

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

Senate Finance and Financial Institutions Committee

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Attachments:

*Compare Document: Permanent and Temporary Law,
As Introduced to As Passed by the House*

LSC Budget Spreadsheet, Executive to House Passed Comparison

May 6, 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

- 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.

FY 2003 appropriation was increased to \$1,288,000 from \$838,000 under HB 40. This increase of \$450,000 will be used to pay for the additional expenses related to the "acceleration of sales tax payments". Recommended funding for FY 2004 is \$838,000. This amount is 39.4% or \$450,000 lower than the FY 2003 appropriation. Recommended funding for FY 2005 is the same as in FY 2004.

ANALYSIS OF EXECUTIVE PROPOSAL

Board of Deposit

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
Total funding: Board Of Deposit			\$838,000	\$838,000

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 House Passed	2005 House Passed
\$402,283	\$635,617	\$679,382	\$838,000	\$1,676,000	\$1,676,000
	58.0%	6.9%	23.3%	100.0%	0.0%

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.

As Introduced**As Passed by the House****Subject: Board of Deposit Expense Fund****Section: 37**

Requires that after receiving certification of expenses from the Treasurer of State, the Director of Budget and Management shall transfer cash from the Investment Earnings Redistribution Fund (Fund 608) to the Board of Deposit Expense Fund (Fund 4M2) to pay for banking charges and fees required for the operation of the State of Ohio Regular Account.

Section: 37

No change.

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

<i>Fund ALI ALI Title</i>	<i>Estimated 2003</i>	<i>As Introduced 2004</i>	<i>House Sub Bill 2004</i>	<i>% Change Est. 2003 to House 2004</i>	<i>As Introduced 2005</i>	<i>House Sub Bill 2005</i>	<i>% Change House 2004 to House 2005</i>
<i>BDP Board of Deposit</i>							
4M2 974-601 Board of Deposit	\$838,000	\$ 838,000	\$ 1,676,000	100.0%	\$ 838,000	\$ 1,676,000	0.0%
General Services Fund Group Total	\$ 838,000	\$ 838,000	\$ 1,676,000	100.0%	\$ 838,000	\$ 1,676,000	0.0%
<i>Total All Budget Fund Groups</i>							
	\$ 838,000	\$ 838,000	\$ 1,676,000	100.0%	\$ 838,000	\$ 1,676,000	0.0%