



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 328 of the 130th G.A.](#)
(LSC 130 1721-1)

Date: January 28, 2014

Status: In House State and Local Government

Sponsor: Reps. Young and C. Hagan

Local Impact Statement Procedure Required: No

Contents: Controlling Board authority

State Fiscal Highlights

- Certain state agencies may have to pursue other alternatives to increase or establish an appropriation, including enactment of the necessary legislation. The pursuit of such alternatives may delay activities and services that the agency might otherwise have performed sooner if such a request could have been submitted to the Board. Any costs that could be associated with such a delay are uncertain.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill imposes a limitation on the Controlling Board's authority to approve the expenditure of certain federal and nonfederal funds, and stipulates that the amount of any expenditure authorized by the Board in any fiscal year cannot exceed an amount greater than 0.5% of the GRF appropriations for that fiscal year. A review of the Board's online meetings and agendas from 2007 through October 2013 suggests that extremely few of the fund/appropriation requests approved by the Board might have exceeded the 0.5% GRF threshold that would have been applicable prior to FY 2014.

In FY 2014, the above-noted provision will limit the authority of the Board to approve requests for appropriation increases in excess of \$151.3 million. In FY 2015, that limit will be \$158.5 million. This may create a situation in the future where a state agency would have to pursue other alternatives to increase or establish an appropriation, which presumably could include enactment of the necessary legislation by the General Assembly. The pursuit of such alternatives may delay activities and services that the agency might otherwise have performed sooner if such a request could have been submitted to the Board. Costs associated with such a delay, if any, are uncertain.

Synopsis of Fiscal Effect Changes

The substitute bill removes the more restrictive threshold criteria that were in the introduced version of the bill, which would have required certain state agencies to expend more time and effort on developing and implementing strategies for securing any necessary appropriation increases. The substitute bill instead establishes a broader, less restrictive threshold, which should reduce the need for certain agencies to utilize alternative appropriation increase strategies.