

Office of the Governor

House Agriculture and Development Subcommittee

*Terry Steele, Budget Analyst
Legislative Service Commission*

March 28, 2007

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LSC Redbook
for the
Office of the Governor

House Agriculture and Development Subcommittee

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March 28, 2007

Office of the Governor

- Total budget of \$9,694,274 for the biennium
- Office of Veterans' Affairs provides training, certification, and accreditation of more than 600 county veteran service officers, commissioners, and staff

OVERVIEW

The Office of the Governor (GOV) oversees the operations of state government. Under the Ohio Constitution, the Governor is the chief executive officer of the state and is elected to four-year terms. The major duties of the Governor include:

- Formulating and implementing administrative policy for state agencies;
- Ensuring the faithful execution of Ohio's laws;
- Submitting biennial capital and operating budgets;
- Appointing judges, certain agency officials, and board and commission members; and
- Serving as commander-in-chief of the Ohio National Guard.

The Office has a total staff of approximately 60 employees. This reflects those employees paid directly from the budget of the Office of the Governor. One change under the Strickland Administration is that the Governor's staff now works from offices inside the statehouse. As there has been in the past there is also an office in Washington D.C.

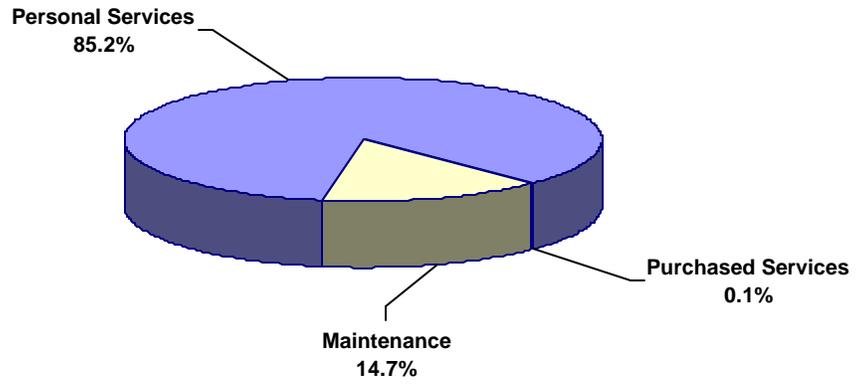
Beginning in FY 1996, the budget for the Office of the Lieutenant Governor was incorporated within the Governor's budget. The Lieutenant Governor oversees select departments and serves as state deputy commander-in-chief, and a cabinet member. The current Lieutenant Governor serves as the Director of the Department of Development. The Governor's office also funds the Office of Veterans' Affairs, which assists veterans in receiving services and benefits, and maintains burial records of Ohio's veterans.

Finally, the Governor's Office also funds Ohio's participation in national and regional associations, such as the National Governor's Association and the National Lieutenant Governor's Association.

FY 2008-2009 Funding Recommendations

The recommended funding for the Governor's Office is \$4,841,637 in FY 2008, a decline of 3.7% from estimated FY 2007 spending of \$5,026,779. In FY 2009, the recommended funding is \$4,852,637, an increase of 0.2% from FY 2008 recommendations. As the chart below illustrates, 85.2% of the Governor's Office spending is on personnel. Maintenance constitutes 14.7%. These maintenance costs primarily come from maintenance and equipment necessary for Ohio's participation in several regional and national associations.

Total FYs 2008-2009 Budget by Object Code



ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Office of the Governor

Purpose: This program series encompasses the activities of the chief executive officer of the state of Ohio. The following table shows the line items that are used to fund this agency, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	040-321	Operating Expenses	\$3,754,045	\$3,754,045
GRF	040-403	Federal Relations	\$433,443	\$435,443
GRF	040-408	Office of Veterans' Affairs	\$287,000	\$298,000
General Revenue Fund Subtotal			\$4,476,488	\$4,487,488
General Services Fund				
5AK	040-607	Federal Relations	\$365,149	\$365,149
General Services Fund Subtotal			\$365,149	\$365,149
Total Funding: Office of the Governor			\$4,841,637	\$4,852,637

There are two budgeted programs within the Governor's Office:

- **Program 0.01: Office of the Governor**
- **Program 01.02: Office of Veterans' Affairs**

Office of the Governor

Program Description: The Office of the Governor oversees cabinet agencies, formulates administrative policy, recommends legislation, proposes operating and capital budgets, and considers and acts upon legislation approved by the General Assembly. The program also includes the costs to operate the Office of the Lieutenant Governor.

Funding Source: GRF, GSF

Line Items: 040-321, Operating Expenses, 040-403, Federal Relations, 040-607, Federal Relations (GSF)

Implication of Executive Recommendation: The Governor's recommendation will enable the Office of the Governor to fulfill his Constitutional and statutory duties.

Temporary and Permanent Law Provisions

Appointment of Legal Counsel For Governor (Section 206.39). The provision allows the Office to use appropriation item 040-321, Operating Expenses, to hire or appoint legal counsel to be used in proceedings involving the Governor in the Governor's official capacity or the Governor's office only, without the approval of the Attorney General, notwithstanding sections 109.02 and 109.07 of the Revised Code.

Federal Relations (Section 206.39). The provision allows the Governor's Office to use a portion of GRF appropriation item 040-403, Federal Relations, and 040-607, Federal Relations, within Fund 5AK, to support Ohio's membership in national or regional associations.

Related temporary law allows the Office of the Governor to charge any state agency of the executive branch using an intrastate transfer voucher such amounts necessary to defray the costs incurred for the conduct of federal relations associated with issues that can be attributed to the agency. Amounts collected shall be deposited to the Office of the Governor's Federal Relations Fund (Fund 5AK).

Office of Veterans' Affairs

Program Description: This program provides operational oversight of the 88 county Veterans' Service offices and provides training, certification, and accreditation of more than 600 county veteran service officers, commissioners, and staff. This office also serves as the custodian of approximately 2.0 million veterans' records and provides oversight of the Ohio Veterans' Plaza, and the Ohio Veterans' Hall of Fame.

Funding Source: GRF

Line Items: 040-408, Office of Veterans' Affairs

Implication of Executive Recommendation: The Governor's recommendation will enable the Office to address the concerns and needs of Ohio's veterans and active military duty personnel.

REQUESTS NOT FUNDED

The request for the Office of the Governor was fully funded at \$9,694,274 over the biennium.

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General Revenue Fund

GRF 040-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,601,970	\$3,540,593	\$3,678,791	\$3,981,582	\$3,754,045	\$3,754,045
	-1.7%	3.9%	8.2%	-5.7%	0.0%

Source: GRF

Legal Basis: Section 206.39 of Am. Sub. H.B. 66 of the 126th G.A. (originally authorized by Article III of the Ohio Constitution)

Purpose: Moneys appropriated to this line item pay for personnel, maintenance, and equipment for the Office of the Governor.

GRF 040-403 Federal Relations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$321,152	\$422,618	\$420,951	\$422,760	\$435,443	\$435,443
	31.6%	-0.4%	0.4%	3.0%	0.0%

Source: GRF

Legal Basis: Section 206.39 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: These moneys are used for costs associated with Ohio's participation in national or regional associations and related personnel, maintenance, and equipment costs.

GRF 040-408 Office of Veterans' Affairs

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$232,420	\$245,036	\$260,237	\$267,923	\$287,000	\$298,000
	5.4%	6.2%	3.0%	7.1%	3.8%

Source: GRF

Legal Basis: ORC 5902.01; Section 206.39 of Am. Sub. H.B. 66 of the 126th G.A. (Office of Veterans' Affairs was transferred from the Adjutant General's Office to the Office of the Governor in 1991 by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: This line item pays for the operating expenses of the Office of Veterans' Affairs.

General Services Fund Group

5AK 040-607 Federal Relations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$154,490	\$209,590	\$354,514	\$365,149	\$365,149
		35.7%	69.1%	3.0%	0.0%

Source: GSF: Charges to state agencies of the executive branch that use an intrastate transfer voucher.

Legal Basis: Section 206.39 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: Moneys in this line item pay for costs associated with Ohio's participation in national or regional associations and related personnel, maintenance, and equipment.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
GOV Governor, Office of the								
GRF	040-321	Operating Expenses	\$ 3,678,791	\$3,981,582	\$ 3,754,045	-5.7%	\$ 3,754,045	0.0%
GRF	040-403	Federal Relations	\$ 420,951	\$422,760	\$ 435,443	3.0%	\$ 435,443	0.0%
GRF	040-408	Office of Veterans' Affairs	\$ 260,237	\$267,923	\$ 287,000	7.1%	\$ 298,000	3.8%
General Revenue Fund Total			\$ 4,359,978	\$ 4,672,265	\$ 4,476,488	-4.2%	\$ 4,487,488	0.2%
5AK	040-607	Federal Relations	\$ 209,590	\$354,514	\$ 365,149	3.0%	\$ 365,149	0.0%
General Services Fund Group Total			\$ 209,590	\$ 354,514	\$ 365,149	3.0%	\$ 365,149	0.0%
Total All Budget Fund Groups			\$ 4,569,568	\$ 5,026,779	\$ 4,841,637	-3.7%	\$ 4,852,637	0.2%