

# Treasurer of State

**House Agriculture and Development Subcommittee**

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Legislative Service Commission*

*March 4, 2003*

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# LSC Redbook for the Treasurer of State

House Agriculture and Development Subcommittee

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*March 4, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Treasurer of State

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- The Treasurer of State collects, invests, and protects state funds
- Acts as custodian and safekeeping agent for state and local government assets
- The Treasurer of State uses GRF money, fees, interest earnings, and other funds

## 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. Currently, the Treasurer of State employs approximately 140 full-time equivalent employees.

The Treasurer's Office performs the following tasks:

- Collects all taxes except sales and use, corporate franchise tax, personal income tax, liquor gallonage tax, horse racing wager tax, and motor transportation tax. (Per Am. Sub. H. B. 94 of the 124th General Assembly - Collections of cigarette and tobacco product taxes, natural gas excise tax, motor fuel taxes, alcoholic beverages, severance taxes, and municipal electric light companies will be transferred to the Department of Taxation effective July 1, 2003.)
- 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 local 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.
- Issues debt for parks and recreation, mental health and mental retardation, highways, and higher education.

The Executive's recommended total funding for FY 2004 is \$72,166,337. This amount is \$856,080 higher than FY 2003, a 1.2% increase. Recommended funding for FY 2005 is \$73,470,638. This amount is \$1,304,301 greater than FY 2004, a 1.8% increase.

Recommended GRF funding for FY 2004 is \$37,391,337. This amount is \$262,321 greater than FY 2003 estimated spending, an increase of 0.7%. Recommended GRF funding for FY 2005 is \$38,985,638. This amount is \$1,594,301 greater than FY 2004, a 4.3% increase.

Recommended funding for GRF operating line items for FY 2004 is \$9,552,821. This amount is \$430,199 higher than FY 2003 estimated spending, an increase of 4.7%. Recommended funding for FY 2005 is \$10,151,620. This amount is \$598,799 higher than FY 2004, an increase of 6.3%.

## 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 2004	FY 2005
GRF	090-321	Operating Expenses	\$9,552,821	\$10,151,620
GRF	090-402	Continuing Education	\$503,648	\$536,936
<b>Total funding: Treasurer of State Operations</b>			<b>\$10,056,469</b>	<b>\$10,688,556</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 Item:** 090-321

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is \$430,199 (4.7%) above estimated spending for FY 2003 and the recommended funding for FY 2005 is \$598,799 (6.3%) above that for FY 2004. The recommended funding for FYs 2004-2005 is 6.3% above estimated expenditures for FYs 2002-2003. Total recommended funding for FYs 2004-2005 is \$19.7 million. Spending for operations in FYs 2002-2003 is estimated at \$18.5 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 Item:** 090-402

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is \$40,063 (8.6%) above estimated spending for FY 2003 and the recommended funding for FY 2005 is \$33,288 (6.6%) above that for FY 2004.

## 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. (Please see Commissioners of the Sinking Fund section in this redbook for more details.)

Fund	ALI	Title	FY 2004	FY 2005
GRF	090-401	Office of the Sinking Fund	\$554,868	\$577,082
<b>Total funding: Office of the Sinking fund</b>			<b>\$554,868</b>	<b>\$577,082</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 Item:** 090-401

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is unchanged from estimated spending for FY 2003 and the recommended funding for FY 2005 is \$22,214 (4.0%) above that for FY 2004.

**Pension Subsidies**

**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.

Fund	ALI	Title	FY 2004	FY 2005
GRF	090-524	Police and Fire Disability Pension	\$35,000	\$30,000
GRF	090-534	Police and Fire Ad Hoc Cost of Living	\$225,000	230,000
GRF	090-544	Police and Fire State Contribution	\$1,200,000	\$1,200,000
GRF	090-554	Police and Fire Survivor Benefits	\$1,320,000	\$1,260,000
GRF	090-575	Police and Fire Death Benefits	\$24,000,000	\$25,000,000
<b>Total funding: Pension Subsidies</b>			<b>\$26,780,000</b>	<b>\$27,720,000</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 corrections officers who die in the line of duty or who die from injuries sustained in the line of duty.

**Funding Source:** GRF

**Line Items:** 090-524, 090-534, 090-544, 090-554, 090-575

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is \$220,000 (0.8%) below estimated spending for FY 2003 and the recommended funding for FY 2005 is \$940,000 (3.5%) above that for FY 2004. Funding decreases each year for certain accounts, as the number of members covered by the particular benefit declines. In particular, funding for Police and Fire Death Disability Pension decreases by 12.5% in FY 2004 and by 14.3% in FY 2005. Funding for Police and Fire Survivor Benefits decreases by 12% in FY 2004 and by 4.5% in FY 2005. These subsidies provide benefits to the surviving spouses and children of law enforcement officers, firefighters, and corrections officers who die in the line of duty or who die from injuries sustained in the line of duty.

**Investment Pool Reimbursement**

**Purpose:** The Ohio Subdivision’s Fund is commonly referred to as STAR Ohio. It is a AAA rated investment alternative created for eligible governmental subdivisions as defined in section 135.45 of the 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 2004	FY 2005
577	090-605	Investment Pool Reimbursement	\$600,000	\$550,000
<b>Total funding: Investment Pool Reimbursement</b>			<b>\$600,000</b>	<b>\$550,000</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 is 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 Item:** 090-605

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is unchanged from the estimated spending for FY 2003 and the recommended funding for FY 2005 is \$50,000 (8.3%) below that for FY 2004. This decrease in recommended appropriations is due to a reduction in equipment and maintenance requirements during FYs 2004-2005.

### 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 2004	FY 2005
605	090-609	Treasurer of State Administrative Fund	\$600,000	\$700,000
<b>Total funding: Treasurer of State Administrative Fund</b>			<b>\$600,000</b>	<b>\$700,000</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 Item:** 090-609

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is \$670,000 (52.8%) below estimated spending for FY 2003, and the recommended funding for FY 2005 is \$100,000 (16.7%) above that for FY 2004. The recommended funding for FYs 2004-2005 is \$103,430 or 7.4% below estimated spending for FYs 2002-2003.

**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 2004	FY 2005
4E9	090-603	Securities Lending Income	\$2,400,000	\$2,100,000
<b>Total funding: Securities Lending Income</b>			<b>\$2,400,000</b>	<b>\$2,100,000</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 1% of the total average daily par value of assets in the securities lending program

**Line Item:** 090-603

**Implication of the Executive Recommendation:** The recommended funding for FY 2004 is \$330,000 (15.9%) above estimated spending for FY 2003 and the recommended funding for FY 2005 is \$300,000 (12.5%) below that for FY 2004. Recommended funding for securities lending income in FYs 2004-2005 is 28.1% below estimated funding for FYs 2002-2003. The decreases are due to changes in investment policy by the Treasurer of State to a more risk-adverse investment strategy.

### 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 2004	FY 2005
5C5	090-602	County Treasurer Education	\$175,000	\$135,000
<b>Total funding: County Treasurer Education</b>			<b>\$175,000</b>	<b>\$135,000</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 Item:** 090-602

**Implication of the Executive Recommendation:** The recommended level of funding for FY 2004 is \$13,000 below (or 6.9% below) estimated FY 2003 spending and the recommended spending for FY 2005 is \$40,000 below (or 22.9% below) that for FY 2004.

**Tax Refunds**

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**Purpose:** To pay tax refunds to Ohio taxpayers 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 2004	FY 2005
425	090-635	Tax Refunds	\$31,000,000	\$31,000,000
<b>Total funding: Tax Refunds</b>			<b>\$31,000,000</b>	<b>\$31,000,000</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 Item:** 090-635

**Implication of the Executive Recommendation:** The recommended level of funding for FY 2004 is \$1 million (3.3%) above the estimated FY 2003 spending, and the recommended appropriation for FY 2005 is unchanged from that of FY 2004.

## **PERMANENT AND TEMPORARY LAW**

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

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

## REQUESTS NOT FUNDED

Below are the Treasurer requests that are not funded:

CAS	Fund Group	FND	ALI	Request 2004	Exec 2004	Variance	% Change	Request 2005	Exec 2005	Variance	% Change	Total Variance
TOS	GSF	4N0	090-611	\$27,500	\$0	-\$27,500	-100.0%	\$27,500	\$0	-\$27,500	-100.0%	-\$27,501
TOS	GRF	GRF	090-321	\$9,797,765	\$9,552,821	-\$244,944	-2.5%	\$10,411,918	\$10,151,620	-\$260,298	-2.5%	\$20,058,296
TOS	GRF	GRF	090-401	\$569,095	\$554,868	-\$14,227	-2.5%	\$591,859	\$577,082	-\$14,777	-2.5%	\$1,139,937
TOS	GRF	GRF	090-402	\$516,563	\$503,648	-\$12,915	-2.5%	\$550,703	\$536,936	-\$13,767	-2.5%	\$1,060,957
<b>TOS Total GRF</b>				<b>\$37,663,423</b>	<b>\$37,391,337</b>	<b>-\$272,086</b>	<b>-0.7%</b>	<b>\$39,274,480</b>	<b>\$38,985,638</b>	<b>-\$288,842</b>	<b>-0.7%</b>	<b>\$22,259,190</b>
<b>TOS Total All Funds</b>				<b>\$72,465,923</b>	<b>\$72,166,337</b>	<b>-\$299,586</b>	<b>-0.4%</b>	<b>\$73,786,980</b>	<b>\$73,470,638</b>	<b>-\$316,342</b>	<b>-0.4%</b>	<b>\$22,231,689</b>

This agency's request for GRF line item 090-321 (Operating Expenses) was decreased by \$244,944 to \$9,552,821 from \$9,797,765 (or 2.5% decrease) in FY 2004. In FY 2005, it was decreased by \$260,298 to \$10,151,620 from \$10,411,918 (also a 2.5% decrease).

General Revenue Fund line item 090-401 (Sinking Fund Office) and 090-402 (Continuing Education) were also decreased by 2.5% in both FY 2004 and FY 2005.

The Treasurer's request for fund 4N0 line item 090-611 (Treasury Education) was not funded in FY 2004 and FY 2005. The amount requested was \$27,500 for both FY 2004 and FY 2005. The funds 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. This program is distinct from the continuing education programs conducted for Ohio's public funds managers.

## General Revenue Fund

### GRF 090-321 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$7,207,049	\$7,321,402	\$9,412,744	\$9,122,622	\$9,552,821	\$10,151,620
	1.6%	28.6%	-3.1%	4.7%	6.3%

**Source:** GRF

**Legal Basis:** ORC 113.06

**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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$279,191	\$425,503	\$377,505	\$554,868	\$554,868	\$577,082
	52.4%	-11.3%	47.0%	0.0%	4.0%

**Source:** GRF

**Legal Basis:** ORC 129.06

**Purpose:** This line item covers all costs incurred by order of or on behalf of the Commissioners of the Sinking Fund, the Ohio Public Facilities Commission, or the Treasurer of State with respect to State of Ohio general obligation notes. The GRF is reimbursed from the affected issuance's bond retirement fund.

### GRF 090-402 Continuing Education

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$395,260	\$443,478	\$417,665	\$463,585	\$503,648	\$536,936
	12.2%	-5.8%	11.0%	8.6%	6.6%

**Source:** General Revenue Fund

**Legal Basis:** Section 111 of Am. Sub. H.B. 94 of the 124th G.A. (originally 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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$136	\$451	\$0	\$0	\$0	\$0
	231.6%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 145.321)

**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. Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay PERS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,276	\$1,178	\$0	\$0	\$0	\$0
	-7.7%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 3307.693)

**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.

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay STRS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$542	\$510	\$0	\$0	\$0	\$0
	-5.9%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 3309.371)

**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.

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay SERS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

**GRF 090-520 PERS Pension Benefits**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$77,470	\$111,056	\$0	\$0	\$0	\$0
	43.4%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 145.326)

**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.

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay PERS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

**GRF 090-521 STRS Pension Benefits**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$287,424	\$229,005	\$0	\$0	\$0	\$0
	-20.3%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 3307.695)

**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.

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay STRS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

**GRF 090-522 SERS Pension Benefits**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$75,226	\$60,152	\$0	\$0	\$0	\$0
	-20.0%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 3309.376)

**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.

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay SERS the amount certified by the retirement system as the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$3,034	\$2,236	\$0	\$0	\$0	\$0
	-26.3%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 5505.171)

**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.

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay SHPRS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$50,000	\$45,000	\$39,684	\$40,000	\$35,000	\$30,000
	-10.0%	-11.8%	0.8%	-12.5%	-14.3%

**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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$616,410	\$638,426	\$0	\$0	\$0	\$0
	3.6%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 145.3210)

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

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay PERS the amount certified by the retirement system as the cost of ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,491,584	\$1,283,545	\$0	\$0	\$0	\$0
	-13.9%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 3307.698)

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

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay STRS the amount certified by the retirement system as the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$227,946	\$195,557	\$0	\$0	\$0	\$0
	-14.2%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 3309.3710)

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

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay SERS the amount certified by the retirement system as the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$22,498	\$20,295	\$0	\$0	\$0	\$0
	-9.8%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established in ORC 5505.173)

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

Am. Sub. H.B. 299 of the 124th G.A. amended the ORC section to eliminate the reference to the subsidy with respect to the requirement that the Treasurer of State annually pay SHPRS the amount certified by the retirement system as the cost of the ad hoc pension increases granted to members that retired before 1982.

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$312,024	\$280,826	\$250,446	\$260,000	\$225,000	\$230,000
	-10.0%	-10.8%	3.8%	-13.5%	2.2%

**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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
	0.0%	0.0%	0.0%	0.0%	0.0%

**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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,719,530	\$1,586,540	\$1,441,120	\$1,500,000	<b>\$1,320,000</b>	<b>\$1,260,000</b>
	-7.7%	-9.2%	4.1%	<b>-12.0%</b>	<b>-4.5%</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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$19,500,000	\$21,280,000	\$23,000,000	\$24,000,000	<b>\$24,000,000</b>	<b>\$25,000,000</b>
	9.1%	8.1%	4.3%	<b>0.0%</b>	<b>4.2%</b>

**Source:** GRF

**Legal Basis:** ORC 742.63

**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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$115,306,777	\$0	\$0	\$0	<b>\$0</b>	<b>\$0</b>
		N/A	N/A	<b>N/A</b>	<b>N/A</b>

**Source:** GRF

**Legal Basis:** Discontinued line item (originally 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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$5,697	\$6,927	\$8,467	\$13,682	\$0	\$0
	21.6%	22.2%	61.6%	-100.0%	N/A

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

**Legal Basis:** Section 111 of the Am. Sub. H.B. 94 of the 124th G.A. (originally 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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$4,622,334	\$4,822,596	\$4,191,274	\$2,070,000	\$2,400,000	\$2,100,000
	4.3%	-13.1%	-50.6%	15.9%	-12.5%

**Source:** GSF: Net income generated from the securities lending program, not to exceed a 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 is used to fund the operations of the office of the Treasurer of State.

### 4N0 090-611 Treasury Education

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,389	\$801	\$0	\$27,500	\$0	\$0
	-42.3%		N/A	-100.0%	N/A

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

**Legal Basis:** Section 111 of the Am. Sub. H.B. 94 of the 124th G.A. (originally 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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$828,925	\$735,887	\$242,136	\$600,000	<b>\$600,000</b>	<b>\$550,000</b>
	-11.2%	-67.1%	147.8%	<b>0.0%</b>	<b>-8.3%</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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$649,443	\$920,316	\$133,430	\$1,270,000	<b>\$600,000</b>	<b>\$700,000</b>
	41.7%	-85.5%	851.8%	<b>-52.8%</b>	<b>16.7%</b>

**Source:** GSF: Fees charged to the entities which receive custodial services from the Treasurer's Office

**Legal Basis:** Section 111 of the Am. Sub. H.B. 94 of the 124th G.A. (originally 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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$92,358	\$119,935	\$91,179	\$188,000	<b>\$175,000</b>	<b>\$135,000</b>
	29.9%	-24.0%	106.2%	<b>-6.9%</b>	<b>-22.9%</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:** Section 111 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by 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 Capital Improvement Bond Service Fund

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$115,632,463	\$0	\$0	\$0	\$0	\$0
		N/A	N/A	N/A	N/A

**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:** Discontinued line item (originally 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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$28,301,099	\$30,000,000	\$31,000,000	\$31,000,000
	N/A	N/A	6.0%	3.3%	0.0%

**Source:** AGY: GRF

**Legal Basis:** Section 111 of the Am. Sub. H.B. 94 of the 124th G.A. (originally 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 that 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).

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	2002	Estimated 2003	Executive 2004	% Change 2003 to 2004	Executive 2005	% Change 2004 to 2005
<b>TOS Treasurer of State</b>								
GRF	090-321	Operating Expenses	\$ 9,412,744	\$9,122,622	\$ 9,552,821	4.7%	\$ 10,151,620	6.3%
GRF	090-401	Office of the Sinking Fund	\$ 377,505	\$554,868	\$ 554,868	0.0%	\$ 577,082	4.0%
GRF	090-402	Continuing Education	\$ 417,665	\$463,585	\$ 503,648	8.6%	\$ 536,936	6.6%
GRF	090-524	Police and Fire Disability Pension Fund	\$ 39,684	\$40,000	\$ 35,000	-12.5%	\$ 30,000	-14.3%
GRF	090-534	Police & Fire Ad Hoc Cost of Living	\$ 250,446	\$260,000	\$ 225,000	-13.5%	\$ 230,000	2.2%
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	\$ 1,441,120	\$1,500,000	\$ 1,320,000	-12.0%	\$ 1,260,000	-4.5%
GRF	090-575	Police and Fire Death Benefits	\$ 23,000,000	\$24,000,000	\$ 24,000,000	0.0%	\$ 25,000,000	4.2%
<b>General Revenue Fund Total</b>			<b>\$ 36,139,163</b>	<b>\$ 37,141,075</b>	<b>\$ 37,391,337</b>	<b>0.7%</b>	<b>\$ 38,985,638</b>	<b>4.3%</b>
182	090-608	Financial Planning Commissions	\$ 8,467	\$13,682	\$ 0	-100.0%	\$ 0	N/A
4E9	090-603	Securities Lending Income	\$ 4,191,274	\$2,070,000	\$ 2,400,000	15.9%	\$ 2,100,000	-12.5%
4N0	090-611	Treasury Education	---	\$27,500	\$ 0	-100.0%	\$ 0	N/A
577	090-605	Investment Pool Reimbursement	\$ 242,136	\$600,000	\$ 600,000	0.0%	\$ 550,000	-8.3%
605	090-609	Treasurer of State Administrative Fund	\$ 133,430	\$1,270,000	\$ 600,000	-52.8%	\$ 700,000	16.7%
<b>General Services Fund Group Total</b>			<b>\$ 4,575,307</b>	<b>\$ 3,981,182</b>	<b>\$ 3,600,000</b>	<b>-9.6%</b>	<b>\$ 3,350,000</b>	<b>-6.9%</b>
5C5	090-602	County Treasurer Education	\$ 91,179	\$188,000	\$ 175,000	-6.9%	\$ 135,000	-22.9%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 91,179</b>	<b>\$ 188,000</b>	<b>\$ 175,000</b>	<b>-6.9%</b>	<b>\$ 135,000</b>	<b>-22.9%</b>
425	090-635	Tax Refunds	\$ 28,301,099	\$30,000,000	\$ 31,000,000	3.3%	\$ 31,000,000	0.0%
<b>Agency Fund Group Total</b>			<b>\$ 28,301,099</b>	<b>\$ 30,000,000</b>	<b>\$ 31,000,000</b>	<b>3.3%</b>	<b>\$ 31,000,000</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 69,106,748</b>	<b>\$ 71,310,257</b>	<b>\$ 72,166,337</b>	<b>1.2%</b>	<b>\$ 73,470,638</b>	<b>1.8%</b>

# LSC Redbook for the Board of Deposit of the Treasurer of State

House Agriculture and Development Subcommittee

*Ruhaiza Ridzwan, Economist  
Legislative Service Commission*

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*March 4, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Board of Deposit

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- The Board of Deposit uses no GRF moneys
- The Board of Deposit designates which financial institutions serve as public depositories

## OVERVIEW

The State Board of Deposit was created in 1904 and operates under the authority of Ohio Revised Code Chapter 135, the Uniform Depository Act. The Board's major functions are to designate financial institutions and banks to function as public depositories and to regulate the deposits of state money into these institutions. The Board also approves bank service charges and confirms the designation and investment of interim moneys of the state.

The Board of Deposit uses no GRF moneys. The Board of Deposit Expenses Fund receives transfers of cash from the Investment Earnings Distribution Fund (Fund 608) after certification of the Board's expenses by the Director of Budget and Management. The Board's funding is used to pay for banking charges and fees required for the operation of the State Treasurer's regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account.

The Board is composed of three elected officials or designees of these officials: the Treasurer of State, the Auditor of State, and the Attorney General. The Treasurer serves as the Board's chairperson. The cashier of the state treasury serves as the secretary of the Board.

Recommended funding for FY 2004 is \$838,000. This amount is unchanged from FY 2003 amount. Recommended funding for FY 2005 is the same as in FY 2004. *(At the time of this writing, H.B. 40 (As Passed by the Senate version) increases BDP appropriations in FY 2003 to \$1,288,000 from \$838,000. This increase of \$450,000 will be used to pay for the additional expenses related to the "acceleration of sales tax payments" provisions in that bill.)*

If it is enacted, recommended funding for FY 2004 is 39.4% or \$450,000 lower than the FY 2003 appropriation.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Board of Deposit

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**Purpose:** The Board of Deposit designates which financial institutions serve as public depositories and implements the Uniform Depository Act as it applies to the State.

The following table shows the line item that is used to fund this agency, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4M2	974-601	Board of Deposit Expenses	\$838,000	\$838,000
<b>Total funding: Board Of Deposit</b>			<b>\$838,000</b>	<b>\$838,000</b>

**Description:** The Board of Deposit designates which financial institutions serve as public depositories and implements the Uniform Depository Act as it applies to the State. The Board also approves bank service charges and confirms the designation and investment of interim moneys of the state.

**Funding Source:** The Board of Deposit Expenses Fund receives transfers of cash from the Investment Earnings Distribution Fund (Fund 608) after certification of the Board's expenses by the Director of Budget and Management.

**Line Item:** 974-601

**Implication of the Executive Recommendation:** The Board's funding is used to pay for banking charges and fees required for the operation of the State Treasurer's regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account.

## **PERMANENT AND TEMPORARY LAW**

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

There are no permanent or temporary law provisions with fiscal effects on this agency.

## General Services Fund Group

### 4M2 974-601 Board of Deposit

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$402,283	\$635,617	\$679,382	\$838,000	<b>\$838,000</b>	<b>\$838,000</b>
	58.0%	6.9%	23.3%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: Transfers of cash from the Interest Holding Distribution Fund (Fund 608) (after certification of the board's expenses by the Director of Budget and Management)

**Legal Basis:** Section 40 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** Funds are used to pay for banking charges and fees required for the operation of the state treasury accounts.

**LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005**

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<b><i>BDP Board of Deposit</i></b>								
4M2	974-601	Board of Deposit	\$ 679,382	\$838,000	\$ 838,000	0.0%	\$ 838,000	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 679,382</b>	<b>\$ 838,000</b>	<b>\$ 838,000</b>	<b>0.0%</b>	<b>\$ 838,000</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 679,382</b>	<b>\$ 838,000</b>	<b>\$ 838,000</b>	<b>0.0%</b>	<b>\$ 838,000</b>	<b>0.0%</b>

# LSC Redbook

## for the

# Commissioners of the Sinking Fund

## of the Treasurer of State

House Agriculture and Development Subcommittee

*Ruhaiza Ridzwan, Economist*

*Legislative Service Commission*

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<b>Attachment: LSC Budget Spreadsheet By Line Item</b>	

*March 4, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Commissioners of the Sinking Fund

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- Appropriations to the Sinking Fund support debt service payments on Ohio's general obligation debt
- The Sinking Fund receives its operating funds through a GRF line item in the Treasurer of State's budget

## OVERVIEW

The Commissioners of the Sinking Fund administer the debt service payments and administrative expenses related to state general obligation bonds issued for the following purposes: primary and secondary education facilities, higher education facilities, coal research and development, parks and natural resources capital improvements, conservation projects, local infrastructure projects, and highways.

Under Am. Sub. H.B. 640 of the 123rd General Assembly (effective September 14, 2000) the Sinking Fund authority to issue obligations for parks and natural resources capital improvements (pursuant to Section 21 of Article VIII of the Ohio Constitution) and coal research and development (pursuant to Section 15 of Article VIII of the Ohio Constitution) was transferred to the Ohio Public Facilities Commission. The authority to issue highway capital improvements general obligation bonds (pursuant to Section 2m of Article VII of the Ohio Constitution) was transferred to the Treasurer of State.

In addition, Am. Sub. H.B. 3 of the 124th General Assembly (effective July 26, 2001) authorized the Ohio Public Facilities Commission to issue obligations for conservation projects pursuant to Section 20 of Article VIII of the Ohio Constitution and added appropriation authority to the Commissioners of the Sinking Fund to facilitate the debt service payments for those projects.

The Board of Commissioners of the Sinking Fund consists of five members. The Auditor of State serves as the president of the Board and the Secretary of State serves as the secretary. The remaining three members are the Governor, the Treasurer of State, and the Attorney General. The Sinking Fund has an office in the Treasurer of State's Office and receives its operating funds through a GRF line item in the Treasurer of State operating budget (ALI 090-401).

## ANALYSIS OF EXECUTIVE PROPOSAL

### Commissioners of the Sinking Fund

**Purpose:** The Commissioners of the Sinking Fund manage and pay 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 items that are used to fund this agency, as well as the Governor’s recommended funding levels. Please see Additional Facts and Figures section for Implication of the Executive Recommendation analysis.

Fund	ALI	Title	FY 2004	FY 2005
071	155-901	Hwy Obligation Bond Retirement Fund	\$35,536,300	\$10,450,000
072	155-902	Hwy Cap Improvement Bond Ret Fund	\$153,559,600	\$173,238,200
073	155-903	Nat Resources Bond Retirement Fund	\$23,808,300	\$26,914,300
074	155-904	Conservation Projects Bond Service	\$9,743,500	\$11,235,700
076	155-906	Coal Research/Dev Bond Retrmnt Fund	\$7,231,200	\$9,185,100
077	155-907	St. Cap. Improv. Bond Retirement Fund	\$156,974,400	\$152,069,700
078	155-908	Common Schools Bond Retirement Fund	\$106,322,300	\$145,989,300
079	155-909	Higher Education Bond Retirement Fund	\$97,668,000	\$130,967,600
<b>Total funding: Commissioners of the Sinking Fund</b>			<b>\$590,843,600</b>	<b>\$660,049,900</b>

#### Highway Obligation Bond Retirement

**Description:** This line item finances the retirement of debt that has been issued for the construction and improvement of state highways, their urban extensions, and capital improvements on structures of or relating to highway transportation or highway research and development. The debt is issued under the authority of Section 2i, Article VIII of the Ohio Constitution that was approved by voters on November 5, 1968. No more than \$100 million may be issued in a single calendar year, and no more than \$500 million may be outstanding at any time. Bond maturity may not exceed 30 years.

**Funding Source:** Gasoline Excise Tax

**Line Item:** 071 155-901

**Implication of the Executive Recommendation:** The recommended funding will allow for the continued payment of debt service on bonds.

#### Highway Capital Improvement Bond Retirement Fund

**Description:** This line item finances the retirement of debt that has been issued for the purpose of paying costs of construction, reconstruction, or other improvements of highways, including those on the state highway system and urban extensions thereof, those within or leading to public parks or recreation areas, and those within or leading to municipal corporations. The debt is issued under the authority of Section 2m, Article VIII of the Ohio Constitution, approved by voters on November 7, 1995. Not more than \$220 million in bonds may be issued in any fiscal year and not more than \$1.2 billion principal amount may be outstanding at any time. Bond maturity cannot exceed 30 years. The issue has “rollover” authority, so additional bonds may be issued as other bonds are retired.

**Funding Source:** Gasoline Excise Tax

**Line Item:** 072 155-902

**Implication of the Executive Recommendation:** The recommended funding will allow for the continued payment of debt service on bonds.

**Natural Resources Bond Retirement**

**Description:** This line item pays debt service on bonds issued to finance capital improvements related to: state and local parks and land and water recreation facilities; soil and water restoration and protection; land management, including preservation of natural areas and reforestation; water management, including dam safety; stream and lake management; and other projects that enhance the use and enjoyment of Ohio's natural resources. The bonds are issued under the authority of Section 21, Article VIII of the Ohio Constitution, approved by voters on November 2, 1993. Not more than \$50 million in bonds may be issued within any single calendar year, and no more than \$200 million may be outstanding at any one time. Funds to pay the debt service are transferred to this non-GRF account from the GRF.

**Funding Source:** GRF

**Line Item:** 073 155-903

**Implication of the Executive Recommendation:** The recommended funding will allow for the continued payment of debt service on bonds.

**Coal Research/Development Bond Retirement**

**Description:** This line item pays debt service on bonds issued to provide moneys for financial assistance for research and development of coal technology that will encourage the use of Ohio coal. The bonds were issued under the authority of Section 15 of Article VIII of the Ohio Constitution, approved by voters on November 5, 1985. Not more than \$100 million in bonds may be outstanding in any single calendar year. Funds to pay the debt service are transferred to this non-GRF account from the GRF.

**Funding Source:** GRF

**Line Item:** 076 155-906

**Implication of the Executive Recommendation:** The recommended funding will allow for the continued payment of debt service on bonds.

**State Capital Improvements Bond Retirement**

**Description:** This line item pays debt service on bonds issued to provide moneys for local infrastructure projects financed by the Public Works Commission. Formerly, this money has come from a line item in the Treasurer of State's budget. Now funding comes from GRF line item 150-907 under the budget for the Public Works Commission.

**Funding Source:** GRF

**Line Item:** 077 155-907

**Implication of the Executive Recommendation:** The recommended funding will allow for the payment of debt service on bonds.

**Common Schools Bond Retirement**

**Description:** This line item pays debt service on bonds issued to provide moneys for common schools. The corresponding GRF line item (230-908) is in the School Facilities Commission's budget.

**Funding Source:** GRF

**Line Item:** 078 155-908

**Implication of the Executive Recommendation:** The recommended funding will allow for the payment of debt service on bonds.

**Higher Education Bond Retirement**

**Description:** This line item pays debt service on bonds issued to provide moneys for higher education. The corresponding GRF line item (235-909) is in the budget for the Board of Regents.

**Funding Source:** GRF and proceeds from the issuance of debt

**Line Item:** 079 155-909

**Implication of the Executive Recommendation:** The recommended funding will allow for the payment of debt service on bonds.

## **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.

There are no permanent or temporary law provisions with fiscal effects on this agency.

## ADDITIONAL FACTS AND FIGURES

### Implication of the Executive Recommendation:

FND	ALI	Title	FY 2003 Estimates	Exec 2004	Exec 2005	Variance 2003-2004	% Change	Variance 2004-2005	% Change
071	155-901	155-901 Hwy Obligation Bond Retirement Fund	\$47,572,500	\$35,536,300	\$10,450,000	-\$12,036,200	-25.3%	-\$25,086,300	-70.6%
072	155-902	155-902 Hwy Cap Improvement Bond Ret Fund	\$152,120,700	\$153,559,600	\$173,238,200	\$1,438,900	0.9%	\$19,678,600	12.8%
073	155-903	155-903 Nat Resources Bond Retirement Fund	\$22,101,900	\$23,808,300	\$26,914,300	\$1,706,400	7.7%	\$3,106,000	13.0%
074	155-904	155-904 Conservation Projects Bond Service	\$6,695,000	\$9,743,500	\$11,235,700	\$3,048,500	45.5%	\$1,492,200	15.3%
076	155-906	155-906 Coal Research/Dev Bond Retrmnt Fund	\$9,420,300	\$7,231,200	\$9,185,100	-\$2,189,100	-23.2%	\$1,953,900	27.0%
077	155-907	155-907 St. Cap. Improv. Bond Retirement Fund	\$146,210,200	\$156,974,400	\$152,069,700	\$10,764,200	7.4%	-\$4,904,700	-3.1%
078	155-908	155-908 Common Schools Bond Retirement Fund	\$55,336,300	\$106,322,300	\$145,989,300	\$50,986,000	92.1%	\$39,667,000	37.3%
079	155-909	155-909 Higher Education Bond Retirement Fund	\$74,344,100	\$97,668,000	\$130,967,600	\$23,323,900	31.4%	\$33,299,600	34.1%
<b>Total</b>			<b>\$513,801,000</b>	<b>\$590,843,600</b>	<b>\$660,049,900</b>	<b>\$77,042,600</b>	<b>15.0%</b>	<b>\$69,206,300</b>	<b>11.7%</b>

All of the Sinking Fund’s budget recommendations in FY 2004 and FY 2005 will be used to pay debt service on certain general obligation bonds that are authorized by the state Constitution and the legislature for specific purposes: 071 155-901, Highway Obligations Bond Retirement Fund; 072 155-902, Highway Capital Improvements Bond Retirement Fund; 073 155-903, Natural Resources Bond Retirement Fund; 076 155-906 Coal Research/Development Bond Retirement Fund; 077 155-907 State Capital Improvements Bond Retirement Fund; 078 155-908, Common Schools Bond Retirement Fund; 079 155 909, Higher Education Bond Retirement Fund; and 074 155-904, Conservation Projects Bond Service Fund.

Executive recommendations for Highway Obligations Bond Retirement Fund and Coal Research/Development Bond Retirement Fund are decreased in the next biennium (by 25.3% and 78% for Highway Obligation Bond Fund and 23.2% and 2.5% for Coal Research/Development Bond Retirement Fund from FY 2003 estimated spending and FY 2004 recommendations respectively).

However, the recommendations for Highway Capital Improvements Bond Retirement Fund, Natural Resources Bond Retirement Fund, State Capital Improvements Bond Retirement Fund, Common Schools Bond Retirement Fund, Higher Education Bond Retirement Fund, and Conservation Projects Bond Service Fund are increased ranging from 1% to 92% compared to FY 2003 estimated spending.

## General Revenue Fund

### GRF 155-900 Debt Service Sinking Fund

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$31,078,387	\$210,699,927	\$0	\$0	\$0	\$0
	578.0%		N/A	N/A	N/A

**Source:** GRF

**Legal Basis:** Discontinued line item - ORC 129

**Purpose:** This line item financed the overall cost of GRF supported state general obligation debt that has been issued by the agency. In FY 2002, GRF debt service appropriations were broken out and included within various agencies' budgets based on the programmatic purposes of the debt service. The state agencies affected by this change are the Department of Natural Resources, the Department of Development, Public Works Commission, School Facilities Commission, and the Board of Regents.

## Debt Service Fund Group

### 055 155-900 Public Improvement Bond Retirement

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$13,464	\$8,765	\$0	\$0	\$0	\$0
	-34.9%		N/A	N/A	N/A

**Source:** DSF: Highway Use Tax; one cent Gasoline Tax

**Legal Basis:** Discontinued line item (originally established through the Ohio Constitution, Article VIII, Section 2i; approved by voters November 5, 1968)

**Purpose:** This issue was for the purpose of acquisition, construction, reconstruction, or other improvement of various public facilities. The last maturity date on these bonds was June 15, 1995. There have been no appropriations for this line item since then.

**059 155-900 Development Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$25,433	\$8,765	\$0	\$0	\$0	\$0
	-65.5%		N/A	N/A	N/A

**Source:** DSF: GRF transfers

**Legal Basis:** Discontinued line item (originally established by Section 2h, Article VIII of the Ohio Constitution, approved by voters May 4, 1965)

**Purpose:** This line item pays debt service on Development Bonds. These bonds were issued for the following purposes: acquiring, constructing, reconstructing, or otherwise improving and equipping buildings and structures of the state and state supported and assisted institutions of higher education, including those for research and development; acquiring lands and interests in lands for sites for such buildings and structures; assisting in the development of the state, to acquire and develop lands and interests in lands and develop other state lands for water impoundment sites, flood control, parks and recreational uses, or conservation of natural resources; to develop state parks and recreational facilities including the construction, reconstruction, and improvement of roads and highways therein; to assist the political subdivisions of the state to finance the cost of constructing and extending water and sewage lines and mains; for use in conjunction with federal grants or loans for any such purposes; and for use in conjunction with other governmental entities in acquiring, constructing, reconstructing, improving, and equipping water pipelines, stream flow improvements, airports, historical, or educational facilities.

**071 155-900 Highway Obligations Bond Retirement**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$53,690,869	\$51,671,061	\$0	\$0	\$0	\$0
	-3.8%		N/A	N/A	N/A

**Source:** DSF: Gasoline Excise Tax - appropriation under the Department of Transportation

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-901; originally established by Section 2i, Article VIII of the Ohio Constitution, approved by the voters on November 5, 1968)

**Purpose:** This debt has been issued for the construction and improvement of state highways and their urban extensions, and capital improvements on structures of, or relating to highway transportation or highway research and development. The debt service for this issue is paid by highway funds. No more than \$100 million may be issued in a single calendar year, and no more than \$500 million may be outstanding at any time. Bond maturity cannot exceed 30 years.

**071 155-901 Highway Obligation Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$49,657,366	\$47,572,500	<b>\$35,536,300</b>	<b>\$10,450,000</b>
	N/A	N/A	-4.2%	<b>-25.3%</b>	<b>-70.6%</b>

**Source:** DSF: Gasoline Excise Tax: appropriation under the Department of Transportation

**Legal Basis:** Section 106 of Am. Sub. H.B. 94 of the 124th G.A. (originally established in Section 2i, Article VIII of the Ohio Constitution, approved by the voters on November 5, 1968). In FY 2002 this line replaced 155-900 (Fund 071).

**Purpose:** This debt has been issued for the construction and improvement of state highways and their urban extensions, and capital improvements on structures of, or relating to highway transportation or highway research and development. The debt service for this issue is paid by highway funds. No more than \$100 million could be issued in a single calendar year, and no more than \$500 million could be outstanding at any time. Bond maturity could not exceed 30 years.

**072 155-900 Highway Capital Improvement Bond Retirement**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$80,048,411	\$113,757,141	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	42.1%		N/A	<b>N/A</b>	<b>N/A</b>

**Source:** DSF: Gasoline Excise Tax - appropriation under the Department of Transportation

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-902; originally established by the Ohio Constitution, Article VIII, Section 2m approved by voters November 7, 1995)

**Purpose:** Highway Capital Improvements Bonds are issued for the purpose of paying costs of construction, reconstruction, or other improvements of highways, including those on the state highway system and urban extensions thereof, those within or leading to public parks or recreation areas, and those within or leading to municipal corporations. Bond maturity cannot exceed 30 years. Not more than \$220 million in bonds may be issued in any fiscal year and not more than \$1.2 billion principal amount may be outstanding at any time. As the bonds are retired, additional obligations may be issued.

**072 155-902 Highway Capital Improvement Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$141,302,654	\$152,120,700	<b>\$153,559,600</b>	<b>\$173,238,200</b>
	N/A	N/A	7.7%	<b>0.9%</b>	<b>12.8%</b>

**Source:** DSF: Gasoline Excise Tax - appropriation under the Department of Transportation

**Legal Basis:** Section 106 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Ohio Constitution, Article VIII, Section 2m approved by voters November 7, 1995). In FY 2002 this line replaced 155-900 (Fund 072).

**Purpose:** Highway Capital Improvements Bonds are issued for the purpose of paying costs of construction, reconstruction, or other improvements of highways, including those on the state highway system and urban extensions thereof, those within or leading to public parks or recreation areas, and those within or leading to municipal corporations. Bond maturity cannot exceed 30 years. Not more than \$220 million in bonds may be issued in any fiscal year and not more than \$1.2 billion principal amount may be outstanding at any time. As the bonds are retired, additional obligations may be issued.

**073 155-900 Natural Resources Bond Retirement**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$12,386,738	\$15,696,872	\$7,293,180	\$0	<b>\$0</b>	<b>\$0</b>
	26.7%	-53.5%		<b>N/A</b>	<b>N/A</b>

**Source:** DSF: GRF

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-903; originally established by Section 21 of Article VIII of the Ohio Constitution, approved by voters on November 2, 1993)

**Purpose:** This line item pays debt service on bonds issued to finance capital improvements related to: state and local parks and land and water recreation facilities; soil and water restoration and protection; land management, including preservation of natural areas and reforestation; water management, including dam safety; stream and lake management; flood control and flood damage control; fish and wildlife resource management; and other projects that enhance the use and enjoyment of Ohio's natural resources. Not more than \$50 million in bonds may be issued within any single calendar year, and no more than \$200 million may be outstanding at any one time. Funds to pay the debt service are transferred to this non-GRF account from the GRF.

**073 155-903 Natural Resources Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$10,395,604	\$22,101,900	<b>\$23,808,300</b>	<b>\$26,914,300</b>
	N/A	N/A	112.6%	<b>7.7%</b>	<b>13.0%</b>

**Source:** DSF: GRF transfers

**Legal Basis:** Section 106 of Am. Sub. H.B. 94 of the 124th G.A. (originally established in Section 21 of Article VIII of the Ohio Constitution, approved by voters on November 2, 1993). In FY 2002 this line replaced 155-900 (Fund 073).

**Purpose:** This line item pays debt service on bonds issued to finance capital improvements related to: state and local parks and land and water recreation facilities; soil and water restoration and protection; land management, including preservation of natural areas and reforestation; water management, including dam safety; stream and lake management; flood control and flood damage control; fish and wildlife resource management; and other projects that enhance the use and enjoyment of Ohio's natural resources. Not more than \$50 million in bonds may be issued within any single calendar year, and no more than \$200 million may be outstanding at any one time.

**074 155-904 Conservation Projects Bond Service Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$0	\$6,695,000	<b>\$9,743,500</b>	<b>\$11,235,700</b>
	N/A	N/A	N/A	<b>45.5%</b>	<b>15.3%</b>

**Source:** DSF: GRF

**Legal Basis:** Section 78.01 of Am. Sub. H.B. 3 of 124th G.A. (transferred from Department of Natural Resources appropriation line item 725-904 in Am. Sub. H.B. 94 124th G.A.)

**Purpose:** This line item pays the debt service on bonds issued to finance the Clean Ohio Conservation Fund projects: acquisition of land or land rights for park, forests, wetlands, endangered plant or animal habitat, an connecting corridors for natural areas; projects for construction or enhancement of facilities that are necessary to make open space areas accessible to the public; projects that protect or enhance riparian corridors and watersheds; and projects which construct or enhance recreational trails.

**076 155-900 Coal Research/Development Bond Retirement**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$5,718,674	\$7,266,827	\$0	\$0	\$0	\$0
	27.1%		N/A	N/A	N/A

**Source:** DSF: GRF

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-906; originally established in Section 15 of Article VIII of the Ohio Constitution, approved by voters on November 5, 1985)

**Purpose:** This line item pays debt service on bonds issued to provide moneys for financial assistance for research and development of coal technology that will encourage the use of Ohio coal. Not more than \$100 million in bonds may be outstanding in any single calendar year. Funds to pay the debt service are transferred to this non-GRF account from the GRF.

**076 155-906 Coal Research/Development Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$7,739,230	\$9,420,300	\$7,231,200	\$9,185,100
	N/A	N/A	21.7%	-23.2%	27.0%

**Source:** DSF: GRF transfers

**Legal Basis:** Section 106 Am. Sub. H.B. 94 of the 124th G.A. (originally established in Section 15 of Article VIII of the Ohio Constitution, approved by voters on November 5, 1985). In FY 2002 this line replaced 155-900 (Fund 076).

**Purpose:** This line item pays debt service on bonds issued to provide moneys for financial assistance for research and development of coal technology that will encourage the use of Ohio coal. Not more than \$100 million in bonds may be outstanding in any single calendar year.

**077 155-900 State Capital Improvement Bond**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$132,658,157	\$0	\$0	\$0	\$0
	N/A		N/A	N/A	N/A

**Source:** DSF: GRF

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-907; originally established by Am. Sub. H.B. 640 of the 123rd G.A.)

**Purpose:** This line item pays debt service on bonds issued to provide moneys for local infrastructure projects. In the past, this money has been a line item in the Treasurer of State's budget (090-900). The GRF counterpart for this line item is in the budget for the Public Works Commission (150-907).

**077 155-907 State Capital Improvement Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$132,952,675	\$146,210,200	<b>\$156,974,400</b>	<b>\$152,069,700</b>
	N/A	N/A	10.0%	7.4%	-3.1%

**Source:** DSF: GRF

**Legal Basis:** Section 106 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 640 of the 123rd G.A.). In FY 2002 this line replaced 155-900 (Fund 077).

**Purpose:** This line item pays debt service on bonds issued to provide moneys for local infrastructure projects. In the past, this money has been a line item in the Treasurer of State's budget (090-900). The GRF counterpart for this line item is in the budget for the Public Works Commission (150-907).

**078 155-900 Common Schools Capital Facility Bond**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$13,646,526	\$28,094,873	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	105.9%		N/A	N/A	N/A

**Source:** DSF: GRF

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-908; originally established by Am. Sub. H.B. 640 of the 123rd G.A.)

**Purpose:** State Issue 1 in November 2000, created general obligation bonds for education. This line item pays debt service on bonds issued to provide moneys for common schools. The corresponding GRF line item (230-908) is in the School Facilities Commission's budget.

**078 155-908 Common Schools Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$34,880,973	\$55,336,300	<b>\$106,322,300</b>	<b>\$145,989,300</b>
	N/A	N/A	58.6%	92.1%	37.3%

**Source:** DSF: GRF

**Legal Basis:** Section 106 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 640 of the 123rd G.A.). In FY 2002 this line replaced 155-900 (Fund 078).

**Purpose:** State Issue 1 in November 2000 created general obligation bonds for education. This line item pays debt service on bonds issued to provide moneys for common schools. The corresponding GRF line item (230-908) is in the School Facilities Commission's budget.

**079 155-900 Higher Education Capital Facility Bond**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$34,100,946	\$0	\$0	\$0	\$0
	N/A		N/A	N/A	N/A

**Source:** DSF: GRF

**Legal Basis:** Discontinued line item (replaced in FY 2002 by line item 155-909; originally established by Am. Sub. H.B. 640 of the 123rd G.A.)

**Purpose:** State Issue 1 in November 2000, created general obligation bonds for education. This line item pays debt service on bonds issued to provide moneys for higher education. The corresponding GRF line item (235-909) is in the Board of Regents' budget.

**079 155-909 Higher Education Bond Retirement Fund**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$50,032,680	\$74,344,100	\$97,668,000	\$130,967,600
	N/A	N/A	48.6%	31.4%	34.1%

**Source:** DSF: GRF

**Legal Basis:** Section 106 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 640 of the 123rd G.A.). In FY 2002 this line item replaced 155-900 (Fund 079).

**Purpose:** State Issue 1 in November 2000, created general obligation bonds for education. This line item pays debt service on bonds issued to provide moneys for higher education. The corresponding GRF line item (235-909) is in the Board of Regents' budget.

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<b><i>CSF Sinking Fund, Commissioners of</i></b>								
071	155-901	Highway Obligation Bond Retirement Fund	\$ 49,657,366	\$47,572,500	\$ 35,536,300	-25.3%	\$ 10,450,000	-70.6%
072	155-902	Highway Capital Improvement Bond Retirement Fun	\$ 141,302,654	\$152,120,700	\$ 153,559,600	0.9%	\$ 173,238,200	12.8%
073	155-900	Natural Resources Bond Retirement	\$ 7,293,180		----	N/A	----	N/A
073	155-903	Natural Resources Bond Retirement Fund	\$ 10,395,604	\$22,101,900	\$ 23,808,300	7.7%	\$ 26,914,300	13.0%
074	155-904	Conservation Projects Bond Service Fund	----	\$6,695,000	\$ 9,743,500	45.5%	\$ 11,235,700	15.3%
076	155-906	Coal Research/Development Bond Retirement Fund	\$ 7,739,230	\$9,420,300	\$ 7,231,200	-23.2%	\$ 9,185,100	27.0%
077	155-907	State Capital Improvement Bond Retirement Fund	\$ 132,952,675	\$146,210,200	\$ 156,974,400	7.4%	\$ 152,069,700	-3.1%
078	155-908	Common Schools Bond Retirement Fund	\$ 34,880,973	\$55,336,300	\$ 106,322,300	92.1%	\$ 145,989,300	37.3%
079	155-909	Higher Education Bond Retirement Fund	\$ 50,032,680	\$74,344,100	\$ 97,668,000	31.4%	\$ 130,967,600	34.1%
<b>Debt Service Fund Group Total</b>			<b>\$ 434,254,362</b>	<b>\$ 513,801,000</b>	<b>\$ 590,843,600</b>	<b>15.0%</b>	<b>\$ 660,049,900</b>	<b>11.7%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 434,254,362</b>	<b>\$ 513,801,000</b>	<b>\$ 590,843,600</b>	<b>15.0%</b>	<b>\$ 660,049,900</b>	<b>11.7%</b>