

# Treasurer of State

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## OVERVIEW

The Treasurer of State collects, invests, and protects state funds. The Treasurer's Office functions as a custodian of the public's money, manager of the state's investment portfolio, and collector of taxes and fees. The Treasurer of State is a constitutional officer elected to a four-year term.

The Treasurer's Office performs the following tasks:

- \$ Collects all taxes except personal income tax, liquor gallonage tax, horse racing wager tax, and motor transportation tax
- \$ Manages the state's investment portfolio, working to maximize the state's return on investment by investing available funds in a variety of financial instruments under statutory guidance provided by the legislature
- \$ Serves as custodian of both moneys in the state treasury and certain moneys that are held, by law, in the custody of the Treasurer outside the state treasury
- \$ Ensures that sufficient cash is available to allow the state to make necessary payments
- \$ Safeguards the funds of the state's five public pension systems
- \$ Operates the Linked Deposit program, helping farmers and small businesses obtain low-cost loans
- \$ Manages the Star Ohio program, pooling the investments of schools and political subdivisions to obtain safe returns
- \$ Manages the Bid Ohio program, working to keep Ohio's investment dollars in Ohio
- \$ Manages the Securities Lending program, generating income by loaning securities on a short term basis to selected brokerage firms and financial institutions for a fee
- \$ Administers a continuing education program for Ohio's public funds managers to ensure that local tax dollars are invested wisely and safely

The Executive's recommended total funding for FY 2002 is \$701,036,054. This amount is \$12,641,558 greater than FY 2001, a 1.8 percent increase. Recommended funding for FY 2003 is \$721,807,082. This amount is \$20,771,028 greater than FY 2002, a 3.0 percent increase.

Recommended GRF funding for FY 2002 is \$40,708,433. This amount is \$4,982,577 greater than FY 2001 estimated spending, an increase of 13.9 percent. Recommended GRF funding for FY 2003 is \$43,837,900. This amount is \$3,129,467 greater than FY 2002, a 7.7 percent increase. Pension subsidies account for most of the GRF funding.

Recommended funding for GRF operating line items for FY 2002 is \$11,427,823. This amount is \$3,677,783 higher than FY 2001 estimated spending, an increase of 47.5 percent. Recommended funding for FY 2003 is \$13,782,000. This amount is \$ 2,354,177 higher than FY 2002, an increase of 20.6 percent.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Treasurer of State Operations

**Purpose** The Treasurer of State collects, invests, and protects state funds. The Treasurer’s Office functions as a custodian of the public’s money, manager of the state’s investment portfolio, and collector of taxes and fees.

The following table shows the line items that are used to fund operating expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
GRF	090-321	Operating Expenses	\$10,948,500	\$13,247,000
GRF	090-402	Continuing Education	\$479,323	\$535,000
<b>Total funding: Treasurer of State Operations</b>			<b>\$11,427,823</b>	<b>\$13,782,000</b>

### Operating Expenses

**Description:** This line item provides funds for payroll, fringe benefits, maintenance, and equipment for the Treasurer of State.

**Funding Source:** GRF

**Line Items:** 090-321

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$3,640,667 (49.8 percent) above estimated spending for FY 2001 and the recommended funding for FY 2003 is \$2,298,500 (21.0 percent) above that for FY 2002. The recommended funding for FY 2002-2003 is 67 percent above estimated expenditures for FY 2000-2001<sup>1</sup>. The increase in appropriations would fund software and maintenance requirements of the new warrants processing system. It would also return operating expenses closer to historical level of appropriations for this line item. Total recommended funding for FY 2002-03 is \$24.1 million. In FY 1998-99, \$16.3 million were spent on operating expenses. Spending for operations in FY 2000-01 is estimated at \$14.5 million.

### Continuing Education

**Description:** This line item pays for costs associated with the registration and enrollment into classes for continuing education by public portfolio managers.

**Funding Source:** GRF

**Line Items:** 090-402

<sup>1</sup>The Treasurer’s Office employs approximately 165 people (full time). There have been on-going discussions regarding a potential transfer of personnel and equipment from the Office of Treasurer of State to the Department of Taxation. Recommended appropriations do not reflect this potential transfer and appropriations for line item 090-321 might later require an adjustment.

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$37,116 (8.4 percent) above estimated spending for FY 2001 and the recommended funding for FY 2003 is \$55,677 (11.6 percent) above that for FY 2002.

### **Commissioners of the Sinking Fund**

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**Purpose** The role of the Commissioners of the Sinking Fund is to issue and pay the debt service on certain general obligation bonds that are authorized by the state constitution and the legislature for specific purposes.

The following table shows the line item used to fund Commissioners of the Sinking Fund expenses of the Treasurer of State.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2002</b>	<b>FY 2003</b>
GRF	090-401	Office of the Sinking Fund	\$621,600	\$640,250
<b>Total funding: Office of the Sinking fund</b>			<b>\$621,600</b>	<b>\$640,250</b>

**Description:** This line item covers costs incurred by order of or on behalf of the Commissioners of the Sinking Fund relative to the issuance and sale of bonds or other obligations. The GRF is reimbursed from the affected issuance's bond retirement fund.

**Funding Source:** GRF

**Line Items:** 090-401

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$40,200 (6.9 percent) above estimated spending for FY 2001 and the recommended funding for FY 2003 is \$18,650 (3.0 percent) above that for FY 2002.

### **Pension Subsidies**

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**Purpose** These subsidies provide supplemental moneys to specified members of Ohio's retirement systems and to surviving spouses and children of law enforcement officers, firefighters, and correction officers who die in the line of duty or who die from injuries sustained in the line of duty.

The following table shows the line items that are used to fund pension subsidy expenses of the Treasurer of State.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2002</b>	<b>FY 2003</b>
GRF	090-510	PERS Cost of Living	\$1,160	600
GRF	090-511	STRS Cost of Living	\$1,100	\$1,100
GRF	090-512	SERS Cost of Living	\$500	\$500
GRF	090-520	PERS Pension Benefits	\$153,740	\$124,250
GRF	090-521	STRS Pension Benefits	\$228,000	\$225,000

GRF	090-522	SERS Pension Benefits	\$50,000	\$50,000
GRF	090-523	Highway Patrol Retirement System	\$1,680	\$1,500
GRF	090-524	Police and Fire Disability Pension	\$43,000	\$40,000
GRF	090-530	PERS Ad Hoc Cost of Living	\$679,550	\$593,700
GRF	090-531	STRS Ad Hoc Cost of Living	\$1,280,000	\$1,250,000
GRF	090-532	SERS Ad Hoc Cost of Living	\$171,000	\$150,000
GRF	090-533	Highway Patrol Ad Hoc Cost of Living	\$19,280	\$19,000
GRF	090-534	Police and Fire Ad Hoc Cost of Living	\$280,000	260,000
GRF	090-544	Police and Fire State Contribution	\$1,200,000	\$1,200,000
GRF	090-554	Police and Fire Survivor Benefits	\$1,550,000	\$1,500,000
GRF	090-575	Police and Fire Death Benefits	\$23,000,000	\$24,000,000
<b>Total funding: Pension Subsidies</b>			<b>\$28,659,010</b>	<b>\$29,415,650</b>

**Description:** These subsidies provide supplemental moneys to specified members of Ohio's retirement systems and to surviving spouses and children of law enforcement officers, firefighters, and correction officers who die in the line of duty or who die from injuries sustained in the line of duty.

**Funding Source:** GRF

**Line Items:** 090-510; 090-511; 090-512; 090-520; 090-521; 090-522; 090-523; 090-524; 090-530; 090-531; 090-532; 090-533; 090-534; 090-544; 090-554; 090-575

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$1,264,594 (5.0 percent) above estimated spending for FY 2001 and the recommended funding for FY 2003 is \$756,640 (2.6 percent) above that for FY 2002. The line with a substantial increase is Police and Fire Death Benefits. It increases by \$1,720,000 in FY 2002 and \$1,000,000 in FY 2003. This subsidy provides benefits to the surviving spouses and children of law enforcement officers, firefighters, and correction officers who die in the line of duty or who die from injuries sustained in the line of duty. Most accounts decrease each year as the number of members covered by the particular benefit declines.

## **Investment Pool Reimbursement**

**Purpose** The Ohio Subdivision's Fund is commonly referred to as STAR Ohio. It is an AAA rated investment alternative created for eligible governmental subdivisions as defined in section 135.45(E)(2) of the Ohio Revised Code. The investment pool is managed by a full-time investment staff with the Treasurer of State of Ohio and is similar in concept to a money market mutual fund. STAR Ohio affords the participants a convenient tool for investing in a diversified pool of high quality short-term assets. Most of the portfolio is invested in U.S. government obligations and U.S. government agency securities. The remainder of the portfolio is invested in fully collateralized certificates of deposit, repurchase agreements, eligible bankers' acceptances and commercial paper. While the fund is not insured, it is backed by the underlying securities of the portfolio.

The following table shows the line item used to fund Investment Pool Reimbursement expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
577	090-605	Investment Pool Reimbursement	\$662,000	\$600,000
<b>Total funding: Investment Pool Reimbursement</b>			<b>\$662,000</b>	<b>\$600,000</b>

**Description:** The local governments' investment pool, STAR Ohio, consists of local subdivisions' deposits of interim moneys, which are then invested. The money invested and the interest earned are returned to the local subdivisions when needed. The Treasurer is reimbursed for administrative expenses, which are initially paid out of the investment earnings.

**Funding Source:** GSF – investment pool administration fee paid by local governments who participate in the program

**Line Items:** 090-605

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$88,000 (11.7 percent) below estimated spending for FY 2001 and the recommended funding for FY 2003 is \$62,000 (9.4 percent) below that for FY 2002. This decrease in recommended appropriations is due to a reduction in equipment and maintenance requirements during FY2002-2003.

### **Treasurer of State Administrative Fund**

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**Purpose** The Treasurer's Office functions as a custodian of the public's money, both moneys in the state treasury and certain moneys that are held, by law, in the custody of the Treasurer outside the state treasury.

The following table shows the line item used to fund the Treasurer of State Administrative Fund expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
605	090-609	Treasurer of State Administrative Fund	\$760,000	\$1,270,000
<b>Total funding: Treasurer of State Administrative Fund</b>			<b>\$760,000</b>	<b>\$1,270,000</b>

**Description:** This line item pays for custodial services provided by the Treasurer's office. These services include safekeeping, disbursing, and administering custodial moneys and assets such as the retirement systems funds and various other agency funds.

**Funding Source:** GSF – fees charged to the entities receiving custodial services

**Line Items:** 090-609

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$160,000 (26.7 percent) above estimated spending for FY 2001 and the recommended funding for FY 2003 is \$510,000 (67.1 percent) above that for FY 2002. The recommended funding for FY 2002-2003 is 62 percent above estimated spending for FY 2000-2001. The increases in recommended appropriations are related to the installation of the new warrants processing systems.

**Financial Planning Commissions**

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**Purpose** Financial Planning and Supervision Commissions are formed to assist municipalities during fiscal emergencies.

The following table shows the line item used to fund Financial Planning Commissions expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
182	090-608	Financial Planning Commissions	\$12,944	\$13,682
<b>Total funding: Financial Planning Commissions</b>			<b>\$12,944</b>	<b>\$13,682</b>

**Description:** This line item is used to pay the salary and related expenses of Treasurer of State designees who serve on Financial Planning and Supervision Commissions. The commissions are formed to assist municipalities during fiscal emergencies.

**Funding Source:** GSF – from 040-434, Financial Planning Commissions line item of the Office of Budget and Management

**Line Items:**090-608

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$944 (7.9 percent) above estimated spending for FY 2001 and the recommended funding for FY 2003 is \$738 (5.7 percent) above that for FY 2002.

**Securities Lending Income Fund**

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**Purpose** The Securities Lending program loans securities on a short-term basis to selected brokerage firms and financial institutions.

The following table shows the line item used to fund Securities Lending Income expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
4E9	090-603	Securities Lending Income	\$3,773,177	\$970,000
<b>Total funding: Securities Lending Income</b>			<b>\$3,773,177</b>	<b>\$970,000</b>

**Description:** This line item funds the Securities Lending Program, administered by the Treasurer of State.

**Funding Source:** GSF – interest earnings of the securities not to exceed an amount based on an annual rate of one quarter of one percent of the total average daily par value of assets in the securities lending program

**Line Items:** 090-603

**Implication of the Executive Recommendation:** The recommended funding for FY 2002 is \$2,395,963 (38.8 percent) below estimated spending for FY 2001 and the recommended

funding for FY 2003 is \$2,803,177 (74.3 percent) below that for FY 2002. Recommended funding for securities lending income in FY 20002-2003 is 56 percent below estimated funding for FY 2000-2001. The decreases are due to changes in investment policy by the Treasurer of State. A more risk-adverse investment strategy in the upcoming biennium will reduce securities lending income.

**Treasury Education Fund**

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**Purpose** The Treasurer provides various education programs for the private sector in Ohio. These programs are distinct from the continuing education programs conducted for Ohio’s public funds managers.

The following table shows the line item used to fund Treasury Education expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
4NO	090-611	Treasury Education Fund	\$27,500	\$27,500
<b>Total funding: Treasury Education</b>			<b>\$27,500</b>	<b>\$27,500</b>

**Description:** These moneys are used to support various educational programs including, but not limited to, capital project financing, local government investment programs, linked deposit programs, and finance-related education programs.

**Funding Source:** GSF – gifts, grants, and contributions

**Line Items:** 090-611

**Implication of the Executive Recommendation:** The recommended levels of funding for FYs 2002 and 2003 are both the same as that for FY 2001.

**County Treasurer Education**

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**Purpose** The Treasurer conducts education programs for county treasurers. These programs are to enhance the background and working knowledge of county treasurers in the areas of governmental accounting, investments, portfolio reporting and compliance, and cash and portfolio management.

The following table shows the line item used to fund County Treasurer Education expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
5C5	090-602	County Treasurer Education	\$92,000	\$88,000
<b>Total funding: County Treasurer Education</b>			<b>\$92,000</b>	<b>\$88,000</b>

**Description:** Moneys from this line item are used for expenses associated with conducting education programs for county treasurers.

**Funding Source:** SSR – fees imposed by the Treasurer of State and the Auditor of State for education and training programs for county treasurers

**Line Items:** 090-602

**Implication of the Executive Recommendation:** The recommended levels of funding for FY 2002 is \$18,000 (16.4 percent) below estimated FY 2001 spending and the recommended spending for FY 2003 is \$4,000 (4.3 percent) below that for FY 2002.

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## Tax Refunds

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**Purpose** To pay tax refunds to Ohio tax payers and permissive tax distributions that are not refunds

The following table shows the line item used to fund Agency Fund Group expenses of the Treasurer of State.

Fund	ALI	Title	FY 2002	FY 2003
425	090-635	Tax Refunds	\$655,000,000	\$675,000,000
<b>Total funding: Tax Refunds</b>			<b>\$655,000,000</b>	<b>\$675,000,000</b>

**Description:** Moneys from this line item are used to pay refunds to Ohio taxpayers and to pay permissive tax distributions that are not refunds. Taxes included are county permissive sales and use, transit authority permissive sales and use, cigarette excise tax (Cuyahoga County), alcoholic beverage tax (Cuyahoga County), and liquor gallonage tax (Cuyahoga County).

**Funding Source:** AGY – GRF

**Line Items:** 090-635

**Implication of the Executive Recommendation:** The recommended levels of funding for FY 2002 is \$10,000,000 (1.6 percent) above estimated FY 2001 spending and the recommended spending for FY 2003 is \$20,000,000 (3.1 percent) above that for FY 2002.

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

The Executive has not proposed changes to permanent and temporary law provisions.

## LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2000</i>	<i>Estimated 2001</i>	<i>Executive 2002</i>	<i>% Change 2001 to 2002</i>	<i>Executive 2003</i>	<i>% Change 2002 to 2003</i>
<b>TOS Treasurer of State</b>								
GRF	090-321	Operating Expenses	\$ 7,207,049	\$7,307,833	\$ 10,948,500	49.8%	\$ 13,247,000	21.0%
GRF	090-401	Office of the Sinking Fund	\$ 279,191	\$581,400	\$ 621,600	6.9%	\$ 640,250	3.0%
GRF	090-402	Continuing Education	\$ 395,260	\$442,207	\$ 479,323	8.4%	\$ 535,000	11.6%
GRF	090-510	PERS Cost of Living	\$ 136	\$451	\$ 1,160	157.2%	\$ 600	-48.3%
GRF	090-511	STRS Cost of Living	\$ 1,276	\$1,200	\$ 1,100	-8.3%	\$ 1,100	0.0%
GRF	090-512	SERS Cost of Living	\$ 542	\$600	\$ 500	-16.7%	\$ 500	0.0%
GRF	090-520	PERS Pension Benefits	\$ 77,470	\$120,628	\$ 153,740	27.4%	\$ 124,250	-19.2%
GRF	090-521	STRS Pension Benefits	\$ 287,424	\$300,000	\$ 228,000	-24.0%	\$ 225,000	-1.3%
GRF	090-522	SERS Pension Benefits	\$ 75,226	\$67,000	\$ 50,000	-25.4%	\$ 50,000	0.0%
GRF	090-523	Highway Patrol Retirement System	\$ 3,034	\$4,050	\$ 1,680	-58.5%	\$ 1,500	-10.7%
GRF	090-524	Police and Fire Disability Pension	\$ 50,000	\$45,000	\$ 43,000	-4.4%	\$ 40,000	-7.0%
GRF	090-530	PERS Ad Hoc Cost of Living	\$ 616,410	\$667,687	\$ 679,550	1.8%	\$ 593,700	-12.6%
GRF	090-531	STRS Ad Hoc Cost of Living	\$ 1,491,584	\$1,500,000	\$ 1,280,000	-14.7%	\$ 1,250,000	-2.3%
GRF	090-532	SERS Ad Hoc Cost of Living	\$ 227,946	\$213,000	\$ 171,000	-19.7%	\$ 150,000	-12.3%
GRF	090-533	Hwy Patrol Ad Hoc Cost of Living	\$ 22,498	\$24,800	\$ 19,280	-22.3%	\$ 19,000	-1.5%
GRF	090-534	Police & Fire Ad Hoc Cost of Living	\$ 312,024	\$300,000	\$ 280,000	-6.7%	\$ 260,000	-7.1%
GRF	090-544	Police and Fire State Contribution	\$ 1,200,000	\$1,200,000	\$ 1,200,000	0.0%	\$ 1,200,000	0.0%
GRF	090-554	Police and Fire Survivor Benefits	\$ 1,719,530	\$1,670,000	\$ 1,550,000	-7.2%	\$ 1,500,000	-3.2%
GRF	090-575	Police and Fire Death Benefits	\$ 19,500,000	\$21,280,000	\$ 23,000,000	8.1%	\$ 24,000,000	4.3%
GRF	090-900	Debt Service	\$ 115,306,777	\$0	\$ 0	N/A	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 148,773,377</b>	<b>\$ 35,725,856</b>	<b>\$ 40,708,433</b>	<b>13.9%</b>	<b>\$ 43,837,900</b>	<b>7.7%</b>
182	090-608	Financial Planning Commissions	\$ 5,697	\$12,000	\$ 12,944	7.9%	\$ 13,682	5.7%
4E9	090-603	Securities Lending Income	\$ 4,622,334	\$6,169,140	\$ 3,773,177	-38.8%	\$ 970,000	-74.3%
4N0	090-611	Treasury Education	\$ 1,389	\$27,500	\$ 27,500	0.0%	\$ 27,500	0.0%
577	090-605	Investment Pool Reimbursement	\$ 828,925	\$750,000	\$ 662,000	-11.7%	\$ 600,000	-9.4%
605	090-609	Treasurer of State Administrative Fund	\$ 649,443	\$600,000	\$ 760,000	26.7%	\$ 1,270,000	67.1%
<b>General Services Fund Group Total</b>			<b>\$ 6,107,788</b>	<b>\$ 7,558,640</b>	<b>\$ 5,235,621</b>	<b>-30.7%</b>	<b>\$ 2,881,182</b>	<b>-45.0%</b>

## LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2000</i>	<i>Estimated 2001</i>	<i>Executive 2002</i>	<i>% Change 2001 to 2002</i>	<i>Executive 2003</i>	<i>% Change 2002 to 2003</i>
<b><i>TOS Treasurer of State</i></b>								
5C5	090-602	County Treasurer Education	\$ 92,358	\$110,000	\$ 92,000	-16.4%	\$ 88,000	-4.3%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 92,358</b>	<b>\$ 110,000</b>	<b>\$ 92,000</b>	<b>-16.4%</b>	<b>\$ 88,000</b>	<b>-4.3%</b>
077	090-900	State Cap Improv Bond Service Fd	\$ 115,632,463	\$0	\$ 0	N/A	\$ 0	N/A
<b>Debt Service Fund Group Total</b>			<b>\$ 115,632,463</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>N/A</b>	<b>\$ 0</b>	<b>N/A</b>
425	090-635	Tax Refunds	----	\$645,000,000	\$ 655,000,000	1.6%	\$ 675,000,000	3.1%
<b>Agency Fund Group Total</b>			<b>----</b>	<b>\$ 645,000,000</b>	<b>\$ 655,000,000</b>	<b>1.6%</b>	<b>\$ 675,000,000</b>	<b>3.1%</b>
<b><i>Total All Budget Fund Groups</i></b>			<b>\$ 270,605,986</b>	<b>\$ 688,394,496</b>	<b>\$ 701,036,054</b>	<b>1.8%</b>	<b>\$ 721,807,082</b>	<b>3.0%</b>

## General Revenue Fund

### GRF 090-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$8,510,899	\$8,255,648	\$7,207,049	\$7,307,833	<b>\$10,948,500</b>	<b>\$13,247,000</b>
	-3.0%	-12.7%	1.4%	<b>49.8%</b>	<b>21.0%</b>

**Source:** GRF

**Legal Basis:** Ohio Constitution

**Purpose:** This line item provides funds for payroll, fringe benefits, maintenance, and equipment for the Treasurer of State.

### GRF 090-401 Office of the Sinking Fund

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$162,415	\$213,019	\$279,191	\$581,400	<b>\$621,600</b>	<b>\$640,250</b>
	31.2%	31.1%	108.2%	<b>6.9%</b>	<b>3.0%</b>

**Source:** GRF

**Legal Basis:** ORC 129

**Purpose:** This line item covers all costs incurred by order of or on behalf of the Commissioners of the Sinking Fund relative to the issuance and sale of bonds or other obligations. The GRF is reimbursed from the affected issuance's bond retirement fund.

### GRF 090-402 Continuing Education

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$260,568	\$383,164	\$395,260	\$442,207	<b>\$479,323</b>	<b>\$535,000</b>
	47.0%	3.2%	11.9%	<b>8.4%</b>	<b>11.6%</b>

**Source:** GRF

**Legal Basis:** Established by H.B. 117 of the 121st G.A.

**Purpose:** This line item pays for costs associated with the registration and enrollment into classes for continuing education by public portfolio managers.

**GRF 090-510 PERS Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$902	\$794	\$136	\$451	\$1,160	\$600
	-12.0%	-82.9%	231.6%	157.2%	-48.3%

**Source:** GRF

**Legal Basis:** Payments to PERS, STRS, and SERS were consolidated to form this line item in the 501 Cost-of-Living Adjustment Fund during the 1979-1981 biennium

**Purpose:** This subsidy to the Public Employees Retirement System (PERS) provides supplemental moneys for PERS pensioners who began receiving benefits prior to June 29, 1955. Since the number of PERS pension recipients who retired before 1955 is declining, appropriations to this line item are gradually being phased out.

**GRF 090-511 STRS Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,869	\$1,740	\$1,276	\$1,200	\$1,100	\$1,100
	-39.4%	-26.7%	-6.0%	-8.3%	0.0%

**Source:** GRF

**Legal Basis:** ORC 3307

**Purpose:** This subsidy to the State Teachers Retirement System (STRS) provides supplemental moneys to STRS pensioners who began receiving benefits prior to June 29, 1955. Appropriations for this line item will gradually decline as the pool of recipients decreases.

**GRF 090-512 SERS Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$607	\$581	\$542	\$600	\$500	\$500
	-4.3%	-6.7%	10.7%	-16.7%	0.0%

**Source:** GRF

**Legal Basis:** ORC 3309

**Purpose:** This subsidy to the School Employees Retirement System (SERS) provides supplemental moneys to SERS pensioners who began receiving benefits prior to June 29, 1955.

**GRF 090-520 PERS Pension Benefits**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$216,797	\$176,921	\$77,470	\$120,628	\$153,740	\$124,250
	-18.4%	-56.2%	55.7%	27.4%	-19.2%

**Source:** GRF

**Legal Basis:** ORC 145

**Purpose:** This subsidy provides supplemental retirement benefits for Public Employees Retirement System (PERS) members who were retired and eligible to receive pension benefits prior to July 1, 1968.

**GRF 090-521 STRS Pension Benefits**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$439,106	\$357,546	\$287,424	\$300,000	<b>\$228,000</b>	<b>\$225,000</b>
	-18.6%	-19.6%	4.4%	<b>-24.0%</b>	<b>-1.3%</b>

**Source:** GRF

**Legal Basis:** ORC 3307.4

**Purpose:** This subsidy provides supplemental retirement benefits to State Teachers Retirement System (STRS) members who were retired and eligible to receive benefits prior to July 1, 1968.

**GRF 090-522 SERS Pension Benefits**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$112,918	\$93,501	\$75,226	\$67,000	<b>\$50,000</b>	<b>\$50,000</b>
	-17.2%	-19.5%	-10.9%	<b>-25.4%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 3309

**Purpose:** This subsidy provides supplemental retirement benefits to School Employee Retirement System (SERS) members who were retired and eligible to receive pension benefits prior to July 1, 1968.

**GRF 090-523 Highway Patrol Retirement System**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,614	\$4,156	\$3,034	\$4,050	<b>\$1,680</b>	<b>\$1,500</b>
	-9.9%	-27.0%	33.5%	<b>-58.5%</b>	<b>-10.7%</b>

**Source:** GRF

**Legal Basis:** ORC 5505

**Purpose:** This subsidy provides supplemental retirement benefits to members of the State Highway Patrol Retirement System (SHPRS) who were retired and eligible to receive pension benefits prior to July 1, 1968.

**GRF 090-524 Police and Fire Disability Pension**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$75,414	\$68,820	\$50,000	\$45,000	<b>\$43,000</b>	<b>\$40,000</b>
	-8.7%	-27.3%	-10.0%	<b>-4.4%</b>	<b>-7.0%</b>

**Source:** GRF

**Legal Basis:** ORC 742

**Purpose:** This subsidy provides supplemental retirement benefits to members of the Police and Firemen's Disability and Pension Fund (PFDPF) system who were retired and eligible to receive pension benefits prior to July 1, 1968.

**GRF 090-530 PERS Ad Hoc Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$976,146	\$852,105	\$616,410	\$667,687	<b>\$679,550</b>	<b>\$593,700</b>
	-12.7%	-27.7%	8.3%	<b>1.8%</b>	<b>-12.6%</b>

*Source:* GRF

*Legal Basis:* ORC 145

*Purpose:* This subsidy funds a five percent benefit increase for retirees who belonged to the Public Employees Retirement System (PERS).

**GRF 090-531 STRS Ad Hoc Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,935,203	\$1,707,567	\$1,491,584	\$1,500,000	<b>\$1,280,000</b>	<b>\$1,250,000</b>
	-11.8%	-12.6%	0.6%	<b>-14.7%</b>	<b>-2.3%</b>

*Source:* GRF

*Legal Basis:* ORC 3307

*Purpose:* This subsidy funds a five percent benefit increase for retirees who belonged to the State Teachers Retirement System (STRS).

**GRF 090-532 SERS Ad Hoc Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$301,577	\$263,152	\$227,946	\$213,000	<b>\$171,000</b>	<b>\$150,000</b>
	-12.7%	-13.4%	-6.6%	<b>-19.7%</b>	<b>-12.3%</b>

*Source:* GRF

*Legal Basis:* ORC 3309

*Purpose:* This subsidy funds a five percent benefit increase for retirees who belonged to the School Employees Retirement System (SERS).

**GRF 090-533 Hwy Patrol Ad Hoc Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$26,814	\$24,991	\$22,498	\$24,800	<b>\$19,280</b>	<b>\$19,000</b>
	-6.8%	-10.0%	10.2%	<b>-22.3%</b>	<b>-1.5%</b>

*Source:* GRF

*Legal Basis:* ORC 5505

*Purpose:* This subsidy funds a five percent benefit increase for retirees who belonged to the State Highway Patrol Retirement System (SHPRS).

**GRF 090-534 Police & Fire Ad Hoc Cost of Living**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$388,069	\$349,258	\$312,024	\$300,000	<b>\$280,000</b>	<b>\$260,000</b>
	-10.0%	-10.7%	-3.9%	<b>-6.7%</b>	<b>-7.1%</b>

**Source:** GRF

**Legal Basis:** ORC 742

**Purpose:** This subsidy funds a five percent benefit increase for retirees who belonged to the Police and Firemen's Disability and Pension Fund (PFDPF) system.

**GRF 090-544 Police and Fire State Contribution**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	<b>\$1,200,000</b>	<b>\$1,200,000</b>
	0.0%	0.0%	0.0%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 742

**Purpose:** This line item receives the annual \$1,200,000 state contribution paid by the Treasurer of State. Prior to FY 1982, appropriations for this purpose were combined with payments for surviving spouses, children and dependent parents in the 504 Police and Firemen's Disability and Pension Fund. State contributions for survivors are now contained in the 554 Police and Firemen's Disability and Pension Fund Survivor Benefits appropriation item.

**GRF 090-554 Police and Fire Survivor Benefits**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,036,480	\$1,865,630	\$1,719,530	\$1,670,000	<b>\$1,550,000</b>	<b>\$1,500,000</b>
	-8.4%	-7.8%	-2.9%	<b>-7.2%</b>	<b>-3.2%</b>

**Source:** GRF

**Legal Basis:** ORC 742

**Purpose:** This subsidy funds payments to all persons who first received survivors' benefits from the Police and Firemen's Disability and Pension Fund prior to July 1, 1981. For survivors first receiving benefits after that date, the system will make such payments from its own resources. Prior to FY 1982, this line item was consolidated with the 544 (PFDPF State Contribution) line item as the 504 Police and Firemen's Disability and Pension Fund appropriation item.

**GRF 090-575 Police and Fire Death Benefits**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$17,500,000	\$19,300,000	\$19,500,000	\$21,280,000	<b>\$23,000,000</b>	<b>\$24,000,000</b>
	10.3%	1.0%	9.1%	<b>8.1%</b>	<b>4.3%</b>

**Source:** GRF

**Legal Basis:** ORC 742

**Purpose:** This subsidy provides benefits to the surviving spouses and children of law enforcement officers, firefighters and correction officers who die in the line of duty, or who die from injuries sustained in the line of duty.

**GRF 090-900 Debt Service**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$91,576,304	\$108,877,958	\$115,306,777	\$0	<b>\$0</b>	<b>\$0</b>
	18.9%	5.9%	-100.0%	<b>N/A</b>	<b>N/A</b>

**Source:** GRF

**Legal Basis:** Established by Am. Sub. H.B. 704 of the 117th G.A.

**Purpose:** This line item funds the debt service costs for bonds, authorized by a 1987 Constitutional amendment, sold to finance local infrastructure improvement projects. Funds from the GRF are transferred from this line item to line item 090-900, Capital Improvement Bond Service in the Debt Service Fund Group from which the debt service is actually paid.

## General Services Fund Group

**182 090-608 Financial Planning Commissions**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,956	\$2,601	\$5,697	\$12,000	<b>\$12,944</b>	<b>\$13,682</b>
	-34.3%	119.0%	110.6%	<b>7.9%</b>	<b>5.7%</b>

**Source:** GSF: from 040-434, Financial Planning Commissions, line item of the Office of Budget and Management

**Legal Basis:** Established by Am. Sub. H.B. 238 of the 116th G.A.

**Purpose:** Moneys in the line item are used to pay the salary and related expenses of Treasurer of State designees who serve on Financial Planning and Supervision Commissions. The commissions are formed to assist municipalities during fiscal emergencies.

**4E9 090-603 Securities Lending Income**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,295,326	\$1,913,308	\$4,622,334	\$6,169,140	<b>\$3,773,177</b>	<b>\$970,000</b>
	47.7%	141.6%	33.5%	<b>-38.8%</b>	<b>-74.3%</b>

**Source:** GSF: interest earnings of the securities not to exceed an amount based on an annual rate of one quarter of one percent of the total average daily par value of assets in the securities lending program (all other such income is credited to the GRF)

**Legal Basis:** ORC 135

**Purpose:** This line item funds the Securities Lending Program, which is administered by the Treasurer of State.

**4N0 090-611 Treasury Education**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$1,389	\$27,500	<b>\$27,500</b>	<b>\$27,500</b>
	N/A	N/A	1879.8%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: gifts, grants, and contributions made to the Treasurer for the fund

**Legal Basis:** Established by Am. Sub. H.B. 152 of the 120th G.A.

**Purpose:** Such moneys may be used to support various educational programs including, but not limited to, capital project financing, local government investment programs, linked deposit programs, and finance-related education programs.

**577 090-605 Investment Pool Reimbursement**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$115,230	\$673,768	\$828,925	\$750,000	<b>\$662,000</b>	<b>\$600,000</b>
	484.7%	23.0%	-9.5%	<b>-11.7%</b>	<b>-9.4%</b>

**Source:** GSF: an investment pool administration fee paid by local governments who wish to participate in the program

**Legal Basis:** ORC 135

**Purpose:** The local governments' investment pool, named StarOhio, consists of local subdivisions' deposits of interim moneys, which are then invested. The money invested and the interest earned are returned to the local subdivisions when needed. The Treasurer is reimbursed for administrative expenses, which are initially paid out of the investment earnings.

**605 090-609 Treasurer of State Administrative Fund**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$536,633	\$230,996	\$649,443	\$600,000	<b>\$760,000</b>	<b>\$1,270,000</b>
	-57.0%	181.1%	-7.6%	<b>26.7%</b>	<b>67.1%</b>

**Source:** GSF: fees charged to the entities which receive custodial services from the Treasurer's Office; in FY 1992 the warrant processing charge deposited in the fund increased from 7 cents to 14 cents per item

**Legal Basis:** Established by Sub. H.B. 201 of the 116th G.A.

**Purpose:** This line item pays for custodial services provided by the Treasurer's office, and these services include safekeeping, disbursing, and administering custodial moneys and assets, such as the retirement systems funds and various other agency funds.

## State Special Revenue Fund Group

**5C5 090-602 County Treasurer Education**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$92,043	\$100,301	\$92,358	\$110,000	<b>\$92,000</b>	<b>\$88,000</b>
	9.0%	-7.9%	19.1%	<b>-16.4%</b>	<b>-4.3%</b>

**Source:** SSR: fees imposed by the Treasurer of State and the Auditor of State for education and training programs for county treasurers

**Legal Basis:** Am. Sub. S.B. 81 of the 121st G.A.

**Purpose:** Moneys from this line item are used for the expenses associated with conducting education programs for county treasurers. These programs are to enhance the background and working knowledge of county treasurers in the areas of governmental accounting, investments, portfolio reporting and compliance, and cash and portfolio management.

## Debt Service Fund Group

**077 090-900 State Cap Improv Bond Service Fd**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$91,902,425	\$109,419,227	\$115,632,463	\$0	<b>\$0</b>	<b>\$0</b>
	19.1%	5.7%	-100.0%	<b>N/A</b>	<b>N/A</b>

**Source:** DSF: transfer from the GRF 090-900, Debt Service/Treasurer of State line item and investment earnings on the unexpended balance of the bond proceeds

**Legal Basis:** Established by H.B. 704 of the 117th G.A.

**Purpose:** Moneys from this line item are used to pay the debt service on the infrastructure bonds which finance the Public Works Commission's local government infrastructure program ("Issue 2").

## Agency Fund Group

### 425 090-635 Tax Refunds

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$645,000,000	\$655,000,000	\$675,000,000
	N/A	N/A	N/A	1.6%	3.1%

**Source:** AGY: GRF

**Legal Basis:** Established by Am. Sub. H.B. 705 of the 106th G.A.

**Purpose:** Moneys from this line item are used to pay tax refunds to Ohio taxpayers and to pay permissive tax distributions which are not refunds. The taxes included are county permissive sales and use, transit authority permissive sales and use, cigarette excise tax (Cuyahoga County), alcoholic beverage tax (Cuyahoga County), and liquid gallonage tax (Cuyahoga County).