

## Executive

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**OBMCD2            Transfers of Cash Between Non-GRF Funds****R.C.            126.21**

Authorizes the Director of OBM to transfer cash between funds other than the GRF in order to correct an erroneous payment or deposit regardless of the fiscal year during which the erroneous payment or deposit occurred.

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**OBMCD3            Elimination of State Agency Spending Plans****R.C.            126.50, 126.501 (Repealed), 126.502  
(Repealed), and 126.507 (Repealed)**

Eliminates an outdated requirement for the submission of state agency spending reduction plans for FY 2010 and FY 2011. Also eliminates requirements that state agencies submit biennial spending plans to the General Assembly and the Director of OBM, and that the Director of DAS oversee implementation of those spending plans.

**Fiscal effect: Eliminates certain components of the codified version of Executive Order 2009-07S.**

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**OBMCD4            Public Services Provided by Private, Local, or Regional Entities****R.C.            126.60, 126.601 to 126.605**

(1) Allows the Director of OBM and the authorized representative of a responsible state agency to enter into contracts for the provision of public services with private sector entities and local or regional public entities, or any group or combination thereof, including by generating additional resources in support of those public services and related projects. Specifies that the Director of Transportation is the authorized representative of the Ohio Turnpike Commission and is authorized to exercise all powers of the Ohio Turnpike Commission for the purposes of entering into a contract for the provision of public services.

(2) Requires the Director of OBM to publish notice of its intent to enter into a contract for public services and any related project before the contract is finalized. Requires the notice to include a general description of the public service to be provided, the qualifications or proposals being sought, and a statement informing interested parties of the opportunity to submit their qualifications or proposals, or both. Requires the notice to be published 30 days prior to the deadline for

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submitting qualifications or proposals.

(3) Specifies the actions the Director of OBM and the responsible state agency must or may take, depending on the circumstances and discretion required to be exercised, in evaluating qualifications and proposals for the provision of public services.

(4) Specifies that any contract entered into for the provision of public services may contain terms, as deemed appropriate by the Director of OBM, in consultation with the responsible state agency, including the duration of the contract, which is not to exceed 75 years, rates or fees for the public services to be provided, standards for the public services to be provided, required financial assurances, financial and other data reporting requirements, reasons and procedures for termination of the contract, and so forth.

(5) Prohibits the Prevailing Wage Law from applying to any project and the Public Employee Collective Bargaining Law from applying to any employees working at or on a project to provide public services.

(6) Requires the Controlling Board to approve any invitation for qualifications or proposals and any related contracts negotiated to provide public services. Allows the Controlling Board to approve any transfer of moneys and funds necessary to support the public service.

(7) Exempts any project or part thereof owned by the state pursuant to any contract for the provision of public services from taxation or assessments if, in the absence of the contract, the project would otherwise be exempt from taxation and assessments levied by the state and its political subdivisions. Exempts from taxation levied by the state and its political subdivisions the gross receipts and income of an entity providing public services for a project owned by the state pursuant to a contract.

(8) Permits the Director of OBM, in consultation with the responsible state agency, to retain or contract for the services of commercial appraisers, engineers, investment bankers, financial advisors, accounting experts, and other consultants, independent contractors or providers of professional services as are necessary in the judgment of the Director to effectuate a contract for the provision of public services.

**Fiscal effect: Uncertain. Provides the authority for the state to enter into agreements to privatize assets or services. Specific fiscal effects would depend on the negotiated terms of each contract.**

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**Executive****OBMCD5            Audit Costs and Dues****Section: 229.10**

(1) Requires all costs associated with single audit schedules or financial statements prepared in conformance with generally accepted accounting principles for the state to be paid from GSF Fund 1050 appropriation item 042603, State Accounting and Budgeting.

(2) Requires costs associated with the audit of the Auditor of State and national association dues to be paid from GRF appropriation item 042321, Budget Development and Implementation.

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**OBMCD6            Shared Services Center****Section: 229.10**

(1) Requires the Director of OBM to use the OAKS Project Implementation Fund (Fund 5N40) and the Accounting and Budgeting Fund (Fund 1050) to support the Shared Services Center within OBM for the purpose of consolidating statewide finance functions and common transactional processes.

(2) Requires the Director of OBM to include the recovery of costs to operate the Shared Services Center in the accounting and budgeting payroll rate and through a direct charge using intrastate transfer vouchers to agencies for services rendered. Requires the Director of OBM to determine the cost recovery methodology and cost recovery revenues to be deposited into Fund 1050.

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**OBMCD7            Internal Control and Audit Oversight****Section: 229.10**

Requires the Director of OBM to include the recovery of costs to operate the Internal Control and Audit Oversight Program in the accounting and budgeting services payroll rate and through a direct charge using intrastate transfer vouchers to agencies reviewed by the program. Requires the Director of OBM, with advice from the Internal Audit Advisory Council, to determine the cost recovery methodology. Requires such cost recovery revenues to be deposited into the Accounting and Budgeting Fund (Fund 1050).

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**Executive****OBMCD8          Forgery Recovery****Section: 229.10**

Requires AGY Fund 5EH0 appropriation item 042604, Forgery Recovery, to be used to reissue warrants that have been certified as forgeries by the rightful recipient as determined by the Bureau of Criminal Identification and Investigation and the Treasurer of State. Requires the Director of OBM to reissue a state warrant upon receipt of funds to cover the reissuance of the warrant.

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**OBMCD9          GRF Transfer to the OAKS Project Implementation Fund****Section: 229.10**

Requires the Director of OBM to transfer up to \$1.1 million each fiscal year from the GRF to the OAKS Project Implementation Fund (Fund 5N40).

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**OBMCD10          Personal Service Expenses****Section: 503.10**

Requires any appropriation from which personal service expenses are paid to bear the employer's share of various costs, unless otherwise prohibited by law. Requires that these costs be determined in conformity with the appropriate sections of law and paid in accordance with procedures specified by OBM. Permits expenditures from appropriation item 070601, Public Audit Expense - Intra-State, to be exempted from this requirement.

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**OBMCD11          Satisfaction of Judgments and Settlements Against the State****Section: 503.20**

Permits the use of certain appropriations to satisfy judgments, settlements, and administrative awards ordered or approved by the Court of Claims or by any other court of competent jurisdiction in connection with civil actions against the state.

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**Executive****OBMCD12          Capital Project Settlements****Section: 503.30**

Specifies an additional and supplemental procedure to provide for payments of judgments and settlements if the Director of OBM determines that sufficient unencumbered moneys do not exist in the particular appropriation to pay the amount of a final judgment rendered against the state or a state agency, including the settlement of a claim approved by a court, in an action upon and arising out of a contractual obligation for the construction or improvement of a capital facility if the costs under the contract were payable in whole or in part from a state capital projects appropriation.

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**OBMCD13          Re-Issuance of Voided Warrants****Section: 503.40**

Provides funds for the reissuance of voided warrants under section R.C. 126.37, when approved by OBM.

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**OBMCD14          Reappropriation of Unexpended Encumbered Balances of Operating Appropriations****Section: 503.50**

- (1) Reappropriates on July 1 of the following fiscal year an unexpended balance of an operating appropriation or reappropriation that a state agency lawfully encumbered prior to the close of a fiscal year from the fund from which it was originally appropriated or reappropriated for various time periods based on the type of encumbrance.
- (2) Requires any operating appropriations for which unexpended balances are reappropriated beyond a five-month period from the end of the fiscal year to be reported to the Controlling Board by the Director of OBM by December 31 each year. Requires the report on each such item to include the item, the cost of the item, and the name of the vendor. Requires the report to be updated on a quarterly basis for encumbrances remaining open.
- (3) Specifies that a reappropriation made pursuant to this provision lapses upon the expiration of the reappropriation time periods referenced above and requires the Director of OBM to cancel the encumbrance of the unexpended reappropriation no later than the end of the weekend following the expiration of the reappropriation period.

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- (4) Reappropriates on July 1 of the following fiscal biennium an unexpended balance of an encumbrance that was reappropriated on July 1 for up to two years for reclamation of land or oil and gas wells or other expenses for periods of up to two years that the Director of OBM approves and that remains encumbered at the close of the fiscal biennium.
- (5) Permits the Director of OBM to correct accounting errors committed by OBM staff, such as re-establishing encumbrances or appropriations cancelled in error, during the cancellation of operating encumbrances in November and of nonoperating encumbrances in December.
- (6) Specifies that if the Controlling Board approved a purchase, that approval remains in effect so long as the appropriation used to make that purchase remains encumbered.
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**OBMCD15          Appropriations Related to Cash Transfers and Re-Establishment of Encumbrances****Section: 503.60**

Specifies that any cash transferred by the Director of OBM under R.C. 126.15 (for the purpose of making adjustments to capital or operating budgets) and any amounts necessary to re-establish appropriations or encumbrances under that section are appropriated.

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**OBMCD16          Expenditures and Appropriation Increases Approved by the Controlling Board****Section: 503.80**

Specifies that any money that the Controlling Board approves for expenditure or any increase in appropriation that the Controlling Board approves under its authority is appropriated for the FY 2012-FY 2013 biennium.

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**OBMCD17          Transfers to the General Revenue Fund of Interest Earned****Section: 512.10**

Authorizes the Director of OBM to transfer to the GRF interest earned in any state fund, with the exception of funds that are restricted or protected by the Ohio Constitution, federal tax law, or the federal Cash Management Improvement Act.

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**OBMCD18            Cash Transfers to the General Revenue Fund from Non-GRF Funds****Section:    512.30**

Permits the Director of OBM to transfer up to \$60 million in cash over the FY 2012-FY 2013 biennium from non-GRF funds that are not constitutionally restricted to the GRF in order to ensure that available GRF receipts and balances are sufficient to support GRF appropriations in each fiscal year.

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**OBMCD1            FY 2011 GRF Ending Balance****Section:    512.40**

Requires the OBM Director to transfer cash into the Disaster Services Fund (Fund 5E20) and the Teacher Incentive Program Fund (Fund 5KG0) from the FY 2011 surplus GRF revenue that would otherwise be transferred to the Budget Stabilization Fund (Fund 7013) or the Income Tax Reduction Fund (Fund 4R80). Specifies that half the amount of the FY 2011 surplus GRF revenue be transferred to Fund 5E20 and the other half to Fund 5KG0.

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**OBMCD28            General Obligation Debt Service Payments****Section:    518.10**

Specifies that certain appropriations of this act are for the purpose of paying debt service and financing costs on general obligation bonds or notes of the state. Appropriates additional amounts to fully fund those costs if additional amounts are necessary.

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**OBMCD29            Lease Payments to OPFC, PBA, and Treasurer of State****Section:    518.20**

Specifies that certain appropriations of this act are for the purpose of making lease rental payments pursuant to leases and agreements related to certain bonds or notes issued under the Ohio Constitution and acts of the General Assembly. Appropriates additional amounts to fully fund those costs if additional amounts are necessary.

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**OBMCD19 Authorization for Treasurer of State and OBM to Effectuate Certain Debt Service Payments****Section: 518.30**

Directs OBM to process payments from general obligation and lease rental payment appropriation items during the FY 2012-FY 2013 biennium relating to bonds or notes issued under Sections 2i, 2k, 2l, 2m, 2n, 2o, 2p, 2q, 2r, and 15 of Article VIII, Ohio Constitution, and Chapters 151. and 154. of the Revised Code. Requires payments to be made upon certification by the Treasurer of State, Office of the Sinking Fund, of the dates and the amounts due on those dates.

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**OBMCD20 Authorization for Ohio Building Authority and OBM to Effectuate Certain Lease Rental Payments****Section: 518.40**

Requires OBM, in FY 2012 and FY 2013, to process lease rental debt service payments in accordance with the lease agreements involving the bonds or notes issued under Section 2i of Article VIII, Ohio Constitution, and Chapter 152. of the Revised Code. Requires the Ohio Building Authority to certify the date and the amount due for each payment to the Director of OBM.

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**OBMCD21 State and Local Rebate Authorization****Section: 521.10**

Appropriates, from the funds designated by or pursuant to the applicable proceedings authorizing the issuance of state obligations, amounts computed at the time to represent the portion of investment income to be rebated or amounts in lieu of or in addition to any rebate amount to be paid to the federal government in order to maintain the exclusion from gross income for federal income tax purposes of interest on those state obligations under section 148(f) of the Internal Revenue Code. Requires OBM to approve and voucher rebate payments.

**Fiscal effect: None. Rebate payments, if any, will be paid out of the bond fund in which excess earnings were realized. Federal laws prohibit tax-exempt bond issuers, in this case the state of Ohio, from earning a higher rate of interest from investment of bond proceeds than the interest paid on the bonds.**

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**Executive****OBMCD22      Statewide Indirect Cost Recovery****Section: 521.20**

Appropriates from available receipts amounts required for statewide indirect costs when the Director of OBM has determined that an appropriation made to a state agency for this purpose is insufficient.

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**OBMCD23      Transfers on Behalf of the Statewide Indirect Cost Allocation Plan****Section: 521.30**

(1) Allows the director of an agency to certify to the Director of OBM the amount of expenses not allowed to be included in the Statewide Indirect Cost Allocation Plan (SWICAP) under federal regulations, from any fund included in the SWICAP, prepared as required by R.C. 126.12.

(2) Permits the Director of OBM, upon determining that no alternative source of funding is available to pay for such expenses, to transfer funds from the GRF to the fund for which the certification is made up to the amount of the certification. Requires the director of an agency receiving such funds to include a request for funding for such activities from an alternative source as part of the next budget submission.

(3) Allows the director of an agency to certify to the Director of OBM the amount of expenses paid in error from a fund included in the SWICAP. Allows the Director of OBM to transfer cash from the fund from which the expenditure should have been made into the fund from which the expenses were erroneously paid, up to the amount of the certification.

(4) Prohibits total transfers made from the GRF by the Director of OBM under these provisions from exceeding the amounts transferred into the GRF for the purpose of recovering statewide indirect costs under R.C. 126.12.

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**OBMCD24      Federal Government Interest Requirements****Section: 521.40**

Authorizes the Director of OBM to designate the funds that are to retain their own interest earnings in order to reduce the payment of adjustments to the federal government, as determined by the Statewide Indirect Cost Allocation Plan prepared pursuant to R.C. 126.12(A).

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**Executive****OBMCD25      Federal Cash Management Improvement Act****Section: 521.50**

Allows the Director of OBM to cancel and re-establish all or part of encumbrances in like amounts within the funds identified by the plan required to be prepared under R.C. 131.36 for compliance with the Federal Cash Management Improvement Act. Appropriates the amounts necessary to re-establish all or part of the encumbrances.

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**OBMCD26      Fiscal Stabilization and Recovery****Section: 521.60**

Permits the Director of OBM, to ensure the level of accountability and transparency required by federal law, to issue guidelines to any agency applying for federal money made available to this state for fiscal stabilization and recovery purposes and to prescribe the process by which agencies are to comply with any reporting requirements established by the federal government.

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**OBMCD27      Oversight of Federal Stimulus Funds****Section: 521.70**

(1) Requires the Office of Internal Auditing (OIA) within OBM, in connection with its responsibility under current law to internally audit specified state agencies, to monitor and measure the effectiveness of funds allocated to the state as part of the federal American Recovery and Reinvestment Act of 2009 (ARRA). Requires OIA to review how funds allocated to each state agency under its oversight are spent.

(2) Requires OIA to submit a report of its findings covering each of the six-month periods during the FY 2012-FY 2013 fiscal biennium to the President of the Senate, the Speaker of the House of Representatives, the Minority Leaders of each chamber, and the chairs of the House and Senate committees handling finance and appropriations.

(3) Requires that certain quarterly reports regarding ARRA funds that are required by the federal government also be submitted to the President of the Senate, the Speaker of the House of Representatives, the Minority Leaders of each chamber, and the chairs and ranking members of the committees in the Senate and the House of Representatives

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handling finance and appropriations.

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**Appropriation Language**

TAXCD14          Centralized Tax Filing and Payment Fund

**Section: 403.10**

Requires the Director of Budget and Management to transfer up to \$400,000 in the biennium from the GRF to the Centralized Tax Filing and Payment Fund (Fund 5W40), which is a General Services Fund used by the Department of Taxation.

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## LOCCD9            Commercial Advertising on State Agency and Political Subdivision Web Sites

R.C.            *9.03, 9.031*

Authorizes state agencies and political subdivisions to adopt rules (in the case of state agencies) or resolutions (in the case of political subdivisions) to authorize commercial advertising on state agency and political subdivision web sites. Requires the rules or resolutions to specify the persons authorized to place the advertising on the web sites, the criteria for choosing advertisers and types of permissible advertisements, the requirements and procedures for making requests for proposals under the authority to place commercial advertisements on web sites, and any other necessary requirements and limitations for the authorization.

Modifies the current prohibition against commercial advertising by political subdivisions by allowing commercial advertising as long as it is posted on a political subdivision's web site in compliance with the authorization under the bill.

**Fiscal effect: The provision would increase revenues for those entities that chose to offer advertising on their web sites.**

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