Support)
- Develop System For Shifting Personnel To Meet Times of Peak Workload
Would Reduce Need for Part-Time/Temporary Employment
- Accelerate Elimination of Steps and Longevity for Classified Staff
- Initiate Separate Pay Tables for Temporary Classified Employees
75% - 80% of Existing Rates?
- Eliminate Use of University Vehicles for Non-Essential Travel On Campus
- Hold Award "Dinners" During Day (e.g. Lunch) And Invite Employees Only

POTENTIAL WAYS TO MAKE ONE-TIME CUTS FOR 1992-93

- Cancel FRC/FDC programs for one year
- One-Time Reduction in Library Acquisitions Budget
Likely To Never Acquire Books/Journal Editions Skipped in 92-3
- Skip contribution to planned maintenance reserve for 92-93
- One-Time Reduction in Operating Budgets (Allow To Use 91-2 or 92-3 to Cover)
Departments With Carryovers Would Be Relatively Better Off
Encourage/Mandate (?) Reductions in Discretionary Spending
e.g. Travel, Conferences, Subscriptions, Equipment, etc.
- Eliminate All Overtime and Overload Staffing
- Cut Back On In-House Publications (e.g. Monitor/Green Sheet/Newsletters)
Monitor May Be Needed For Communication During Budget Crisis
- Across-the-Board Salary Reductions
Perhaps Exempting Those with Very Low Salaries
Equivalent Reduction In Hours Worked ?
(Shorter Day/Week? More Vacation Time?)

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Furlough All or Some Staff for A Number of Days (Vacation without Pay)
May Require Legislative Action

"Borrow" Funds From the Endowment - Setting Up a Plan To Pay Back Over 2-3 Years
Provides Time To Phase In Longer Term Reductions

Impose Short-Term Total Freeze With No Exemptions (60 Days?)
Fill Administrative Vacancies (All Levels) With Current Employees

Don't Add Any More Graduate Assistants

MISCELLANEOUS

Campaign to Conserve (e.g. limit xerox/phone/travel/utilities)

Close Buildings for Utility Savings
e.g. Christmas to New Years

Reduce/Simplify Paperwork/Processing/Procedures/Administrative Burden
e.g. Eliminate Annual Contract Forms?
Decrease Number of Mailings
Decrease Number of Committees
e.g. Advisory Committees

Investigate Consolidation of Units
Reduce Duplication
Possible Example: Co-op Programs
Eliminate Layers of Management/Supervision
Fold Centers Into Departments

Consider Contracting Out Selected Services

Encourage Taking of Leave Without Pay By Employees

New Ways To Ease Transition Into Retirement (?)

Put Hold On All New Programs That Require Added Costs



Bowling Green State University

14

Administrative Staff Council
Bowling Green, Ohio 43403-0373

April 3, 1992

House Leadership
Riffe Office Tower
77 South High Street
Columbus, OH 43215

Dear Congressman:

The enclosed resolution was passed by a unanimous vote at the April 2 meeting of the Administrative Staff Council of Bowling Green State University. The Council represents all of the contract staff of the University. We appreciate your consideration of this resolution, which reflects our very real concerns about the future of the State of Ohio.

Yours truly,

A handwritten signature in cursive script that reads "Josh Kaplan".

Joshua Kaplan, M.D.
Chair, Administrative Staff Council



Bowling Green State University

15

Administrative Staff Council
Bowling Green, Ohio 43403-0373

April 3, 1992

Senate Leadership
Statehouse
Columbus, OH 43215

Dear Senator:

The enclosed resolution was passed by a unanimous vote at the April 2 meeting of the Administrative Staff Council of Bowling Green State University. The Council represents all of the contract staff of the University. We appreciate your consideration of this resolution, which reflects our very real concerns about the future of the State of Ohio.

Yours truly,

A handwritten signature in cursive script, appearing to read "Josh Kaplan".

Joshua Kaplan, M.D.
Chair, Administrative Staff Council

RESOLUTION

Whereas, the Administrative Staff of Bowling Green State University recognize and appreciate the monumental task of balancing the State budget and know of your commitment to the highest quality education for the citizens of Ohio, and

Whereas, Bowling Green State University remains one of the lowest cost universities in the State, with an average per-student cost of less than \$26 per day for room, board, tuition and fees; and

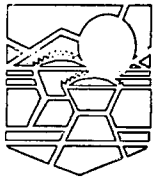
Whereas, Bowling Green State University has already absorbed \$6 million in cuts over the past 14 months which has resulted in larger classes, increased dependence on part-time and temporary instructors, reduced book and journal acquisition in the Library, deferred building maintenance, reduced student access to computer labs and books, reduced operating budgets in academic departments, fewer part-time job opportunities for students on campus, no salary increases for employees, and

Whereas, Bowling Green State University has, through its services, research, and student programs made contributions to the State of Ohio that have made it one of the 2 or 3 universities most sought by Ohio students, and

Whereas, higher education in general has taken a disproportionate share of the recent State budget cuts--29% in December--in spite of the rich contribution made to society by our colleges and universities, and

Whereas, Ohio ranks 42nd in the nation in per capita State support of higher education, yet ranks 8th in student tuition as a percent of educational revenues and in 1988 ranked 35th in State taxes per capita, and the number of Ohioans with a college education is twenty percent below the national average,

Now Therefore, Be It Resolved, That the Administrative Staff Council of Bowling Green State University, urges that higher education not be singled out for higher cuts than other State agencies, that cuts not be made that will adversely affect the educational opportunities of the citizens of Ohio and force students to pay even higher tuition, and that other alternatives such as taxes on beer, wine, liquor, and cigarettes be considered as revenue enhancements. The quality of our citizens' education should take precedence over retention of current prices for non-essential consumer purchases. For the expediency of the moment, we should not jeopardize the right of Ohio students to receive an affordable high quality college education.



Bowling Green State University

17
Vice President for
Academic Affairs
Bowling Green, Ohio 43403-0020
(419) 372-2915
FAX: (419) 372-8446
Cable: BGSUOH

April 13, 1992

MEMORANDUM

TO: Deans
Chair, Faculty Senate
Chair, Administrative Staff Council ✓
Chair, Classified Staff Council
President, Undergraduate Student Government
President, Graduate Student Senate

FROM: Eloise E. Clark *EE Clark*
Acting President and Vice President
For Academic Affairs

RE: Budget Guidelines

Attached is a set of "working guidelines" which the administration has been developing for use in analyzing and evaluating various budget cutting and revenue enhancing strategies. I am sharing them so that you might have a better sense of the context in which these various strategies are likely to be viewed.

Fine tuning our thinking about these guidelines represents a dynamic process. I shall continue to share administration's evolving thoughts with you during the coming days as the state revenue picture and its implications for BGSU become clearer.

wv
attachment

Working Guidelines to Use in Analyzing Budget Cutting or Revenue Enhancing Strategies

The following statements represent the principles which should be used in comparing various budget cutting or revenue enhancing strategies. In a sense, they represent the "lenses" through which various strategies should be viewed. Each item should be viewed from the perspective that, other things equal, this principle provides the basis for choosing among alternatives.

A. Overriding Considerations

- 1. Proposed reductions should be made in the context that state support for higher education is expected to remain at reduced levels for some time.
- 2. Potential cuts must be consistent with long term University goals rather than representing short term expediency.
- 3. Cuts should not be uniform across the board.
- 4. Auxiliary and general fee budget areas should contribute to the solutions of the budget problems.

B. Role and Mission Considerations

- 1. Centrality to the University's mission.
- 2. Program quality.
- 3. Department/unit productivity.

C. Program Considerations

- 1. Minimize negative effect on students' academic programs.
- 2. Enrollment opportunities in required courses, including general education courses, must be preserved.
- 3. Overhead activities should be cut before front line instruction, research, or student support service activities.
- 4. Instruction, research, and student support service functions take precedence over co-curricular activities, taking care not to jeopardize student retention.
- 5. Programs serving currently enrolled or admitted students take precedence over programs serving non-enrolled students or other external constituents, taking care not to jeopardize future enrollments.

*M.D. mgmt.
FAC E
Admin. committees,
supervision of*

*} clarity
difference*

*1.
"alumni
fr. ends"*

*extensions?
precollege program / high school
elementary*

D. Equity Considerations

1. Students' educational needs take precedence over employees' needs.
2. Position eliminations should not be concentrated in any particular constituency group.
3. Selective elimination of services/functions and positions is preferable to cuts which preserve positions at the cost of preventing remaining employees from being effective in the performance of their responsibilities.
4. Programmatic issues take precedence over employee longevity when considering positions for possible elimination.
5. No area is exempt from consideration for budget cuts.

E. Procedural Considerations

1. Consider the revenue and enrollment impact of potential strategies in addition to the impact on costs.
2. The set of potential cuts should be viewed as a whole rather than in isolation to facilitate understanding explicit trade-offs.
3. Communication with the various constituency groups on campus is essential.
4. Impacts of budget cutting strategies should be communicated to external constituencies.

4/6/92
Budgets

BUDGET
June 26, 1992

The University's budget committees have constructed a 1992-93 BGSU Educational Budget assuming a 15% reduction in the original 1992-93 projected instructional subsidy and a 9% cap on increases in tuition (instructional plus general fees). My comments this morning regarding the budget are made in the context of those assumptions. The latest news from Columbus suggests that the assumption of a 15% reduction in subsidy is, unfortunately, realistic. The cap on fee increases for 1992-93 is currently 7% and the fee increases that we are asking the Board to approve this morning are consistent with a 7% cap. The 7% cap was legislated last year as part of a state budget that included a modest increase in state support for higher education for 1992-93. Given the dramatic reduction in that assumed state support, we are hopeful that the fee cap for 1992-93 will, in fact, be raised and are also asking the Board this morning, for authorization to increase our 1992-93 fees in accord with any increase in the cap that may be forthcoming.

REVENUE

Given the 15% reduction from projected 1992-93 subsidy levels and the assumed fee cap (9%) for 1992-93, (although this has not yet been authorized by the state), along with our projections that there will be a modest decrease in enrollment (395 students), Educational Budget revenue projected for 1992-93 equals \$120,938,341. This is a decrease of \$924,435 or 0.76% from 1991-92 Educational Budget income. This nearly \$1 million decrease in revenue from 1991-92 to 1992-93 is calculated by subtracting a projected decrease of \$6.25 million (15%) in instructional subsidy, and adding an expected increase of \$4.8 million or 9% in student fee income plus a \$0.53 million increase in income from other sources and prior year carryover to our '91-'92 base. The carryover for 1992-93 results primarily from a \$500,000 one-time operating budget reduction in late spring 1992, as part of a response to earlier state budget cuts. Of course, if the fee cap is not increased from 7 to 9% by the state legislature, then our revenue decrease will be that much greater.

It is also important to note that although student fee income is projected to increase nominally \$4.8 million for 1992-93, more than \$1.9 million of this increase in fee income will be matched dollar for dollar by increases in expenditures for items such as graduate student fee waiver scholarships, employee and dependent fee waivers, scholarships, and payments to the Medical College of Ohio for our joint nursing and physical therapy programs. In fact, more than \$2.3 million of 1992-93 income is matched dollar for dollar by mandatory increases in expenditures. This means that the net decrease in available income for 1992-93, after accounting for income matched by unavoidable mandatory expenditure increases, is more than \$3.22 million.

REDUCTIONS
PERMANENT REDUCTIONS

Given the significant decrease in income for 1992-93, and the need to cover the \$2.3 million in expense increases matched by income plus \$1.32 million in other expense increases (e.g. health insurance) and the necessary funding of a \$1.64 million reserve as a cushion against further subsidy reductions or other income shortfalls and as a potential source for compensation increases if there are no

further cuts, we have had to recommend programmatic reductions totaling \$6.18 million from our approved 1991-92 Educational Budget. Permanent reductions in personnel and operating budgets will generate 1992-93 savings totaling nearly \$1.86 million. Annual savings from these permanent reductions will exceed \$2.37 million in future years, including savings resulting from consolidation and restructuring, eliminated services and activities, and shifting support of activities to auxiliary budgets or private sources.

We feel that these permanent reductions, although painful, are necessary given the relatively bleak longer term outlook for state support for higher education. It is important to note that none of these permanent reductions involve cutting additional faculty positions or academic department operating budgets, although reductions in these areas are being made on a temporary basis. Unfortunately, however, these permanent reductions will require us to lay off on the order of 33 full-time and part-time administrative and classified staff. In addition some individuals will have their employment time reduced, e.g. fiscal to academic year, full-time to part-time, and reduced part-time hours. More specific information on the areas impacted by these layoffs will be released next week after the affected employees have been notified. I deeply regret the need to lay off loyal BGSU employees, but I'm convinced that the necessity to modestly reduce the extent of our activities while at the same time moving to enhance their efficiency, leaves us little choice.

TEMPORARY REDUCTIONS

In addition to the permanent reductions described above, we also must make temporary Educational Budget reductions totaling nearly \$2.89 million for 1992-93.

This includes more than \$2.11 million in temporary personnel reductions and \$0.78 million in temporary operating budget reductions. These reductions impact all areas of the University, academic and non-academic. In theory, these are reductions that we hope to restore in the future, although each case will be carefully evaluated before any restoration occurs. This category includes approximately 40 vacant full-time faculty positions, which we will need to begin restoring in 1993-94 if at all possible. We believe that we can meet 1992-93 student instructional demand by utilizing increased numbers of part-time faculty, including many of the more than 40 faculty who retired this year and who will be teaching one semester next year under our Supplemental Retirement Program. In addition there will have to be selected increases in class sizes and teaching loads. Over the longer term, however, the continued vitality of our academic programs clearly requires that we restore our full-time faculty strength.

Although, as we have noted above, our permanent reductions will result in layoffs of 33 employees, the \$2.89 million in temporary reductions just described do not require any employee layoffs. The budget committees recommended that we defer further temporary reductions that would have required an additional 20 to 30 employee layoffs. Although in future years these layoffs would have yielded annual savings of \$889,000, the projected savings in 1992-93 (after accounting for the impact of notice requirements, bumping, costs of unemployment compensation, etc.) would have amounted to only approximately \$355,000. If the 1992-93 subsidy reduction exceeds 15% or the fee cap is not increased from 7% to 9%, then it will be necessary to proceed with these additional reductions and the resulting layoffs.

In addition to the permanent and temporary reductions, the \$6.18 million package of reductions also includes \$700,350 from reduction of summer 1992 instructional salaries and \$732,000 in projected savings from the PERS Early Retirement Incentive Program and employees volunteering to take reductions in salary in return for reduced work time (fiscal year to academic year, 40 hours/week to 35 hours/week, salary reduction/leave, etc.). As I have noted earlier, a committee will be studying the faculty summer instructional salary issue before any decision is made on 1993 summer instructional salaries.

The reductions described above will clearly have a very significant impact on Bowling Green State University. In addition to the 33 full-time and part-time positions eliminated as a result of layoffs, we are also eliminating 82 vacant positions and anticipate that approximately an additional 72 staff positions will be eliminated during the next year through our Early Retirement Incentive Program. Thus, under our current plan, by the end of 1992-93, we will have eliminated approximately 187 positions, 33 by layoff and 154 by attrition, primarily retirement. As a result, there will be fewer full-time faculty and administrative and classified staff. More classes will be taught by part-time faculty. Some class sizes will be larger and fewer sections will be offered. The library and computer labs will be open fewer hours. We will purchase far fewer books and journals for the library and defer making needed equipment purchases for both academic and non-academic programs. Some administrative offices and support activities will be eliminated. Service to students in areas such as Registration & Records, Placement, the Counseling and Career Development Center and the Bursar's Office will be slower. Buildings will be receiving reduced custodial and maintenance services. We will no longer be doing some things that we deem valuable, but less central to the core academic mission of the University. None of these reductions are desirable; they are all difficult and painful; they will reduce our ability to serve our students. But I believe we will be able to accomplish them while maintaining the integrity of our essential academic, as well as non-academic, programs.

Although I am hopeful that the state budget situation will stabilize as we move through this coming fiscal year, I doubt very much that we will see any quick restoration of the significant reductions in state support that higher education has endured over the past three years. Given the absolute necessity of providing a significant salary increase for our employees by the beginning of the 1993-94 fiscal year at the very latest, we have little choice but to continue to search for ways to reduce our expenditures while maintaining the strength and vitality of our core mission activities.

Paul J. Olscamp
 President
 Bowling Green State University

SUMMARY OF POSITIONS ELIMINATED FOR 1992-93 VIA LAYOFF AND LEAVING VACANT POSITIONS UNFILLED

CATEGORY OF POSITION ELIMINATED	OPERATIONS	STUDENT AFFAIRS	PLANNING & BUDGETING	UNIVERSITY RELATIONS	ACADEMIC AFFAIRS	GRAND TOTAL
Positions Eliminated Via Layoff, Class Staff	17	5	6	0	2	30
Positions Eliminated Via Layoff, Admin Staff	1	2	0	0	0	3
Total Positions Eliminated Via Layoff	18	7	6	0	2	33
Vacant Positions Eliminated, Classified Staff	18	1	4	1	5	29
Vacant Positions Eliminated, Admin Staff	3	0	2	2	5	12
Vacant Positions Eliminated, Faculty					41	41
Total Vacant Positions Eliminated	21	1	6	3	51	82
TOTAL POSITIONS ELIMINATED	39	8	12	3	53	115
ANTICIPATED UNFILLED VACANCIES RESULTING FROM PERS EARLY RETIREMENT INCENTIVE PROGRAM (By 6/93)						72
GRAND TOTAL PROJECTED ELIMINATED AND UNFILLED POSITIONS BY THE END OF 1992-93						187

NOTE: This summary includes both full-time and permanent part-time positions, but does not include positions which are being reduced in time, i.e. 12 months to 9 months or 40 hrs/week to 30 hrs/week. Positions in Auxiliary areas are included.



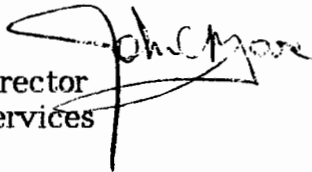
Bowling Green State University

June 29, 1992

Personnel Services
Bowling Green, Ohio 43403
(419) 372-2225
(419) 372-2558
(419) 372-8421
FAX: (419) 372-2920
Cable: BGSUOH

MEMORANDUM

TO: Faculty on Administrative Appointment
Administrative Staff

FROM: John Moore 
Executive Director
Personnel Services

RE: Voluntary Agreement for Salary Reduction in Exchange for Days of Leave

A number of administrative staff members and faculty on twelve month administrative appointment have indicated a desire to find some step they could take to contribute toward minimizing the number of layoffs of University employees and helping to solve the current financial crisis at the University. Clearly any actions individuals take that reduce expenditures for 1992-93 will help to reduce the budget shortfall for next year. Although individual voluntary actions to reduce 1992-93 personnel costs are very unlikely to completely eliminate the need for layoffs, they could clearly reduce the number of employees that the University is forced to layoff.

As part of a program of voluntary personnel expense reductions, some employees are currently considering voluntarily reducing their work time (fiscal year to academic year, 40 hour workweek to 30 or 35 work hour week, etc.). Employees, who are retiring under the PERS and STRS Early Retirement Incentive Plans, may also be moving their retirements to an earlier date in the 1992-93 fiscal year, another step which would help to increase savings and decrease the number of forced layoffs for 1992-93.

Other twelve month contract employees whose job responsibilities or personal circumstances would necessitate at most a modest reduction in work time and salary may want to consider a voluntary agreement for a modest salary reduction in exchange for days of leave. Under such an agreement an employee would take a specified one-time percentage reduction in 1992-93 salary in return for a corresponding number of days of leave which the employee would take during the 1992-93 fiscal year. Specific one-time percentage reductions in salary corresponding to various numbers of days of leave are shown on the table on the back of the agreement form. For example, a 12-month contract employee opting for 8 days of leave during 1992-93 would experience a one-time 3.06513% reduction in 1992-93 salary. The leave could be taken when the employee wished, subject to the usual need to obtain the approval of the area supervisor and the requirement that the leave be taken in blocks of at least two hours at a time. The employee's status as a full-time fiscal year employee would not be affected. The employee's contract base salary would also not be affected by such a one-time agreement.

Should you wish to make an agreement for a one-time salary reduction for 1992-93 in exchange for a corresponding number of days of leave, please fill out the enclosed form and return it to me at the Office of Personnel Services by July 31st.

Please feel free to get in touch with me if you have any questions.

VOLUNTARY AGREEMENT
FOR A 12 MONTH CONTRACT EMPLOYEE
TO TAKE A ONE-TIME SALARY REDUCTION IN EXCHANGE FOR
A SPECIFIED NUMBER OF DAYS OF LEAVE
DURING THE 1992-93 FISCAL YEAR

The undersigned 12 month contract employee (Faculty on administrative appointment or Administrative Staff) of Bowling Green State University hereby agrees to a voluntary one-time reduction in salary for 1992-93 equal to the percentage specified below in exchange for the University granting the employee the corresponding number of days of approved leave specified below. Time taken off for leave must be taken during the 1992-93 fiscal year, must be in blocks of at least two hours and requires, as does vacation time, prior approval of the area supervisor. It is understood that this voluntary one-time salary reduction does not affect the employee's base contract salary.

Name _____ Soc. Sec. # _____

Signature _____

Date _____ Department/Area _____

Requested Number of Days of Leave _____
 (To Be Taken During 1992-93 Fiscal Year)

Corresponding Voluntary % Reduction in 1992-93 Salary _____

(See Table on Back of Form for % Salary Reductions
 Corresponding to Selected # of Days of Leave)

Contract employees who choose to participate in the Leave/Salary Reduction Program should complete this form and forward it by July 31st to:

John Moore
Executive Director, Personnel Services
College Park Office Building
BGSU

DAYS OF LEAVE AND CORRESPONDING % REDUCTION IN FISCAL YEAR SALARY

Number of Days of of Leave for 1992-93 FY	Corresponding % Reduction of Fiscal Yr Salary	Reduction for \$30,000 FY Salary	Reduction for \$50,000 FY Salary	Reduction for \$70,000 FY Salary	Reduction for \$90,000 FY Salary
1	0.38314%	\$114.94	\$191.57	\$268.20	\$344.83
2	0.76628%	\$229.89	\$383.14	\$536.40	\$689.66
3	1.14943%	\$344.83	\$574.71	\$804.60	\$1,034.48
4	1.53257%	\$459.77	\$766.28	\$1,072.80	\$1,379.31
5	1.91571%	\$574.71	\$957.85	\$1,341.00	\$1,724.14
6	2.29885%	\$689.66	\$1,149.43	\$1,609.20	\$2,068.97
7	2.68199%	\$804.60	\$1,341.00	\$1,877.39	\$2,413.79
8	3.06513%	\$919.54	\$1,532.57	\$2,145.59	\$2,758.62
9	3.44828%	\$1,034.48	\$1,724.14	\$2,413.79	\$3,103.45
10	3.83142%	\$1,149.43	\$1,915.71	\$2,681.99	\$3,448.28
11	4.21456%	\$1,264.37	\$2,107.28	\$2,950.19	\$3,793.10
12	4.59770%	\$1,379.31	\$2,298.85	\$3,218.39	\$4,137.93
13	4.98084%	\$1,494.25	\$2,490.42	\$3,486.59	\$4,482.76
14	5.36398%	\$1,609.20	\$2,681.99	\$3,754.79	\$4,827.59
15	5.74713%	\$1,724.14	\$2,873.56	\$4,022.99	\$5,172.41
16	6.13027%	\$1,839.08	\$3,065.13	\$4,291.19	\$5,517.24
17	6.51341%	\$1,954.02	\$3,256.70	\$4,559.39	\$5,862.07
18	6.89655%	\$2,068.97	\$3,448.28	\$4,827.59	\$6,206.90
19	7.27969%	\$2,183.91	\$3,639.85	\$5,095.79	\$6,551.72
20	7.66284%	\$2,298.85	\$3,831.42	\$5,363.98	\$6,896.55
21	8.04598%	\$2,413.79	\$4,022.99	\$5,632.18	\$7,241.38
22	8.42912%	\$2,528.74	\$4,214.56	\$5,900.38	\$7,586.21
23	8.81226%	\$2,643.68	\$4,406.13	\$6,168.58	\$7,931.03
24	9.19540%	\$2,758.62	\$4,597.70	\$6,436.78	\$8,275.86
25	9.57854%	\$2,873.56	\$4,789.27	\$6,704.98	\$8,620.69



Ohio Senate
Statehouse
Columbus, Ohio 43266-0604

614-466-8060 (Columbus)
419-874-8975 (Perrysburg)

Committees:
Economic Development,
Vice Chairman
Ways & Means
Judiciary
Agriculture

Betty D. Montgomery
2nd District

July 7, 1992

Mr. Joshua Kaplan
Chairman
Bowling Green State University
Administrative Staff Council
Bowling Green, Ohio 43403

Re: Higher Education/Budget Cuts

Dear Mr. Kaplan:

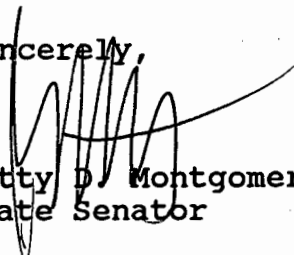
As you are well aware, the governor instituted his budget cuts last week. I have enclosed for you a copy of his remarks as well as some additional budget information.

By now you are undoubtedly aware that the Senate Republican majority indicated to the House Democrat majority a willingness of the majority of the caucus to support the governor's proposed sin taxes. I was one of those Senators willing to endorse and support this revenue plan. Regrettably, the House rejected this overture. Without House support, the tax plan could not be passed and the proposal died aborning.

While this may offer little comfort to those suffering from these cuts now, I do believe, that, given the Speaker of the House's comments, some revenue plan will be endorsed by the House after the election.

Please, if you have any questions or comments, feel free to contact me. I regret our attempts to help fashion a compromise failed. Rest assured I will continue my support of any reasonable compromise we can fashion to help higher education. Thanks for your expressed concern.

Sincerely,


Betty D. Montgomery
State Senator

BDM\sdm
Enclosure
higher3

GOVERNOR VOINOVICH'S REMARKS: THE FY 1993 GRF BUDGET PROBLEM
AND PROPOSED SOLUTION

The Problem

- The Administration's estimate of the FY 1993 GRF problem is about \$520 million. (The Legislative Budget Office's latest estimate of the problem is over \$740 million.) This is a conservative estimate of the problem because it assumes an ending fund balance for FY 1993 of about \$17 million for FY 1993, when we should try to have about a \$70 million balance.
- The problem is due to a combination two things: a projected shortfall in tax receipts of \$341 million and additional State spending of \$176 million, primarily for several programs in the Department of Human Services (Medicaid, ADC, General Assistance, Disability Assistance). This does not include the federal share of the additional spending.
- The Ohio Constitution prohibits the State from going into debt except for certain limited and specified purposes and a projected budget deficit is not one of them.
- Section 126.05 of the Ohio Revised Code requires that if the Governor determines that it is likely the State will spend more in a fiscal year than it will receive in revenue, he must act to reduce spending.

The Solution: Why We Must Act

- Some have suggested we wait to solve the problem. They suggest we wait to see whether the economy and State revenues improve beyond current projections. This is something that our Council of Economic Advisors says will probably not happen, given the half-strength economic recovery they are projecting. If we wait to act and the size of the problem either does not change or becomes even bigger, the eventual and delayed solution will be much more painful. This "wait and see" strategy raises two fundamental questions:
 - a. How deep would the additional cuts be?
 - b. Which taxes would be raised and by how much?
- From the outset, it has been the Administration's approach to solve most of the problem now and wait to solve the rest of the problem later in the fiscal year. We are dealing with about 70% of the problem now by imposing spending cuts of \$315.7 million and using a higher than expected ending FY 1992 fund balance to pay for a reduction in the FY 1993 cut to higher education. We are deferring action on the remaining \$150 million until later in the fiscal year. (If one uses the analysis prepared by the legislature's Legislative Budget Office, we are dealing with about 50% of the problem now and deferring action on the remaining 50%.)
- It is important to remember that six months ago, in January 1992, the Governor proposed a package of revenue enhancements that would have raised about \$182 million in FY 1993.

- The Administration's solution consists of three parts:
 1. Budget Cuts. Effective July 1, 1992 executive order budget cuts will be made to reduce spending by about \$315.7 million. These cuts range up to 19.5% for some agencies and total over \$145 million for the general governmental agencies.
 2. Defer Action. We will defer action on the remaining \$150 million in the hope that the economy will improve enough to make up the difference or that we will be able to find other ways to solve the rest of the problem.
 3. Management Bonus Targeted for Higher Education. Through the good management of the agencies, FY 1992 spending was less than QBM had estimated by about \$60 million. And revenues in June continued their roller coaster ride and were about \$31 million more than QBM assumed in its \$520 million FY 1993 deficit analysis. The result is a FY 1992 ending fund balance of about \$91 million of which \$53.7 million will be used to reduce the cuts to the instructional subsidies in higher education. The result of this is that the instructional subsidies will now receive 3.2% less than they did in FY 1992 compared to the 7.6% less they would have received without this management bonus.

This bonus to the higher educational system reflects the Administration's commitment to the role of higher education in Ohio and support for the management improvements that educational leaders are bringing to their campuses. The Administration is doing this in spite of the fact that the FY 1992 fund balance is the lowest in 9 years and is only slightly above the amount recommended by the rating agencies.

The Cuts

The size of the cut is driven by a combination of four things:

1. The size of the projected deficit;
2. The large portion of the budget that cannot be cut, which includes legal obligations to local governments, holders of state debt and recipients of entitlement programs for the old, the poor the sick and the handicapped.
3. The portion of the budget that the Administration has chosen not to cut, including primary and secondary education and health programs for children, higher education student financial aid, and key senior citizens' programs.
4. The portion of the budget that the Administration has chosen to cut only marginally, which includes the budgets of the State's institutional agencies. Those in the care of the State must be maintained in a safe and secure environment.

Most Significant Protected Programs

1. Primary and Secondary Education - There will be no cuts to primary and secondary education. Education will receive a 7.3% increase over the FY 1992 spending level. This will ensure that both public and non-public providers of educational services experience no interruption in services and that the advances made in early childhood education (Headstart, Pre-school programs) are preserved and advanced.
2. Higher Education Student Financial Aid - This is protected from cuts for students attending public and private institutions. Funds for these programs will grow in excess of 8% in FY 1993.
3. Senior Citizens Programs - Key programs aimed at senior citizens will be protected from cuts. The PASSPORT program will increase by 9.1% in FY 1993. The Senior Community Services program, which includes funding for Health-on-Wheels, will grow by 2.2% in FY 1993.
4. Social Services Safety Net - The key components of the social services safety net will not be reduced. ADC, General Assistance, Disability Assistance, Medicaid, and Housing Programs in the Dept. of Development will be protected from cuts, and in some cases will need to be increased.
5. Children's Programs - Most programs directed at serving children will either be exempt from cuts or will be treated preferentially. Head Start, Healthy Start, Childhood Immunization, Child Welfare, Public Preschool, and others will be afforded preferential treatment to keep the commitment made to Ohio's children. Many of these programs will receive increases in FY 1993.
6. Institutional and Correctional Services - Institutional agencies were given preferential treatment with minor cuts. Those people who are in MH or MR institutions and those in the State's correctional facilities must be maintained in safe and secure environments.
7. Property Tax Relief - The State's commitment to property tax relief will be maintained. The State's payments in this area will grow by at least 7%.
8. Local Government Fund - No reduction is being proposed to the funding for local governments that was agreed to in the Budget Conference Committee. This recognizes that local governments are experiencing some of the same financial difficulties as the State and need continuing State support to maintain essential services.

Prepared by OBM
6/30/92

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FY 1993 GRF SPENDING CUTS - Effective 7/1/92

Summary by Agency

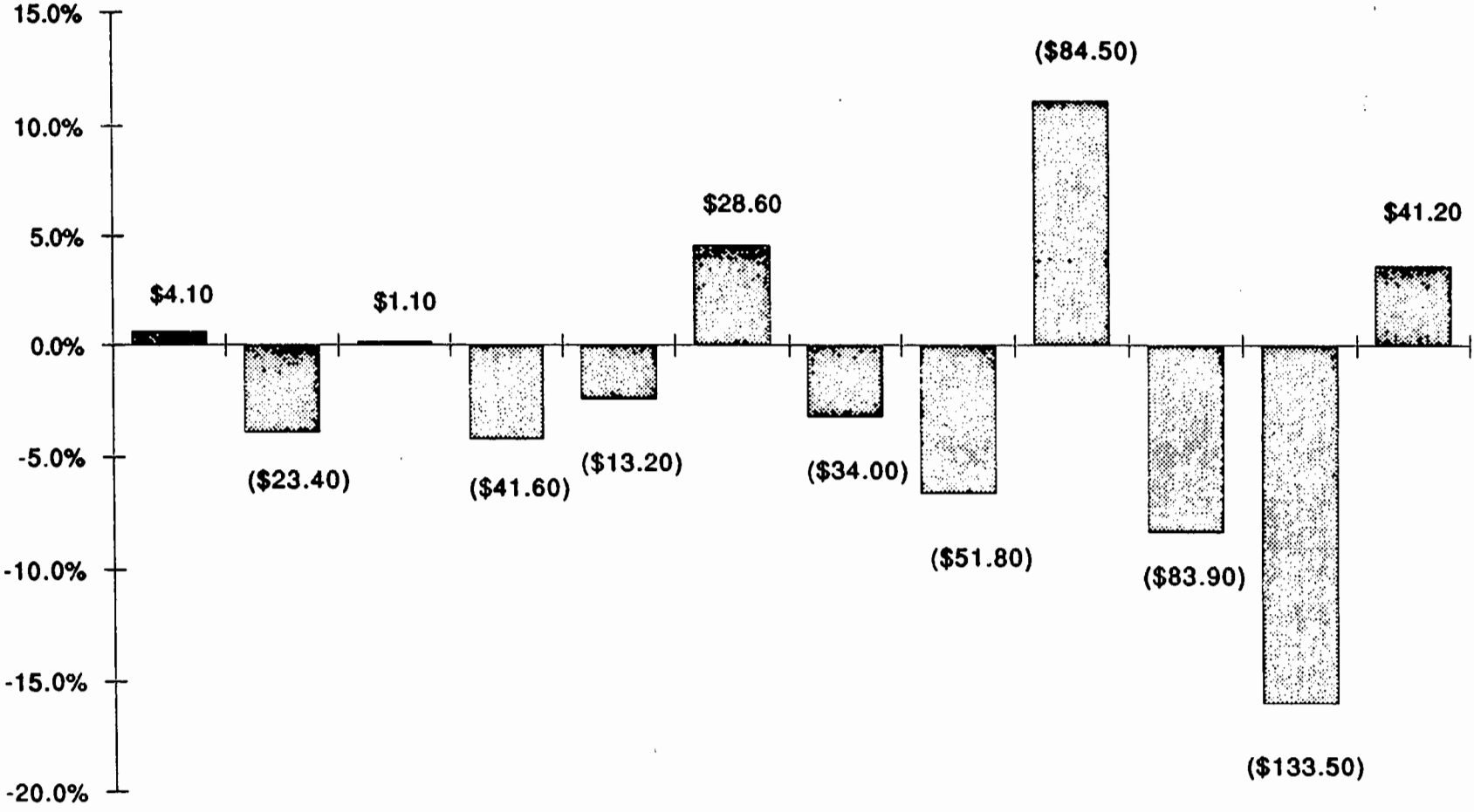
CAS		FY 1993		NET FY 1993	FY 1993	FY 1992 ADJ.	% CHANGE FROM
AGY CODE	AGENCY NAME	APPROPRIATIONS	TOTAL CUTS	APPROPRIATION	PERCENTAGE	APPROPRIATION	FY 92 TO FY 93
				AFTER CUTS	CUT	AFTER CUTS	AFTER CUTS
ACC	Accountancy Board	\$467,385	\$0	\$467,385	0.0%	\$449,078	3.9%
ADA	Department of Alcohol and Drug Addiction Services	\$18,151,020	\$3,539,449	\$14,611,571	-19.5%	\$16,730,176	-14.5%
ADJ	Adjutant General	\$16,281,847	\$3,124,512	\$13,157,335	-19.2%	\$14,999,687	-14.0%
AFB	Arts Facilities Commission	\$3,563,978	\$140	\$3,563,838	0.0%	\$453,494	87.3%
AGE	Ohio Department of Aging	\$41,449,444	\$1,662,487	\$39,786,957	-4.0%	\$40,160,437	-0.9%
AGO	Attorney General	\$28,977,668	\$5,650,645	\$23,327,023	-19.5%	\$28,565,705	-22.5%
AGR	Department of Agriculture	\$13,994,003	\$1,033,672	\$12,960,331	-7.4%	\$13,698,636	-5.7%
AFB	Board of Examiners of Architects	\$263,606	\$9,226	\$254,380	-3.5%	\$267,257	-5.1%
ART	Ohio Arts Council	\$11,897,746	\$3,600,016	\$8,297,730	-30.3%	\$10,245,668	-23.5%
AUD	Auditor of State	\$28,334,394	\$5,525,207	\$22,809,187	-19.5%	\$28,533,679	-25.1%
BES	Bureau of Employment Services	\$287,130	\$2,871	\$284,259	-1.0%	\$277,005	2.6%
BCR	Board of Regents	\$1,845,688,047	\$170,206,205	\$1,675,481,842	-9.2%	\$1,689,682,310	-0.8%
BCX	Boxing Commission	\$68,173	\$682	\$67,491	-1.0%	\$68,173	-1.0%
BBB	Board of Barber Examiners	\$428,362	\$4,264	\$424,098	-1.0%	\$391,439	7.3%
BTA	Board of Tax Appeals	\$1,869,373	\$18,694	\$1,850,679	-1.0%	\$1,859,313	-0.5%
ODR	Commission on Dispute Resolution and Conflict Mgt	\$371,767	\$13,012	\$358,755	-3.5%	\$406,318	-13.3%
CEB	Controlling Board	\$31,018,427	\$0	\$31,018,427	0.0%	\$5,769,740	81.4%
CHR	Board of Chiropractic Examiners	\$259,233	\$2,592	\$256,641	-1.0%	\$222,968	13.1%
CIV	Ohio Civil Rights Commission	\$7,574,784	\$719,604	\$6,855,180	-9.5%	\$6,803,951	0.7%
CLA	Court of Claims	\$1,869,745	\$65,441	\$1,804,304	-3.5%	\$2,061,834	-14.3%
ODN	Certificate of Need Review Board	\$327,295	\$6,546	\$320,749	-2.0%	\$325,659	-1.5%
ODS	Board of Cosmetology	\$1,306,497	\$78,390	\$1,228,107	-6.0%	\$1,294,842	-5.4%
CSF	Commissioners of the Sinking Fund	\$36,648,200	\$0	\$36,648,200	0.0%	\$38,881,000	-6.1%
CSW	Counselor and Social Worker Board	\$428,008	\$14,983	\$413,025	-3.5%	\$423,660	-2.6%
DAS	Department of Administrative Services	\$88,172,457	\$1,465,681	\$86,706,776	-1.7%	\$80,394,521	7.3%
DBI	State Dental Board	\$530,496	\$5,305	\$525,191	-1.0%	\$499,420	4.9%
DEV	Department of Development	\$74,430,212	\$14,504,796	\$59,925,416	-19.5%	\$69,091,843	-15.3%
DIR	Industrial Relations	\$4,238,792	\$695,818	\$3,542,974	-16.4%	\$3,992,234	-12.7%
DMH	Department of Mental Health	\$421,351,270	\$8,603,947	\$412,747,323	-2.0%	\$400,740,679	2.9%
DMP	Department of Mental Retardation/DD	\$298,767,836	\$3,492,540	\$295,275,296	-1.2%	\$287,091,210	2.8%
DNR	Department of Natural Resources	\$80,111,774	\$9,375,649	\$70,736,125	-11.7%	\$73,806,683	-4.3%
DOH	Department of Health	\$51,430,539	\$7,968,356	\$43,462,183	-15.5%	\$46,183,354	-6.3%
DOT	Department of Transportation	\$37,045,309	\$4,318,594	\$32,726,707	-11.7%	\$36,833,887	-12.5%
ORC	Department of Rehabilitation and Correction	\$602,374,267	\$1,400,000	\$600,974,267	-0.2%	\$532,246,468	11.4%
DVM	Veterinary Medical Board	\$200,142	\$2,001	\$198,141	-1.0%	\$190,042	4.1%
DYS	Department of Youth Services	\$122,294,297	\$0	\$122,294,297	0.0%	\$112,794,949	7.8%
EDR	Environmental Board of Review	\$322,051	\$0	\$322,051	0.0%	\$322,401	-0.1%
EDU	Department of Education	\$3,564,776,593	\$0	\$3,564,776,593	0.0%	\$3,320,913,451	6.8%
ENG	Board of Engineers and Surveyors	\$509,874	\$17,846	\$492,028	-3.5%	\$396,984	19.0%
EPA	Environmental Protection Agency	\$23,581,597	\$4,588,400	\$18,993,197	-19.5%	\$21,856,739	-15.3%
EPB	State Employment Relations Board	\$3,126,406	\$265,745	\$2,860,661	-8.5%	\$3,032,614	-6.0%
ETH	Ethics Commission	\$671,122	\$23,489	\$647,633	-3.5%	\$652,811	-0.8%
FLN	Board of Embalmers and Funeral Directors	\$352,057	\$3,521	\$348,536	-1.0%	\$322,044	7.6%
GOV	Governor	\$4,666,182	\$821,804	\$3,844,378	-17.6%	\$4,679,075	-21.7%
HLM	Department of Human Services (State Share Only)	\$2,730,073,142	\$42,034,083	\$2,688,039,059	-1.5%	\$2,632,794,130	2.1%
JCO	Judicial Conference of Ohio	\$305,220	\$10,683	\$294,537	-3.5%	\$382,311	-29.8%
JUD	Judiciary	\$57,699,756	\$0	\$57,699,756	0.0%	\$53,907,647	6.6%

FY 1993 GRF SPENDING CUTS - Effective 7/1/92							
Summary by Agency							
CAS		FY 1993		NET FY 1993	FY 1993	FY 1992 ADJ.	% CHANGE FROM
AGY CODE	AGENCY NAME	APPROPRIATIONS	TOTAL CUTS	APPROPRIATION AFTER CUTS	PERCENTAGE CUT	APPROPRIATION AFTER CUTS	FY 92 TO FY 93 AFTER CUTS
LDG	Liquor Control Commission	\$435,329	\$6,530	\$428,799	-1.5%	\$429,212	-0.1%
LIB	State Library Board	\$8,368,876	\$1,161,736	\$7,207,138	-14.1%	\$7,797,118	-8.2%
LRS	Legal Rights Services	\$733,982	\$88,078	\$645,904	-12.0%	\$705,606	-9.2%
LSC	Legislative Service Commission	\$9,173,517	\$1,788,836	\$7,384,681	-19.5%	\$12,446,504	-88.5%
LTS	Lieutenant Governor	\$566,265	\$110,422	\$455,843	-19.5%	\$520,095	-14.1%
MED	State Medical Board	\$2,960,524	\$192,434	\$2,768,090	-6.5%	\$2,911,177	-5.2%
MH	Minority Health Commission	\$1,300,000	\$104,000	\$1,196,000	-8.0%	\$1,267,500	-6.0%
NLR	Bd of Nursing Education and Nursing Registration	\$1,482,373	\$103,766	\$1,378,607	-7.0%	\$1,444,314	-4.8%
ODD	Ohio Board of Dietetics	\$157,879	\$3,158	\$154,721	-2.0%	\$147,234	4.8%
OBM	Office of Budget and Management	\$2,726,351	\$531,638	\$2,194,713	-19.5%	\$2,538,755	-15.7%
OC	Consumers' Counsel	\$4,643,096	\$0	\$4,643,096	0.0%	\$4,558,085	1.8%
CCG	Optical Dispensers Board	\$191,471	\$1,915	\$189,556	-1.0%	\$178,840	5.7%
CEB	Educational Broadcasting Network Commission	\$4,574,340	\$721,681	\$3,852,660	-15.8%	\$4,251,657	-10.4%
CHS	Ohio Historical Society	\$9,924,325	\$1,439,027	\$8,485,298	-14.5%	\$9,400,560	-10.8%
OLA	Ohiana Library Association	\$156,888	\$0	\$156,888	0.0%	\$193,284	-23.2%
OPT	Board of Optometry	\$198,748	\$1,987	\$196,761	-1.0%	\$177,455	9.8%
OSB	Ohio State School for the Blind	\$4,425,522	\$0	\$4,425,522	0.0%	\$4,274,113	3.4%
OSD	Ohio School for the Deaf	\$5,665,581	\$0	\$5,665,581	0.0%	\$5,490,227	3.1%
OVC	Ohio Veterans' Childrens Home	\$7,334,127	\$0	\$7,334,127	0.0%	\$7,141,985	2.6%
OVH	Ohio Veterans' Home	\$18,008,683	\$1,222,564	\$17,586,119	-6.5%	\$17,694,776	-0.6%
PBR	Personnel Board of Review	\$567,959	\$11,359	\$556,600	-2.0%	\$555,349	0.2%
PRY	Board of Pharmacy	\$1,811,718	\$54,352	\$1,757,366	-3.0%	\$1,738,243	1.1%
PSY	Board of Psychology	\$251,048	\$2,510	\$248,538	-1.0%	\$241,558	2.8%
PUB	Ohio Public Defender Commission	\$26,592,248	\$1,722,646	\$24,779,602	-6.5%	\$23,759,679	4.1%
PUC	Public Utilities Commission	\$23,659,703	\$546,466	\$23,113,237	-2.3%	\$22,967,826	0.6%
PWC	Public Works Commission	\$751,519	\$0	\$751,519	0.0%	\$740,654	1.4%
P+T	Occupational Therapy and Physical Therapy Board	\$298,326	\$10,441	\$287,885	-3.5%	\$292,755	-1.7%
RCE	Respiratory Care Board	\$160,009	\$1,600	\$158,409	-1.0%	\$137,320	13.3%
REP	Ohio House of Representatives	\$16,940,308	\$2,184,018	\$14,756,290	-12.9%	\$15,402,940	-4.4%
RSC	Rehabilitation Services Commission	\$16,545,035	\$1,075,427	\$15,469,608	-6.5%	\$16,050,408	-3.8%
SAN	Board of Sanitarian Registration	\$60,102	\$601	\$59,501	-1.0%	\$59,261	0.4%
SCR	Board of Proprietary School Registration	\$501,562	\$10,031	\$491,531	-2.0%	\$488,720	0.5%
SEN	Ohio Senate	\$10,592,684	\$1,577,054	\$8,925,640	-15.0%	\$9,500,212	-6.4%
SLG	State and Local Government Commission	\$204,898	\$4,098	\$200,801	-2.0%	\$199,908	0.4%
SOB	Secretary of State	\$6,720,099	\$1,310,419	\$5,409,680	-19.5%	\$6,283,910	-16.2%
SPA	Commission on Spanish-Speaking Affairs	\$174,026	\$4,787	\$169,239	-2.8%	\$167,332	1.1%
SPE	Board of Speech Pathology and Audiology	\$156,927	\$3,139	\$153,788	-2.0%	\$145,185	5.6%
SUP	Supreme Court	\$6,771,628	\$1,320,467	\$5,451,161	-19.5%	\$6,341,388	-16.3%
TAX	Department of Taxation (includes Tax Relief)	\$395,304,938	\$1,895,962	\$393,408,976	-0.5%	\$373,142,379	5.2%
TOS	Treasurer of State	\$77,879,981	\$1,484,437	\$76,395,544	-1.9%	\$62,278,205	18.5%
V37	37th Div AEF Veterans Association	\$5,289	\$502	\$4,787	-9.5%	\$5,037	-5.2%
VAL	American Legion of Ohio	\$90,585	\$8,606	\$81,979	-9.5%	\$86,271	-5.2%
VAV	Disabled American Veterans	\$90,585	\$8,606	\$81,979	-9.5%	\$86,271	-5.2%
VCW	Catholic War Veterans	\$26,433	\$2,511	\$23,922	-9.5%	\$25,174	-5.2%
VFW	Veterans of Foreign Wars	\$90,585	\$8,606	\$81,979	-9.5%	\$86,271	-5.2%
VII	American Veterans of WWII	\$90,585	\$8,606	\$81,979	-9.5%	\$86,271	-5.2%
VJW	Jewish War Veterans	\$26,433	\$2,511	\$23,922	-9.5%	\$25,174	-5.2%

FY 1993 GRF SPENDING CUTS - Effective 7/1/92							
Summary by Agency							
CAS		FY 1993		NET FY 1993	FY 1993	FY 1992 ADJ.	% CHANGE FROM
AGY CODE	AGENCY NAME	APPROPRIATIONS	TOTAL CUTS	APPROPRIATION AFTER CUTS	PERCENTAGE CUT	APPROPRIATION AFTER CUTS	FY 92 TO FY 93 AFTER CUTS
VMC	Marine Corps League	\$72,487	\$6,886	\$65,601	-9.5%	\$69,036	-5.2%
VCH	Rainbow Division Vets Association	\$3,880	\$369	\$3,511	-9.5%	\$3,695	-5.2%
VFH	Military Order of the Purple Heart	\$29,373	\$2,790	\$26,583	-9.5%	\$27,974	-5.2%
VVV	Vietnam Veterans of America	\$90,585	\$8,606	\$81,979	-9.5%	\$86,271	-5.2%
VWI	Veterans of WWI	\$22,978	\$2,183	\$20,795	-9.5%	\$21,884	-5.2%
WPR	Womens Policy/Research Commission	\$159,209	\$15,125	\$144,084	-9.5%	\$181,526	-26.0%
TOTAL CUTS		\$10,928,967,147	\$315,680,390	\$10,613,286,757	-2.9%	\$10,211,445,130	3.8%
NOTE: These are preliminary numbers. They will be finalized within two weeks.							
Cabinet agencies that do not receive GRF appropriations are not listed: Depts. of Commerce, Insurance and Liquor Control and the Lottery Commission.							
FY 1993 Appropriations include Sub. S.B. 351 appropriation increases.							

GRF TAX RECEIPTS FOR FISCAL YEAR 1992

VARIANCE OF ACTUAL FROM ORIGINAL ESTIMATE



ATTACHMENT A
COMPARISON OF CONCENSUS OF ECONOMIC INDICATORS
COUNCIL OF ECONOMIC ADVISORS

	1989 ACTUAL	1990 ACTUAL	1992		1993		1994	
			1991 ACTUAL	CONCENSUS DEC 1991 ESTIMATE	CONCENSUS MAY 1992 ESTIMATE	CONCENSUS DEC 1991 ESTIMATE	CONCENSUS MAY 1992 ESTIMATE	CONCENSUS MAY 1992 ESTIMATE
REAL GDP	2.5	1.0	-0.7	2.0	2.1	3.1	3.1	2.8
NOMINAL GDP	7.0	5.1	2.9	5.0	4.8	6.5	6.8	6.3
U.S. PERSONAL INCOME	7.5	6.0	3.3	5.0	4.7	6.5	6.0	6.0
OHIO PERSONAL INCOME	6.8	5.0	3.1	5.1	4.5	6.1	5.8	5.0
U.S. CORPORATE PROFITS (BEFORE TAXES)	-0.9	-3.5	-6.0	15.0	15.0	9.0	14.0	9.0
GDP PRICE DEFLATOR	4.4	4.1	3.7	3.0	2.7	3.2	3.1	3.5
C.P.I.	4.8	5.4	4.2	3.1	3.0	3.4	3.2	3.5
CAR SALES (MILLIONS)	9.9	9.5	8.4	9.2	8.8	9.5	9.5	10.0
HOUSING STARTS (MILLIONS)	1.30	1.21	1.02	1.20	1.20	1.30	1.30	1.30
U.S. UNEMPLOYMENT	5.3	5.5	6.8	6.9	7.1	6.5	6.6	6.2
OHIO UNEMPLOYMENT	5.6	5.7	6.5	6.5	6.9	6.0	6.4	6.3

8 Estimates are based on the December 17, 1991 and the May 19, 1992 meetings of the Economic Advisory Council.

Estimates in annual percent change except where noted.

ATTACHMENT A
COMPARISON OF CONSENSUS OF ECONOMIC INDICATORS
COUNCIL OF ECONOMIC ADVISORS

	1989	1990	1991	1992	1992	1993	1993	1994
	ACTUAL	ACTUAL	ACTUAL	CONSENSUS DEC 1991 ESTIMATE	CONSENSUS MAY 1992 ESTIMATE	CONSENSUS DEC 1991 ESTIMATE	CONSENSUS MAY 1992 ESTIMATE	CONSENSUS MAY 1992 ESTIMATE
REAL GDP	2.5	1.0	-0.7	2.0	2.1	3.1	3.1	2.8
NOMINAL GDP	7.0	5.1	2.9	5.0	4.8	6.5	6.8	6.9
U.S. PERSONAL INCOME	7.5	6.8	3.8	5.0	4.7	6.5	6.0	6.0
OHIO PERSONAL INCOME	6.8	5.8	3.1	5.1	4.5	6.1	5.8	5.8
U.S. CORPORATE PROFITS (BEFORE TAXES)	-0.9	-3.5	-6.0	15.0	15.0	9.0	14.0	9.0
GDP PRICE DEFLATOR	4.4	4.1	3.7	3.0	2.7	3.2	3.1	3.5
C.P.I.	4.8	5.4	4.2	3.1	3.0	3.4	3.2	3.5
CAR SALES (MILLIONS)	9.9	9.5	8.4	9.2	8.8	9.5	9.5	10.0
HOUSING STARTS (MILLIONS)	1.88	1.21	1.02	1.20	1.20	1.80	1.80	1.90
U.S. UNEMPLOYMENT	5.3	5.5	6.8	6.9	7.1	6.5	6.6	6.2
OHIO UNEMPLOYMENT	5.6	5.7	6.5	6.5	6.9	6.0	6.4	6.3

* Estimates are based on the December 17, 1991 and the May 19, 1992 meetings of the Economic Advisory Council.

Estimates in annual percent change except where noted.