

Office of Budget and Management

Senate Finance and Financial Institutions Committee

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Legislative Service Commission*

May 23, 2007

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LSC Redbook for the Office of Budget and Management

Senate Finance and Financial Institutions Committee

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Catalog of Budget Line Items

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Comparison Document: Permanent and Temporary Law

May 23, 2007

Office of Budget and Management

- Implementation of the Ohio Administrative Knowledge System (OAKS) will continue to be a major focus in the upcoming biennium
- Planned transfer of DAS's Office of Information Technology to OBM

OVERVIEW

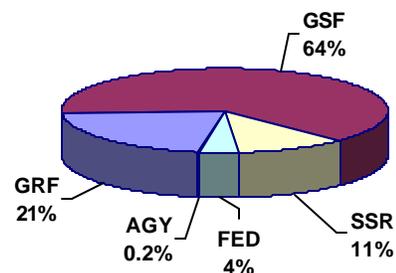
The Ohio Office of Budget and Management (OBM) is a cabinet-level agency within the executive branch of state government. The primary mission of OBM is to provide financial management and policy analysis to help ensure the responsible use of state resources. OBM provides fiscal accounting and budgeting services to state government to ensure that Ohio's fiscal resources are used in a manner consistent with state laws and policies. OBM advises the Governor on budget concerns and helps state agencies to coordinate their financial activities. OBM also provides financial information to the Governor, state agencies, the General Assembly, and other interested parties, including local government units. The Director of OBM sits on the Governor's cabinet as the Governor's chief financial officer.

The Office is organized into three program series: Budget Development and Implementation Services, Financial Accounting Services, and Governmental Services. The largest program series, which accounts for approximately 64.7% of OBM's recommended budget, Financial Accounting Services, maintains, manages, and supports the accounting and financial reporting activities of state government and the state's financial relations with the federal and local governments. It is also responsible for the pre-auditing of state expenditures. The next largest program series, Budget Development and Implementation Services, represents approximately 23.6% of OBM's recommended budget. This area prepares and implements the operating and capital budgets of all state agencies. Governmental Services, which represents 11.7% of OBM's recommended budget, is responsible primarily for the implementation of the Ohio Administrative Knowledge System (OAKS) and for assisting Financial Planning and Supervision Commissions upon declaration of a fiscal emergency in a municipality or in a school district.

FYs 2008-2009 Executive Recommendation and Funding Overview

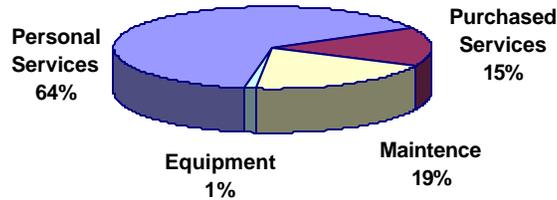
Recommended funding for FY 2008 is a 12.3% increase over estimated FY 2007 expenditures of \$15,730,043. The executive recommends funding of \$17,657,832 in FY 2008 and \$21,278,216 in FY 2009, a 20.5% increase in the second year of the biennium; this is primarily caused by \$3 million in Medicaid agency transition appropriations in FY 2009. As the first pie chart shows, GSF funding through the State Accounting and Budgeting Fund (Fund 105), which consist of changes to agencies for budget services, makes up 64% of OBM's recommended funding. GRF accounts for 21%, and SSR accounts for 11%.

Total Recommended Budget by Fund Group



As shown below, personal services accounts for 64% of OBM's recommended budget. Expenditures for information technology services in the Financial Accounting Services area make up the primary portion of maintenance expenses, which account for 19% of the recommended budget.

Total Recommended Budget by Object of Expenditure



Changes in FYs 2008-2009

Medicaid Agency Transition

OBM will provide \$3 million to support the transition of Medicaid becoming a stand-alone agency, which is scheduled to take place in FY 2009. The recommended appropriation for GRF line item 042-416, Medicaid Agency Transition, is \$1.5 million, matched with \$1.5 million in new line item 042-606, Medicaid Agency Transition. OBM anticipates additional full-time equivalents (FTEs) for this transition process, but is uncertain about the total required.

Ohio Administrative Knowledge System (OAKS)

Along with the Department of Administrative Services, the Auditor of State, and the Treasurer of State, OBM continues to move forward with the implementation of OAKS, which integrates the functions of five major statewide business functions: capital improvements, financials, fixed assets, human resources, and procurement. In July 2006, the financial modules were implemented, followed by the human resources module in December 2006.

Once fully implemented, OAKS will replace:

- Central Accounting System (CAS) - scheduled for implementation in July 2007;
- Capital Improvement Project Tracking System – scheduled for implementation in July 2008; and
- Fixed Assets Management System - scheduled for implementation July 2008.

The OAKS Program Manager is an OBM employee and the OBM budget supports the operating costs of the OAKS program management office. A total of 5.5 FTEs work in the OAKS Project Implementation program. Once in operation, the main source of funds used to support OAKS will come from charges to state agencies for their use of the system. The following table shows actual costs for OBM associated with the development of OAKS from FYs 2001 through 2005, the actual expenses for continued development and implementation in FYs 2006 and 2007, and the budgeted expenses for FYs 2008 and 2009. After the FY 2008-2009 biennium, once OAKS is fully operational, the program will be supported by user fees and OBM will no longer require project development costs.

Table 1: OAKS Project Implementation Costs, To Date (Fund 5N4)			
Item	Actual Expenses (FY 2001-2005)	Actual Expenses (FY 2006-2007)	Budgeted Expenses (FY 2008-2009)
Building/Equipment	\$2,250,947	\$1,297,921	\$621,893
Project Management Office Support Staff	\$6,049,860	\$3,922,026	\$3,626,000
Independent Validation and Verification	\$19,400	\$0	\$0
Training	\$34,650	\$1,550	\$10,000
Software/Hardware	\$3,474,745	\$171,761	\$75,000
Integrator	\$0	\$0	\$0
Business Needs Analysis	\$2,750,000	\$0	\$0
E-Controlling Board	\$280,695	\$0	\$0
Totals	\$14,860,297	\$5,391,708	\$4,332,893

There are large capital equipment costs associated with this new system. The overall cost to implement OAKS is approximately \$158 million. A portion of funding for the OAKS project will come from the proceeds of the sale of Certificates of Participation (COPs), a form of tax-exempt debt issued by a third-party agent other than the state. The state will make lease payments to the debt-issuing authority in order to support the debt maintenance payments associated with the COPs.

The OAKS Project Implementation Fund (Fund 5N4)

The OAKS Project Implementation Fund (Fund 5N4) consists of GRF transfers in FYs 2008 and FY 2009. To help with the funding source of OAKS implementation, state payment card rebates were directed to this fund in FYs 2006-2007. For FYs 2008-2009, it is proposed that these rebates be redirected to the State Accounting and Budgeting Fund (Fund 105) to help cover the personnel expenses involved with implementing the accounting module of OAKS that will begin July 2007. This will require 8 FTEs. As the phases are completed, OBM will require less funding for implementation, but will require ongoing appropriations for management, funded through chargebacks to user agencies.

Transfer of the Office of Information Technology (OIT)

Beginning in FY 2008, The Office of Information Technology (OIT) will begin transferring from the Department of Administrative Services (DAS) to OBM. This transfer is expected to be completed by FY 2009. All OIT funding will transfer to OBM from DAS as a part of this office change.

Transfer of Warrant Issuance from Auditor of State's Office

Starting in January 2007, OBM assumed the responsibilities and the costs associated with the issuance of warrants and electronic fund transfers to state employees, vendors, taxpayers, and other recipients of state payments, which were previously handled by the Auditor of State (AUD).

Staffing Levels

The following table shows staffing levels for OBM from FYs 2004 through 2007, as well as estimates for FYs 2008-2009.

Office of Budget and Management Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Budget Development and Implementation	31.5	35.5	37.5	37.5	37	49
State Accounting Division	68.5	70	70	70	90.5	90.5
OAKS Project Implementation	4.5	5	5	5	5.5	5.5
Totals	104.5	110.5	112.5	112.5	133	145

The increase in the Budget Development and Implementation division, from 37 in FY 2008 to 49 in FY 2009, is primarily attributable to the Medicaid Agency Transition, planned to take place in FY 2009. Due to the transfer of warrant issuance from Auditor of State (AUD) to OBM, there are 9 additional FTEs (7 from AUD) in the State Accounting Division. Additionally, a total of 11 FTEs related to the OAKS transition will be necessary, 8 in the State Accounting processing areas, and 3 in the Financial Reporting division. The Governmental Services program series includes OAKS and Gubernatorial Transition, but staffing for OAKS stands alone on the table and staffing for Gubernatorial Transition is not included in the table since the program is of a short-term duration.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Office of Budget and Management, Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
	042-321	Budget Development and Implementation	\$2,026,011	\$2,128,284
		<u>Program Series 1: Budget Development and Implementation Services</u>	\$1,916,579	\$2,015,876
		Program 1.01: Budget Development	\$1,502,649	\$1,575,482
		Program 1.02: Controlling Board	\$199,638	\$209,968
		Program 1.03: Debt Management	\$214,292	\$230,426
		<u>Program Series 3: Governmental Services</u>	\$109,432	\$112,408
		Program 3.01: Financial Planning and Supervision Commissions	\$109,432	\$112,408
	042-410	National Association Dues	\$28,700	\$29,561
		<u>Program Series 1: Budget Development and Implementation Services</u>	\$28,700	\$29,561
		Program 1.01: Budget Development	\$28,700	\$29,561
	042-412	Audit of Auditor of State	\$60,460	\$60,460
		<u>Program Series 2: Financial Accounting Services</u>	\$60,460	\$60,460
		Program 2.03: Financial Reporting	\$60,460	\$60,460
	042-413	Payment Issuance	\$1,191,802	\$1,150,192
		<u>Program Series 2: Financial Accounting Services</u>	\$1,191,802	\$1,150,192
		Program 2.01: Accounting Operations and Processing	\$1,191,802	\$1,150,192
	042-416	Medicaid Agency Transition	\$0	\$1,500,000
		<u>Program Series 1: Budget Development and Implementation Services</u>	\$0	\$1,500,000
		Program 1.01: Budget Development	\$0	\$1,500,000
General Revenue Fund Subtotal			\$3,306,973	\$4,868,497
General Services Fund Group				
Fund 105	042-603	Accounting and Budgeting	\$12,115,134	\$12,742,551
		<u>Program Series 1: Budget Development and Implementation Services</u>	\$1,056,220	\$1,156,211
		Program 1.01: Budget Development	\$1,056,220	\$1,156,211
		<u>Program Series 2: Financial Accounting Services</u>	\$11,058,914	\$11,586,340
		Program 2.01: Accounting Operations and Processing	\$8,905,488	\$9,329,850

Office of Budget and Management, Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
		Program 2.02: Electronic Commerce	\$600,285	\$628,568
		Program 2.03: Financial Reporting	\$1,312,963	\$1,374,491
		Program 2.04: Internal Accounting Control Program Oversight	\$240,178	\$253,431
General Services Fund Subtotal			\$12,115,134	\$12,742,551
Federal Special Revenue Fund Group				
Fund 3CM	042-606	Medicaid Agency Transition	\$0	\$1,500,000
		Program Series 1: Budget Development and Implementation Services	\$0	\$1,500,000
		Program 1.01: Budget Development	\$0	\$1,500,000
Federal Special Revenue Fund Subtotal			\$0	\$1,500,000
State Special Revenue Fund Group				
Fund 5N4	042-602	OAKS Project Implementation	\$2,200,725	\$2,132,168
		Program Series 3: Governmental Services	\$2,200,725	\$2,132,168
		Program 3.02: OAKS	\$2,200,725	\$2,132,168
State Special Revenue Fund Subtotal			\$2,200,725	\$2,132,168
Agency Fund Group				
Fund 5EH	042-604	Forgery Recovery	\$35,000	\$35,000
		Program Series 2: Financial Accounting Services	\$35,000	\$35,000
		Program 2.01: Accounting Operations and Processing	\$35,000	\$35,000
Agency Fund Subtotal			\$35,000	\$35,000
Office of Budget and Management Total Funding			\$17,657,832	\$21,278,216

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series **1: Budget Development and Implementation Services**

Purpose: Budget Development and Implementation Services strives to promote the effective and efficient use of state resources and to facilitate the operations of state agencies consistent with the priorities of the Governor and the General Assembly and in accordance with state law.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	042-321	Budget Development and Implementation	\$1,916,579	\$2,015,876
GRF	042-410	National Association Dues	\$28,700	\$29,561
GRF	042-416	Medicaid Agency Transition	\$0	\$1,500,000
General Revenue Fund Subtotal			\$1,945,279	\$3,545,437
General Services Fund				
105	042-603	State Accounting and Budgeting	\$1,056,220	\$1,156,211
General Services Fund Subtotal			\$1,056,220	\$1,156,211
Federal Revenue Fund				
3CM	042-606	Medicaid Agency Transition	\$0	\$1,500,000
Federal Revenue Fund Subtotal			\$0	\$1,500,000
Total Funding: Budget Development and Implementation Services			\$3,001,499	\$6,201,648

Funding for Budget Development and Implementation supports the following specific programs:

- **Program 1.01: Budget Development**
- **Program 1.02: Controlling Board**
- **Program 1.03: Debt Management**

Budget Development

Program Description: The Budget Development program evaluates agencies’ budget requests and prepares the state operating, tobacco, and capital budget recommendations for submission to the General Assembly every two years in accordance with sections 126.02 and 126.03 of the Revised Code. Biennial economic forecasts and revenue estimates are prepared as part of the budgeting process, to include estimates of future values of key economic variables such as gross domestic product, employment, unemployment, and inflation. Updates of these forecasts and estimates are prepared periodically during a biennium, and a monthly report is issued to the Governor that analyzes current economic trends, year-to-date state revenues and spending, and the GRF balance. The Budget Development program also oversees the preparation of annual allotment plans by agencies, and prepares estimates and monitors agencies’ spending during the fiscal year to ensure it is done in accordance with state law and does not exceed appropriations.

The Budget Development program provides policy, program, and technical assistance as needed to state agencies, including assistance on emerging management issues both within individual agencies and extending across multiple agencies.

The Budget Development and Implementation program also funds the National Association of State Budget Officers' (NASBO) annual membership dues and helps support the internal administration functions.

Funding Source: GRF, GSF Fund 105 (fees charged to state agencies), and FED Fund 3CM (for Medicaid agency transition)

Line Items: The following lines item fund this program:

Line Item	FY 2008	FY 2009
GRF 042-321, Budget Development/Implementation	\$1,502,649	\$1,575,482
GRF 042-410, National Association Dues	\$28,700	\$29,561
GRF 042-416, Medicaid Agency Transition	\$0	\$1,500,000
105 042-603, State Accounting and Budgeting	\$1,056,220	\$1,156,211
3CM 042-606, Medicaid Agency Transition	\$0	\$1,500,000
Program Total	\$2,587,569	\$5,761,254

Implication of Executive Recommendation: The executive recommends \$2,587,569 in FY 2008 and \$5,761,254 in FY 2009. With the supplementary funding from payroll check-offs (Fund 105) and state payment card rebates, the Budget Development program will be able to continue the National Association membership, maintain internal administration, fund preparation of the operating and capital budget recommendations, and support the transition costs of the Medicaid agency.

Temporary Law Provision

Budget Adjustments to Reflect Tobacco Securitization (Section 518.03). (1) Requires the director of OBM to make appropriation and other budget-related adjustments related to the plan to securitize the revenues derived from the Tobacco Master Settlement Agreement, (2) Requires OBM to report these actions to the Controlling Board as soon as these actions are taken.

Controlling Board

Program Description: The Controlling Board provides legislative oversight over certain capital and operating expenditures by state agencies and has approval authority over various other state fiscal activities. The Board meets approximately every two weeks to consider and vote on requests for action that are submitted to the Board by state agencies, boards, and/or commissions. OBM staff act as President and Executive Secretary to the Controlling Board, and provide administrative support and oversight. Also, an "E-Controlling Board" application was launched in February 2005.

Although GRF and other state funds are appropriated to the Board, it disburses none of these funds. Instead, the Board approves the transfer of these amounts to other state agencies as specified in temporary law. Among various other such actions, this involves state funds available to assist state agencies and local governments with disaster recovery and other emergency situations, as well as statewide ballot advertising expenses. The Board also approves the release of funds to help local governments defray the cost of specified unfunded mandates.

Funding Source: GRF

Line Item: 042-321, Budget Development and Implementation

Implication of Executive Recommendation: The executive recommends \$199,638 in FY 2008 and \$209,968 in FY 2009. The recommended appropriations support the payroll and maintenance costs of two OBM staff members (President and Secretary) providing administrative support and oversight to the Controlling Board. Funding at the recommended level will allow OBM to continue to offer current services.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program within the OBM appropriations. However, section 249.10, which outlines Controlling Board appropriations, contains extensive earmarking and transfer language related to compensation for unfunded mandates, ballot advertising expenses, and disaster assistance.

Debt Management

Program Description: The Debt Management program coordinates the bond sales of all state bond issuers, reviews certain bond documents to ensure they are complete and accurate, keeps track of all debt service payments, projects future state debt service needs, and informs bond rating agencies of the state's debt and overall financial situation. This program also provides administrative support to the Ohio Public Facilities Commission, one of the state agencies authorized to issue debt.

Funding Source: GRF

Line Items: 042-321, Budget Development and Implementation

Implication of Executive Recommendation: The executive recommends \$214,292 in FY 2008 and \$230,426 in FY 2009. Funding at the recommended levels will allow the Debt Management program to continue its current services.

Temporary Law Provisions

General Obligation Debt Service Payments (Section 518.06). Appropriates necessary funds for debt service and financing costs on general obligation bonds or notes of the state issued pursuant to the Ohio Constitution and acts of the General Assembly.

Authorization for Treasurer of State and OBM to Effectuate Certain Debt Service Payments (Section 518.12). Directs OBM to initiate and process disbursements from general obligation and lease rental payment appropriations during the period of July 1, 2007, to June 30, 2009, relating to bonds or notes issued under Sections 2i, 2k, 2m, 2n, 2p, and 15 of Article VIII, Ohio Constitution, and R.C. Chapters 151. and 154. Requires disbursements to be made upon certification, by the Treasurer of the State and Office of the Sinking Fund, of the dates and the amounts due on those dates.

Program Series

2: Financial Accounting Services

Purpose: Financial Accounting Services maintains, manages, and supports the accounting and financial reporting activities of state government and the state’s financial relations with the federal and local governments.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	042-412	Auditor of State	\$60,460	\$60,460
GRF	042-413	Payment Issuance	\$1,191,802	\$1,150,192
General Revenue Fund Subtotal			\$1,252,262	\$1,210,652
General Services Fund				
105	042-603	State Accounting and Budgeting	\$11,058,914	\$11,586,340
General Services Fund Subtotal			\$11,058,914	\$11,586,340
Agency Fund Group				
5EH	042-604	Forgery Recovery	\$35,000	\$35,000
Agency Fund Subtotal			\$35,000	\$35,000
Total Funding: Financial Accounting Services			\$12,346,176	\$12,831,992

Funding for Financial Accounting Services supports the following specific programs:

- **Program 2.01: Accounting Operations and Processing**
- **Program 2.02: Electronic Commerce**
- **Program 2.03: Financial Reporting**
- **Program 2.04: Internal Accounting Control Program Oversight**

Accounting Operations and Processing

Program Description: The largest program within OBM with approximately 72 FTEs, Accounting Operations and Processing (AOP) monitors and controls both the spending and revenue collection activities of state agencies. The program oversees and maintains the state’s Central Accounting System (CAS). The activities of this program are divided between two sections – State Accounting Operations (SAO) and Management Information Systems (MIS).

SAO enters all appropriations in CAS and exercises control over spending to ensure that legally established appropriations are not exceeded. This section reviews in excess of 5,000 encumbering documents and payment requests per day from state agencies and audits over 400 petty cash accounts annually. SAO also completes a monthly reconciliation between CAS, the Auditor of State, and the Treasurer of State.

The MIS section is responsible for network administration, database management, programming, and production. This section maintains CAS and supports all the information needs of OBM. MIS prepares and distributes daily, weekly, and monthly CAS production reports as well as ad hoc reports to state agencies, the Governor’s office, and the public upon request. MIS is also responsible for OBM’s Internet and Intranet web sites.

Beginning in FY 2008, OBM will support the costs associated with the issuance of warrants and electronic funds transfers to state employees, vendors, taxpayers, and other recipients of state payments.

Funding Source: GRF, GSF Fund 105 (fees charged to state agencies and state payment card rebates), and Fund 5EH (moneys collected by the Attorney General's office from cases of fraudulent state warrants)

Line Items: The following line items fund this program:

Line Items	FY 2008	FY 2009
GRF 042-413, Payment Issuance	\$1,191,802	\$1,150,192
105 042-410, State Accounting and Budgeting	\$8,905,488	\$9,329,850
5EH 042-416, Forgery Recovery	\$35,000	\$35,000
Program Total	\$10,132,290	\$10,515,042

Implication of Executive Recommendation: The executive recommends \$10,132,290 in FY 2008 and \$10,515,042 in FY 2009. Funding at the recommended levels will allow the Accounting Operations and Processing program to continue its activities at current levels and to add 9 additional FTEs (7 from AUD) to manage state warrant issuance.

Permanent Law Provisions

Responsibility for Preauditing a Request for Payment from the State Treasury (R.C. 126.07 and 126.08). Makes the chief administrative officer of a state agency, or that officer's designee, rather than the Director of Budget and Management, responsible for preauditing (examining vouchers, contracts, etc., to substantiate a transaction prior to payment) a state agency's request for the making of a payment from the State Treasury. Makes the chief administrative officer, or designee, responsible for ensuring that transactions using a state payment card are made in accordance with OBM guidelines and do not exceed the available balance in the appropriation to be charged for the purpose. Authorizes OBM to review and audit vouchers, documentation accompanying them, and any other documentation related to transactions to determine if they are in accordance with the law; to maintain and periodically audit financial records of and submission of vouchers by state agencies, and to provide assistance in the analysis of the financial position of state agencies.

Use of a Payment Card by a State Agency (R.C. 126.21). Requires the chief administrative officer (or a designee) of a state agency that uses a payment card for purchases to ensure that purchases are made in accordance with guidelines issued by OBM and that the purchases do not exceed the unexpended, unencumbered, unobligated balance in the appropriation to be charged for the purchase.

Auditing and Accounting Services to be Provided by OBM (R.C. 126.22). Adds other accounting services to the responsibilities of OBM, such as the maintenance and periodic auditing of the financial records of and submission of vouchers by state agencies, and provisions of assistance in the analysis of the financial position of state agencies.

Forgery Recovery Fund (R.C. 126.40). Creates the Forgery Recovery Fund in the State Treasury to receive moneys collected by the Attorney General in cases of fraud or forgery involving state warrants. Requires the transfer of the unencumbered cash balance in AGY Fund R06, Continuous Receipts, to AGY Fund 5EH, Forgery Recovery, on or before July 31, 2007.

Temporary Law Provisions

The following are general accounting provisions that apply broadly to various state agencies and involve OBM but have no specific, direct fiscal impact on OBM:

Transfers to the General Revenue Fund from Non-GRF Funds (Section 512.03). Authorizes the Director of Budget and Management to transfer cash from non-General Revenue Fund funds that are not constitutionally restricted to the GRF. Specifies that the total amount of cash transfers made during FY 2008 and FY 2009 cannot exceed \$70,000,000.

Transfers to the General Revenue Fund of Interest Earned (Section 512.06). Authorizes the Director of Budget and Management to transfer to the GRF interest earned in any Central Accounting System (CAS) fund, with the exception of funds that are restricted or protected by the Ohio Constitution, federal tax law, or the federal Cash Management Improvement Act. This language has the possible fiscal effect of decreasing balances in certain nonrestricted state funds while increasing the balance of the GRF. OBM estimates the interest proceeds will be approximately \$25.2 million in FY 2008 and \$25.8 million in FY 2009.

Transfer Balance of Continuous Receipts (in the Auditor of State's budget) Fund (Section 233.20). Transfers unencumbered cash balance in Continuous Receipts Fund (Fund R06) to the Forgery Recovery Fund (Fund 5EH) within OBM.

Personal Service Expenses (Section 503.03). Requires any appropriation from which personal services expenses are paid to bear the employer's share of various costs, unless otherwise prohibited by law. Specifies that these costs shall be determined in conformity with the appropriate sections of law and paid in accordance with procedures specified by OBM.

Capital Project Settlements (Section 503.09). Specifies that an additional and supplemental procedure to provide for payments of judgments and settlements if the Director of OBM determines that sufficient unencumbered moneys do not exist in the particular appropriation to pay the amount of a final judgment rendered against the state or a state agency, including the settlement of a claim approved by a court, in an action upon and arising out of a contractual obligation for the construction or improvement of a capital facility if the costs under the contract were payable in whole or in part from a state capital projects appropriation.

Re-issuance of Voided Warrants (Section 503.12). Provides funds for the reissuance of voided warrants under section 117.47 of the Revised Code, when approved by OBM.

Reappropriation of Unexpended Encumbered Balances of Operating Appropriations (Section 503.15). Reappropriates an unexpended balance of an operating appropriation or reappropriation that a state agency encumbered prior to the close of a fiscal year on the first day of July of the following fiscal year for various time periods based on the type of encumbrance.

Appropriations Related to Cash Transfers and Re-establishment of Encumbrances (Section 503.18). Specifies that any cash transferred by OBM under section 126.15 of the Revised Code (for the purpose of making adjustments to capital or operating budgets) and any amounts necessary to re-establish appropriations or encumbrances under that section are appropriated.

Establishment of Custodial Funds in the State Treasury (Section 512.41). Allows OBM, in collaboration with the Treasurer of State, to take any action necessary to establish funds in the State Treasury that were previously held in the custody of the Treasurer of State, including, but not limited to, the transfer of cash from the custodial funds to the State Treasury and the establishment of appropriations and encumbrances to support outstanding obligations.

Federal Government Interest Requirements (Section 521.08). Authorizes the Director of OBM to designate funds to retain their own interest earnings in order to reduce the payment of adjustments to the federal government. The fiscal effect of this is to allow for possible increases in interest earnings for funds that OBM designates to retain interest earnings.

Federal Cash Management Improvement Act (Section 521.12). Allows the Director of OBM to cancel and re-establish all or part of encumbrances in like amounts within the funds identified by the Federal Cash Improvement Act as required by section 131.36 of the Revised Code.

Electronic Commerce

Program Description: The Electronic Commerce program manages the state payment card, financial electronic data interchange (EDI), electronic revenue, and the Statewide Cost Allocation Plan (SWCAP) functions.

The state payment card program provides state agencies with credit cards with enhanced controls and tracking for the purchases of small dollar goods and services. Electronic revenue facilitates the receipt and processing of electronic payments from the state's constituents. The SWCAP is filed annually with the federal government. This plan distributes costs like rent and utilities across state government in order to fairly allocate those costs to federally funded programs for reimbursement.

Funding Source: GSF Fund 105 (fees charged to state agencies)

Line Items: 042-603, State Accounting and Budgeting

Implication of Executive Recommendation: The executive recommends \$600,285 in FY 2008 and \$628,568 in FY 2009. Funding at the recommended levels will allow the Electronic Commerce program to continue its activities at current levels.

Temporary Law Provisions

Statewide Indirect Cost Recovery (Section 521.06). Appropriates from available receipts amounts required for the statewide indirect costs, when it has been determined that an appropriation made to a state agency for this purpose is insufficient.

GRF Transfers on Behalf of the Statewide Indirect Cost Allocation Plan (Section 521.07). Specifies that the director of an agency may certify to OBM the amount of expenses not allowed to be included in the Statewide Indirect Cost Allocation Plan under federal regulations; authorizes OBM to transfer from the GRF into the fund for which the certification is made, up to the amount of the certification upon determining that no alternative source of funding is available to pay for such expenses; requires the director of an agency receiving such funds to include a request for funding for such activities from an alternative source as part of the next budget submission; and specifies that total transfers made from the GRF by OBM shall not exceed the amounts transferred into the GRF under section 126.12 of the Revised Code (statewide indirect costs).

Financial Reporting

Program Description: The Financial Reporting program compiles and publishes the Ohio Comprehensive Annual Financial Report (CAFR), the state’s official annual financial report, which is prepared in conformity with Generally Accepted Accounting Principles as required under section 126.21 of the Revised Code. The CAFR officially documents the state’s financial activity and financial position for Ohio citizens, taxpayers, elected officials, bond investors, the federal government, and other constituencies. The Financial Reporting program also provides several other financial reporting services. Finally, GRF expenditures in this program fund the separate annual financial audit of the Auditor of State’s Office, as required by section 117.14 of the Revised Code.

Funding Source: GRF; GSF Fund 105 (fees charged to state agencies)

Line Items: The following line item funds this program:

Line Item	FY 2008	FY 2009
GRF 042-412, Audit of Auditor of State	\$60,460	\$60,460
105 042-603, State Accounting and Budgeting	\$1,312,963	\$1,374,491
Program Total	\$1,373,423	\$1,434,951

Implication of Executive Recommendation: The executive recommends a total of \$1,373,423 in funding for FY 2008 and \$1,434,951 for FY 2009. Recommended GRF funding of \$60,460 in FY 2008 and FY 2009 supports expenses of an independent accounting firm to conduct the annual financial audit of the Auditor of State’s Office. Fund 105 appropriations in the recommended amounts of \$1,312,963 in FY 2008 and \$1,374,491 in FY 2009 supports payroll, maintenance, and equipment expenses in this program. Funding at recommended levels will allow the Financial Reporting program to continue its activities at current levels.

Temporary Law Provision

Audit Costs (Section 233.10). Requires that not more than \$435,000 in FY 2008 and \$445,000 in FY 2009 shall be used to pay for centralized audit costs associated with either Single Audit Schedules or financial statements prepared in conformance with generally accepted accounting principles.

Internal Accounting Control Program Oversight

Program Description: The Internal Accounting Control Program (IACP) requires each cabinet agency to establish, maintain, and annually evaluate internal accounting control systems sufficient to provide reasonable assurance of accountable government. After agency management conducts self-assessments of the internal control environment, the respective agencies annually certify the results of their in-house reviews to OBM. When agencies identify “material” internal control weaknesses, agency management must draft improvement plans, and OBM reviews and monitors progress made on those plans. OBM provides ongoing training to agencies on internal control procedures, and provides more specific technical guidance on an as-needed basis for agencies through on-site consultations. OBM also conducts an Agency Review Evaluation Subprogram (ARES) assessment annually to review each agency’s approach and methodology to completing their IACP review and to offer suggestions for improvement.

The IACP staff also provides technical and administrative support to the Ohio Internal Audit Committee (OIAC), comprised of internal audit staff members from the various state agencies.

Funding Source: GSF Fund 105 (fees charged to state agencies)

Line Items: 042-603, State Accounting and Budgeting

Implication of Executive Recommendation: The executive recommends \$240,178 in FY 2008 and \$253,431 in FY 2009. Funding at the recommended levels will allow the Internal Accounting Control Program Oversight program to continue its activities at current levels.

Temporary and Permanent Law Provisions

None

Program Series

3: Governmental Services

Purpose: This program series provides financial management services to other governmental entities, coordinates the state's Enterprise Resource Planning System initiative with other governmental units.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	042-321	Budget Development and Implementation	\$109,432	\$112,408
General Revenue Fund Subtotal			\$109,432	\$112,408
State Special Revenue Fund				
5N4	042-602	OAKS Project Implementation	\$2,200,725	\$2,132,168
State Special Revenue Fund Subtotal			\$2,200,725	\$2,132,168
Total Funding: Governmental Services			\$2,310,157	\$2,244,576

Funding for Governmental Services supports the following specific programs:

- **Program 3.01: Financial Planning and Supervision Commissions**
- **Program 3.02: Ohio Administrative Knowledge System (OAKS)**

Financial Planning and Supervision Commissions

Program Description: A Financial Planning and Supervision Commission is established upon the occurrence or declaration of a fiscal emergency in any municipality or school district for the purpose of overseeing the finances of and helping the municipality or school district overcome financial difficulties. The Director of OBM or a designee of the Director serves as a member of each Financial Planning and Supervision Commission.

Funding Source: GRF

Line Items: 042-321, Budget Development and Implementation

Implication of Executive Recommendation: The executive recommends \$109,432 in FY 2008 and \$112,408 in FY 2009. Commissions are getting out of fiscal emergency quicker and OBM requires just over one FTE for this program. As of March 2007, there are 17 local governments and 5 school districts that OBM is involved with assisting. OBM is exploring bringing on contract or intermittent employees to help with commission supervision.

Temporary and Permanent Law Provisions

None

Ohio Administrative Knowledge System (OAKS)

Program Description: The OAKS program will integrate five major statewide business functions into an Enterprise Resource Planning (ERP) system. The business functions include capital improvements, financials, fixed assets, human resources, and procurement.

OBM purchased the ERP system from PeopleSoft in October 2004, the design and development of which began in spring 2005. The financial module was implemented in July 2006. The human resources module went live in December 2006 and procurement, fixed assets, capital improvement projects are scheduled for implementation in FY 2008 and FY 2009. The total cost to implement OAKS is approximately \$158 million, a portion of which will be covered by OBM's budget. To date during the current FYs 2006-2007 biennium, OBM's costs have been \$5,391,708, largely for project management staff and building rent and equipment.

Funding Source: SSR Oaks Project Implementation Fund (Fund 5N4: GRF transfers in FYs 2008 and 2009). In the future when the system goes live, charges to state agencies for their use of the system will likely be the main source of funds used to support OAKS.

Line Items: 042-602, OAKS Project Implementation

Implication of Executive Recommendation: The executive recommends \$2,200,725 in FY 2008 and \$2,132,168 in FY 2009. Funding at the recommended levels will support state employees, project management consultants, supplies, and equipment needed to maintain the OAKS project management office. The capital equipment costs of the software and systems integration will be funded through a financing mechanism called Certificates of Participation (COPs).

Permanent Law Provision

OAKS Support Organization Fund (R.C. 126.24). Creates the OAKS Support Organization Fund in the State Treasury for the purpose of paying the operating expenses of the system. The fund consists of cash transfers from the Accounting and Budgeting Fund (Fund 105) and the Human Resources Fund (Fund 125), and other revenues designated to support the operating costs of OAKS.

Temporary Law Provisions

GRF Transfer to Fund 5N4, OAKS Project Implementation (Section 512.21). Requires the Director of OBM to transfer from the GRF to SSR Fund 5N4, OAKS Project Implementation, up to \$2,200,725 on July 1, 2007, or as soon thereafter as possible, and up to \$2,092,779 on July 1, 2008, or as soon thereafter as possible. This will add to the available cash balance in this fund to support OAKS implementation.

OAKS Support Organization (Section 233.20). Requires OBM to use the OAKS Support Organization financial management module to support the activities of its office. Requires the OAKS Support Organization to recover the costs to establish and maintain the enterprise resource planning system through billings to OBM. Requires OBM, starting July 1, 2007, to include the recovery of costs to administer the financial module of the OAKS System in the Accounting and Budgeting Services payroll rate. Requires these revenues to be deposited in GSF Fund 105, Accounting and Budgeting Services. Requires OBM to process, not less than quarterly, intrastate transfer voucher billings to transfer the Accounting and Budgeting Services Fund (Fund 105) to GSF Fund 5EB, OAKS Support Organization, within DAS to pay for OAKS Support Organization costs.

Temporary Transfer to the OAKS Support Organization Fund (Section 512.31). Allows the director of OBM to transfer an amount not to exceed \$1,000,000 in cash from the Human Resources Services Fund (Fund 125) to the OAKS Support Organization Fund (Fund 5EB). These amounts will support the establishment of the OAKS Support Organization. Amounts transferred to the OAKS Support Organization Fund and interest earnings on these amounts transferred during FY 2008 shall be returned to the Human Resources Services Fund not later than January 1, 2008.

REQUESTS NOT FUNDED

The executive budget fully funds the Office of Budget and Management at requested levels of \$17,657,832 in FY 2008 and \$21,278,216 in FY 2009.

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General Revenue Fund

GRF 042-321 Budget Development and Implementation

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$2,225,924	\$2,383,772	\$1,578,990	\$2,143,886	\$2,026,011	\$2,128,284
	7.1%	-33.8%	35.8%	-5.5%	5.0%

Source: GRF

Legal Basis: ORC 126; ORC Sections 127.12, 127.13, 118.05 and 3316.05; Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: Moneys in this line item pay for personnel, maintenance, and equipment costs for the Budget Development and Implementation program within OBM, including the state Controlling Board. This fund is also used for OBM's involvement in municipal and school district financial planning commissions.

GRF 042-401 Office of Quality Services

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$35,003	\$0	\$0	\$0	\$0	\$0

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: These moneys were used to pay for all expenses of the Office of Quality Services (OQS), which facilitated the quality effort throughout state government.

GRF 042-410 National Association Dues

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$26,300	\$26,300	\$27,089	\$28,173	\$28,700	\$29,561
	0.0%	3.0%	4.0%	1.9%	3.0%

Source: GRF

Legal Basis: Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: The moneys in this line item pay annual membership dues in the National Association of State Budget Officers (NASBO).

GRF 042-412 Audit of Auditor of State

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$62,110	\$55,760	\$55,900	\$58,700	\$60,460	\$60,460
	-10.2%	0.3%	5.0%	3.0%	0.0%

Source: GRF

Legal Basis: ORC 117.14; Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This appropriation is used to pay for an annual audit of the State Auditor's office.

GRF 042-413 Payment Issuance

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$0	\$1,191,802	\$1,150,192
					-3.5%

Source: GRF

Legal Basis: New line item as proposed in Section 233.10 of H.B. 119 of the 127th G.A.

Purpose: Moneys in this line item pay for personnel, maintenance, and equipment costs for the issuance of warrants and EFTs to state employees, vendors, tax refund recipients, and entitlement program recipients

GRF 042-416 Medicaid Agency Transition

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$1,000,000	\$0	\$1,500,000
			N/A		

Source: GRF

Legal Basis: Section 203.57 of Am. Sub. H.B. 699 of the 126th G.A.

Purpose: Moneys in this line item will fund the costs of transitioning to a new Department of Medicaid.

GRF 042-435 Gubernatorial Transition

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$250,000	\$0	\$0
			N/A		

Source: GRF

Legal Basis: As needed line item (originally established in ORC 107.30; Section 203.57 of Am. Sub. H.B. 66 of the 126th G.A.)

Purpose: Moneys in this line item fund the salaries, supplies, and other reasonable expenses of the governor-elect during the period of transition.

General Services Fund Group

105 042-603 State Accounting and Budgeting

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$7,984,879	\$7,751,975	\$8,845,315	\$9,976,689	\$12,115,134	\$12,742,551
	-2.9%	14.1%	12.8%	21.4%	5.2%

Source: GSF: A fee charged to state agencies, equal to 0.628% of each agency's payroll in FY 2008, and 0.619% in FY 2009; and state payment card rebates

Legal Basis: ORC 126.25; Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: Moneys in this line item pay for the cost of accounting and budgeting services provided to state agencies by OBM. Of this appropriation, up to \$435,000 in FY 2008 and \$445,000 in FY 2009 may be used to pay the cost of Single Audit Schedules or related financial statements associated with the Auditor of State's annual audit of OBM.

Federal Special Revenue Fund Group

3CM 042-606 Medicaid Agency Transition

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$0	\$0	\$1,500,000

Source: FED: Federal Medicaid reimbursement for administration under Title XIX Medical Administration of the Social Security Act.

Legal Basis: As proposed in Section 233.10 of H.B. 119 of the 127th G.A.

Purpose: Moneys in this line item will fund the costs of transitioning to a new Department of Medicaid (federal share).

State Special Revenue Fund Group

5N4 042-602 OAKS Project Implementation

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,724,168	\$2,591,932	\$3,119,113	\$2,272,595	\$2,200,725	\$2,132,168
	50.3%	20.3%	-27.1%	-3.2%	-3.1%

Source: SSR: GRF transfers to SSR Fund 5N4 in FY 2008 and 2009

Legal Basis: Sections 203.75 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on December 18, 2000)

Purpose: Moneys are used to pay the costs of the Ohio Administrative Knowledge System (OAKS) project implementation planning. During the FY 2008-2009 biennium, this fund will be used for OAKS related technology projects, staffing costs, rental payments, and maintenance expenses.

Agency Fund Group

5EH 042-604 Forgery Recovery

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$0	\$35,000	\$35,000
				N/A	0.0%

Source: AGY: Monies collected by the Attorney General's Office from the resolution cases of fraud involving state warrants

Legal Basis: New line item; ORC 126.40 as proposed in the H.B. 119 of the 127th G.A.

Purpose: Moneys in this line item are used to reissue state warrants that were fraudulently redeemed.

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

<i>Fund ALI ALI Title</i>	<i>Estimated 2007</i>	<i>As Introduced 2008</i>	<i>House Passed 2008</i>	<i>% Change Est. 2007 to House 2008</i>	<i>As Introduced 2009</i>	<i>House Passed 2009</i>	<i>% Change House 2008 to House 2009</i>
<i>OBM Budget and Management, Office of</i>							
GRF 042-321 Budget Development and Implementation	\$2,143,886	\$ 2,026,011	\$ 2,026,011	-5.5%	\$ 2,128,284	\$ 2,128,284	5.0%
GRF 042-410 National Association Dues	\$28,173	\$ 28,700	\$ 28,700	1.9%	\$ 29,561	\$ 29,561	3.0%
GRF 042-412 Audit of Auditor of State	\$58,700	\$ 60,460	\$ 60,460	3.0%	\$ 60,460	\$ 60,460	0.0%
GRF 042-413 Payment Issuance	\$0	\$ 1,191,802	\$ 1,191,802	N/A	\$ 1,150,192	\$ 1,150,192	-3.5%
GRF 042-416 Medicaid Agency Transition	\$1,000,000	\$ 0	\$ 0	-100.0%	\$ 1,500,000	\$ 1,500,000	N/A
GRF 042-435 Gubernatorial Transition	\$250,000	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
General Revenue Fund Total	\$ 3,480,759	\$ 3,306,973	\$ 3,306,973	-5.0%	\$ 4,868,497	\$ 4,868,497	47.2%
105 042-603 State Accounting and Budgeting	\$9,976,689	\$ 12,115,134	\$ 12,115,134	21.4%	\$ 12,742,551	\$ 12,742,551	5.2%
General Services Fund Group Total	\$ 9,976,689	\$ 12,115,134	\$ 12,115,134	21.4%	\$ 12,742,551	\$ 12,742,551	5.2%
3CM 042-606 Medicaid Agency Transition	----	\$ 0	\$ 0	N/A	\$ 1,500,000	\$ 1,500,000	N/A
Federal Special Revenue Fund Group Total	----	\$ 0	\$ 0	N/A	\$ 1,500,000	\$ 1,500,000	N/A
5N4 042-602 OAKS Project Implementation	\$2,272,595	\$ 2,200,725	\$ 2,200,725	-3.2%	\$ 2,132,168	\$ 2,132,168	-3.1%
State Special Revenue Fund Group Total	\$ 2,272,595	\$ 2,200,725	\$ 2,200,725	-3.2%	\$ 2,132,168	\$ 2,132,168	-3.1%
5EH 042-604 Forgery Recovery	----	\$ 35,000	\$ 35,000	N/A	\$ 35,000	\$ 35,000	0.0%
Agency Fund Group Total	----	\$ 35,000	\$ 35,000	N/A	\$ 35,000	\$ 35,000	0.0%
Total All Budget Fund Groups	\$ 15,730,043	\$ 17,657,832	\$ 17,657,832	12.3%	\$ 21,278,216	\$ 21,278,216	20.5%

As Introduced (Executive)	As Passed by the House
<p>1 (CD-614-DAS) OAKS Support Organization Fund</p>	
<p>R.C. 126.24</p>	<p>R.C. 126.24</p>
<p>Creates the OAKS Support Organization Fund in the state treasury to pay the operating expenses of Ohio's enterprise resource planning system.</p>	<p>Same as the Executive.</p>
<p>2 (CD-625-DAS) Transfer of OIT from DAS to OBM</p>	
<p>R.C. 9.30, 125.01, 125.17, 125.18, Sections 515 606.11, 606.18, 207.30.30</p>	
<p>Transfers the OIT (and all its assets and liabilities, records, and funding) from DAS to the Office of Budget and Management on July 1, 2008. Retains OIT in DAS through FY 2008 to allow for the administrative reorganization entailed by the transfer.</p>	<p>No provision.</p>
<p>Makes the Office of Information Technology (OIT), rather than DAS, responsible for purchasing information technology supplies and services for all agencies.</p>	<p>No provision.</p>
<p>Makes the Chief Information Officer a position subject to appointment and removal by the Director of Budget and Management instead of the Governor.</p>	<p>No provision.</p>
<p>Specifies that the State Chief Information Officer is to supervise OIT, and that, beginning July 1, 2007, the Officer is to be subject to the Director of Budget and Management.</p>	<p>No provision.</p>
<p>Requires OIT, rather than DAS, to maintain the Ohio Business Gateway</p>	<p>No provision.</p>
<p>Codifies the multi-agency radio communication system (MARCS) and requires OIT to maintain and promote the system. Creates the MARCS Steering Committee.</p>	<p>No provision.</p>

As Introduced (Executive)

Creates the IT Governance Fund to support the activities of OIT, its funding to be derived from those activities.

Conforms previously enacted law (Section 235.30 of Am. Sub. H.B. 66 of the 126th General Assembly and Section 329.10 of Am. Sub. H.B. 699 of the 126th General Assembly) to reflect the transfer of OIT from DAS.

Fiscal effect: Transferring OIT, as well as all of its assets and liabilities from DAS to OBM has no net fiscal effect as a whole. However, DAS would be losing those assets and liabilities from OIT, while OBM would be gaining these assets and liabilities. Whether or not there are any administrative costs or savings to either agency for the gain or loss of OIT is not yet known.

As Passed by the House

No provision, but the fund remains in uncodified law (Section 207.30.30).

No provision.

As Introduced (Executive)

As Passed by the House

3 (CD-845-OBM) Preaduit Responsibilities of Individual State Agencies and Audit Responsibilities of OBM**R.C. 126.07, 126.08, 126.21, 126.22**

Makes the chief administrative officer of a state agency, or that officer's designee, rather than the Director of Budget and Management, responsible for preauditing (that is, examining vouchers, contracts, etc., to substantiate a transaction prior to payment) a state agency's request for the making of a payment from the state treasury.

Makes the chief administrative officer, or designee, responsible for ensuring that transactions using a state payment card are made in accordance with OBM guidelines and do not exceed the available balance in the appropriation to be charged for the purpose.

Authorizes OBM to review and audit vouchers, documentation accompanying them, and any other documentation related to transactions to determine if they are in accordance with the law; to maintain and periodically audit financial records of and submission of vouchers by state agencies, and to provide assistance in the analysis of the financial position of state agencies.

Fiscal effect: Increase in workload due to movement from the pre-auditing of only select transactions to post-audit of a sampling of all transactions; and an anticipated increase in payment card purchases due to an upcoming increase in the per transaction limit.

R.C. 126.07, 126.08, 126.21, 126.22

Same as the Executive.

Fiscal effect: Same as the Executive.

As Introduced (Executive)	As Passed by the House
<p>4 (CD-799-OBM) Forgery Recovery Fund</p>	
<p>R.C. 126.40, Section 233.20</p>	<p>R.C. 126.40, Section 233.20</p>
<p>Creates the Forgery Recovery Fund in the state treasury to receive moneys collected by the Attorney General in cases of fraud or forgery involving state warrants. Requires the transfer of the unencumbered cash balance in AGY Fund R06, Continuous Receipts, to AGY Fund 5EH, Forgery Recovery, on or before July 31, 2007.</p>	<p>Same as the Executive.</p>
<p>5 (CD-540-OBM) Lottery Funds</p>	
<p>R.C. 3770.06</p>	<p>R.C. 3770.06</p>
<p>Eliminates the requirement that the Director of Budget and Management transfer the first \$10 million of any money transferred to the Lottery Profits Education Fund (LPEF) from the State Lottery Fund in each fiscal year to the School Building Program Bond Service Fund.</p>	<p>Same as the Executive.</p>
<p>Requires the State Treasurer, within 60 days after the end of a fiscal year, to certify to OBM whether the actuarial amount of the Deferred Prizes Trust Fund (DPTF) is sufficient to pay for all outstanding annuity prize liabilities.</p>	
<p>Fiscal effect: Revenue gain to the Lottery Profit Education Fund (LPEF).</p>	<p>Fiscal effect: Same as the Executive.</p>

As Introduced (Executive)**As Passed by the House****6 (CD-764-OBM) Audit Costs****Section: 233.10**

Requires that not more than \$435,000 in FY 2008 and \$445,000 in FY 2009 be used to pay for centralized audit costs associated with either Single Audit Schedules or financial statements prepared in conformance with generally accepted accounting principles.

Section: 233.10

Same as the Executive.

7 (CD-765-OBM) OAKS Support Organization**Section: 233.20**

Requires OBM to use the OAKS Support Organization financial management module to support the activities of its office. Requires the OAKS Support Organization to recover the costs to establish and maintain the enterprise resource planning system through billings to OBM. Requires OBM, starting July 1, 2007, to include the recovery of costs to administer the financial module of the OAKS System in the Accounting and Budgeting Services payroll rate. Requires these revenues to be deposited in GSF Fund 105, Accounting and Budgeting Services. Requires OBM to process, not less than quarterly, intrastate transfer voucher billings to transfer the Accounting and Budgeting Services Fund (Fund 105) to GSF Fund 5EB, OAKS Support Organization, within DAS to pay for OAKS Support Organization costs.

Section: 233.20

Same as the Executive.

As Introduced (Executive)**As Passed by the House****8 (CD-771-OBM) Personal Service Expenses****Section: 503.03**

Requires any appropriation from which personal services expenses are paid to bear the employer's share of various costs, unless otherwise prohibited by law. Specifies that these costs shall be determined in conformity with the appropriate sections of law and paid in accordance with procedures specified by OBM.

Section: 503.03

Same as the Executive, but removes a no longer necessary reference to the Personnel Board of Review.

9 (CD-773-OBM) Capital Project Settlements**Section: 503.09**

Specifies that an additional and supplemental procedure to provide for payments of judgments and settlements if the Director of OBM determines that sufficient unencumbered moneys do not exist in the particular appropriation to pay the amount of a final judgment rendered against the state or a state agency, including the settlement of a claim approved by a court, in an action upon and arising out of a contractual obligation for the construction or improvement of a capital facility if the costs under the contract were payable in whole or in part from a state capital projects appropriation.

Section: 503.09

Same as the Executive.

10 (CD-775-OBM) Re-issuance of Voided Warrants**Section: 503.12**

Provides funds for the reissuance of voided warrants under R.C. 117.47, when approved by OBM.

Section: 503.12

Same as the Executive.

As Introduced (Executive)

As Passed by the House

11 (CD-776-OBM) Reappropriation of Unexpended Encumbered Balances of Operating Appropriations**Section: 503.15**

Reappropriates an unexpended balance of an operating appropriation or reappropriation that a state agency encumbered prior to the close of a fiscal year on the first day of July of the following fiscal year for various time periods based on the type of encumbrance, and specifies applicable procedures related to this process.

Section: 503.15

Same as the Executive, but requires the Director of Budget and Management to submit program subsidy encumbrances of \$1,000,000 or more to the Controlling Board for approval before these amounts are reappropriated for use in the following fiscal year.

Fiscal effect: Requiring Controlling Board approval for subsidy encumbrances of \$1 million or more may complicate the timing and disbursement of state and federal monies to vendors, grant recipients, local governments, and service providers.

12 (CD-783-OBM) Appropriations Related to Cash Transfers and Re-Establishment of Encumbrances**Section: 503.18**

Specifies that any cash transferred by OBM under R.C. 126.15 (for the purpose of making adjustments to capital or operating budgets) and any amounts necessary to re-establish appropriations or encumbrances under that section are appropriated.

Section: 503.18

Same as the Executive.

13 (CD-778-OBM) Transfers to the General Revenue Fund from Non-GRF Funds**Section: 512.03**

Authorizes the Director of Budget and Management to transfer cash from non-General Revenue Fund funds that are not constitutionally restricted to the GRF. Specifies that the total amount of cash transfers made during FY 2008 and FY 2009 cannot exceed \$70,000,000.

Section: 512.03

Same as the Executive.

As Introduced (Executive)

As Passed by the House

14 (CD-780-OBM) Transfers to the General Revenue Fund of Interest Earned**Section: 512.06**

Authorizes the Director of Budget and Management to transfer to the GRF interest earned in any Central Accounting System (CAS) fund, with the exception of funds that are restricted or protected by the Ohio Constitution, federal tax law, or the federal Cash Management Improvement Act.

Fiscal effect: OBM estimates the interest proceeds will be approximately \$25.2 million in FY 2008 and \$25.8 million in FY 2009.

Section: 512.06

Same as the Executive, but requires the Director of Budget and Management to report to the Controlling Board from which funds interest earned was transferred to the GRF and the amount of interest earned transferred from each of those funds.

Fiscal effect: Same as the Executive.

15 (CD-782-OBM) GRF Transfer to Fund 5N4, OAKS Project Implementation**Section: 512.21**

Requires the Director of OBM to transfer from the GRF to SSR Fund 5N4, OAKS Project Implementation, up to \$2,200,725 on July 1, 2007, or as soon thereafter as possible, and up to \$2,092,779 on July 1, 2008, or as soon thereafter as possible.

Section: 512.21

Same as the Executive.

16 (CD-770-OBM) Transfer to Energy Strategy Development Fund**Section: 512.37**

Creates the Energy Strategy Development Fund in the state treasury, and permits the Director of Budget and Management to transfer set amounts from specified funds in six state agencies to the new fund. Transfers \$222,447 in FY 2008 and \$225,000 in FY 2009.

Section: 512.37

Same as the Executive.

As Introduced (Executive)

As Passed by the House

17 (CD-785-OBM) Authorization for Treasurer of State and OBM to Effectuate Certain Debt Service Payments**Section: 518.12**

Directs OBM to initiate and process disbursements from general obligation and lease rental payment appropriations during the period of July 1, 2007, to June 30, 2009, relating to bonds or notes issued under Sections 2i, 2k, 2m, 2n, 2p, and 15 of Article VIII, Ohio Constitution, and R.C. Chapters 151. and 154. Requires disbursements to be made upon certification, by the Treasurer of the State and Office of the Sinking Fund, of the dates and the amounts due on those dates.

Section: 518.12

Same as the Executive.

18 (CD-787-OBM) Statewide Indirect Cost Recovery**Section: 521.06**

Appropriates from available receipts amounts required for the statewide indirect costs when the Director of OBM has determined that an appropriation made to a state agency for this purpose is insufficient.

Section: 521.06

Same as the Executive.

As Introduced (Executive)

As Passed by the House

19 (CD-788-OBM) GRF Transfers on Behalf of the Statewide Indirect Cost Allocation Plan**Section: 521.07**

Specifies that the director of an agency may certify to OBM the amount of expenses not allowed to be included in the Statewide Indirect Cost Allocation Plan under federal regulations; authorizes OBM to transfer from the GRF into the fund for which the certification is made, up to the amount of the certification upon determining that no alternative source of funding is available to pay for such expenses; requires the director of an agency receiving such funds to include a request for funding for such activities from an alternative source as part of the next budget submission; and specifies that total transfers made from the GRF by OBM shall not exceed the amounts transferred into the GRF under R.C. 126.12 (statewide indirect costs).

Section: 521.07

Same as the Executive.

20 (CD-789-OBM) Federal Government Interest Requirements**Section: 521.08**

Authorizes the Director of OBM to designate the funds that are to retain their own interest earnings in order to reduce the payment of adjustments to the federal government.

Fiscal effect: Possible increase in interest earnings to these designated funds.

No provision.

As Introduced (Executive)

As Passed by the House

21 (CD-786-OBM) Federal Cash Management Improvement Act**Section: 521.12**

Allows the Director of OBM to cancel and re-establish all or part of encumbrances in like amounts within the funds identified by the Federal Cash Improvement Act as required by R.C. 131.36.

Section: 521.12

Same as the Executive.

As Introduced (Executive)

As Passed by the House

School Funding

22 (CD-375-EDU) Recomputation of State Aid due to Taxable Valuation Changes

R.C. 3317.026, 3317.027, 3317.028, 3317.02, 3317.021, 3317.025, 3317.08, 5751.20

Clarifies the base from which recomputations are made when taxable valuation changes by replacing the term "SF-3 payment" with "state education aid" and listing the subsidies to be included.

Changes the date payments are made to districts based on this recomputation from July 31 of the following fiscal year to a date determined by the Director of Budget and Management that is not earlier than June 1 of the current fiscal year or later than July 31 of the following fiscal year.

Requires that the Tax Commissioner report the data necessary to make the recomputation to the Office of Budget and Management (OBM) in addition to the current law requirement of reporting the data to ODE.

Fiscal effect: Depending on the payment date selected by the Director of Budget and Management, payments may be shifted from one fiscal year to another. Appropriations for these payments total \$30.0 million in each fiscal year.

R.C. 3317.026, 3317.027, 3317.028, 3317.02, 3317.021, 3317.025, 3317.08, 5751.20

Same as the Executive.

Same as the Executive.

Same as the Executive.

Fiscal effect: Same as the Executive.

As Introduced (Executive)

As Passed by the House

Other Education Provisions**23 (CD-394-EDU) Utility Property Tax Replacement Payments for New School Districts****R.C. 5727.85**

Extends from 2008 to 2009 the time during which a new school district created between 2000 and 2004 will receive 100% of its utility property tax replacement payments for current fixed-rate levy losses. Currently, the payments are scheduled to begin phasing out in 2009 (at 75%); the phase-out resumes in 2010 as currently scheduled.

Provides that the Director of Budget and Management may, but is not required to as under current law, transfer excess School District Property Tax Replacement Fund (Fund 053) balances to the Half-Mill Equalization Fund (Fund 5BJ), and authorizes the Director to also transfer those balances to the GRF. (Fund 5BJ is used to supplement the half-mill maintenance levy required for districts that participate in the School Facilities Commission's (SFC's) Classroom Facilities Assistance Program if the district has below-average per-pupil property valuation).

Fiscal effect: Potential increase in the payment made to Manchester Local (Adams) of approximately \$1.0 million in FY 2009. According to OBM, approximately \$14.6 million in FY 2008 and \$21.4 million in FY 2009 of excess balances in Fund 053 may be transferred to the GRF. Under current law, any excess balances are transferred to Fund 5BJ. If there is a balance in Fund 5BJ after making the required payments under the Half-Mill Equalization Program, SFC may seek Controlling Board approval to transfer a reasonable amount to the Public School Building Fund to fund school facilities projects.

R.C. 5727.85

Same as the Executive.

Replaces the Executive provision with a provision that requires the Director to transfer excess balances to the Half-Mill Equalization Fund to the extent required to make half-mill equalization payments and then to transfer any remaining funds to the GRF.

Fiscal effect: Same as the Executive, assuming the Director of OBM would transfer no more or less than the amount required to make half-mill equalization payments to the Half-Mill Equalization Fund and would transfer the remaining balance to the GRF if given discretion to do so.

As Introduced (Executive)

As Passed by the House

24 (CD-436-RDF) Reform Local Government Funds

R.C. 131.51, 5727.45, 5727.84, 5733.12, 5739.2
5741.03, 5747.03, 5747.46, 5747.47, 5747.
5747.50, 5747.501, 5747.51, 5747.52,
5747.53; Sections 757.03, 757.04 and 815.

R.C. 131.51, 5727.45, 5727.84, 5733.12, 5739.2
5741.03, 5747.03, 5747.46, 5747.47, 5747.
5747.50, 5747.501, 5747.51, 5747.52,
5747.53; Sections 757.03, 757.04 and 815.

Continues to "freeze" the deposits and distributions of the three local government funds – Local Government Fund (LGF), Local Government Revenue Assistance Fund (LGRAF), and Library and Local Government Support Fund (LLGSF) – in the first six months of FY 2008. Monthly distributions from the LGF, LGRAF, and LLGSF to each county's undivided local government fund, undivided local government revenue assistance fund, and undivided library and local government support fund will equal the previously frozen amounts for the corresponding month in the first six month of FY 2007.

Same as the Executive except increases the percentage of GRF tax revenue to be credited to the proposed Local Communities Fund from 3.65% to 3.68% and the percentage to be credited to the proposed Local Libraries Fund from 2.2% to 2.22%. The percentage increases are needed to ensure that the local funds are held harmless of revenue loss due to tax cuts in FY 2008 and FY 2009.

Beginning in January 2008, the three local government funds (LGF, LGRAF, and LLGSF) will be replaced with two new local funds - the Local Communities Fund (LCF) and the Local Libraries Fund (LLF). During this period, all tax revenues previously credited to the LGF, LGRAF, and LLGSF will instead be credited to the GRF. The Director of Budget and Management is required to make monthly distributions from the GRF to the newly created funds - LCF and LLF for distribution to local governments. Specifies that, each month, 3.65% of total tax revenues credited to the GRF in the preceding month be credited to the LCF and that 2.2% of that total tax revenue be credited to the LLF.

Fiscal effect: Estimated to increase revenue to the GRF (compared to revenue under current statutory distribution

Fiscal effect: Same as the Executive.

As Introduced (Executive)**As Passed by the House**

percentages) and decrease the state revenue that will be credited and distributed to the three local government funds.

Beginning in January 2008, LGF and LGRAF will be replaced with LCF while LLGSF will be replaced with LLF.

LGF and LGRAF (replaced with LCF) provide revenues to counties, townships, municipalities, and park districts while LLGSF (replaced with LLF) provides revenues to libraries in Ohio.

As Introduced (Executive)	As Passed by the House
25 (CD-373-CSF) Bond Trustees Place of Business	
R.C. 151.40, 164.09, 166.08, 1555.08, 1557.03, 3318.26, 5528.54, 5531.10	R.C. 151.40, 164.09, 166.08, 1555.08, 1557.03, 3318.26, 5528.54, 5531.10
<p>Modifies the requirement regarding trust agreements between the state and a corporate trustee to secure obligations for various state-issued bonds by replacing the requirement that the trustee's principal place of business be in Ohio with a requirement that the trustee have a place of business in Ohio.</p>	<p>Same as the Executive.</p>
<p>Fiscal effect: None</p>	<p>Fiscal effect: Same as the Executive.</p>
26 (CD-364-CSF) Debt Service Cost	
<p>Sections: 397.10, 518.06</p>	<p>Sections: 397.10, 518.06</p>
<p>Specifies that certain appropriation items of the Commissioners of the Sinking Fund be used for the purpose of paying debt service and financing costs on state bonds or notes issued pursuant to the Ohio Constitution and acts of the General Assembly. Appropriates additional amounts, if necessary, to fully fund debt service and financing costs.</p>	<p>Same as the Executive.</p>
<p>Fiscal effect: None.</p>	<p>Fiscal effect: Same as the Executive.</p>

As Introduced (Executive)

As Passed by the House

27 (CD-590-CSF) Lease Payments to OPFC, OBA, and Treasurer of State

Section: 518.09

Appropriates additional amounts, if necessary, for the purpose of making lease payments pursuant to leases and agreements relating to bonds and notes issued by the Ohio Building Authority or the Treasurer of State, or previously, by the Ohio Public Facilities Commission, pursuant to the Ohio Constitution and acts of the General Assembly.

Fiscal effect: May require additional appropriation from the GRF and other state revenue if the amounts appropriated are insufficient to pay the state lease rental payments.

Section: 518.09

Same as the Executive.

Fiscal effect: Same as the Executive.

As Introduced (Executive)

As Passed by the House

28 (CD-381-TOS) Move Certain Custodial Funds to State Treasury

R.C. 109.93, 111.18, 173.85, 173.86, and Section 512.41

Moves the following custodial funds into the state treasury: the Attorney General Education Fund, the Secretary of State Alternative Payment Program Fund, and the Ohio's Best Rx Program Fund.

Permits the Director of Budget and Management, in collaboration with the Treasurer of State, to take any necessary action to establish these funds in the state treasury that were previously held in the custody of the Treasurer of State, including, but not limited to, the transfer of cash from the custodial funds to the state treasury and the establishment of appropriations and encumbrances to support outstanding obligations. Appropriates the amounts necessary to support outstanding obligations. Also, allows these agencies to request additional appropriation authority from the Controlling Board as necessary.

Fiscal effect: Potential decrease in banking costs.

R.C. 109.93, 111.18, 173.85, 173.86, and Section 512.41

Same as the Executive but, specifies that requests for additional appropriation authority in regard to the Attorney General Education Fund, the Secretary of State Alternative Payment Program Fund, and the Ohio's Best Rx Program Fund are subject to Controlling Board approval.

Fiscal effect: Same as the Executive.

As Introduced (Executive)

As Passed by the House

Tobacco Securitization

29 (CD-957-MIS) State Debt Limitation

No provision.

R.C. 126.16

Specifies that bonds that are not issued because the capital improvements they would have financed are being paid for with the proceeds of the tobacco securitization are still to be considered as having been issued for purposes of calculating the state 5% cap on the issuance of state bonds.

Fiscal effect: Restricts the growth of future debt issuances at a level within the 5% debt limit and may improve the state's credit ratings and lower the costs of the debt issuance.

30 (CD-710-MIS) Tobacco Master Settlement Agreement Fund Repealed

R.C. 183.01, 183.02 (repealed), 183.021, 183.17
183.27 (repealed), 183.32 (repealed), 183.33
183.34, 183.35

Repeals (1) the Tobacco Master Settlement Agreement Fund and the schedule for transferring moneys in the fund to various other trust funds, (2) the Education Facilities Endowment Fund, and (3) the section that creates a legislative committee to periodically reexamine the use of tobacco master settlement agreement money.

Removes the authority of the Southern Ohio Agricultural and Community Development Foundation (SOA) to request additional payments from the Tobacco Master Settlement Agreement Fund if SOA concludes that additional funding needs exist after its last scheduled allocation in 2011, and, furthermore, removes a prohibition on the appropriation or

R.C. 183.01, 183.02 (repealed), 183.021, 183.17
183.27 (repealed), 183.32 (repealed), 183.33
183.34, 183.35

Same as the Executive.

Same as the Executive.

As Introduced (Executive)

As Passed by the House

transfer of GRF money for use by the SOA.

Fiscal effect: Same as the Executive.

Fiscal effect: Potential decrease in scheduled tobacco funding for those agencies who receive funds through 2025 from scheduled transfers from the Tobacco Master Settlement Agreement Fund. The following funds will no longer receive their scheduled payments: the Tobacco Use Prevention and Cessation Trust Fund, the Southern Ohio Agricultural and Community Development Trust Fund, Ohio's Public Health Priorities Trust Fund, the Biomedical Research and Technology Transfer Trust Fund, the Education Facilities Trust Fund, the Education Facilities Endowment Fund (repealed), and the Education Technology Trust Fund. Additionally, the Attorney General and Tax Commissioner will no longer receive transferred funds from the Tobacco Master Settlement Agreement Fund to their respective tobacco settlement enforcement funds to cover enforcement costs.

31 (CD-713-MIS) Securitization of Tobacco Master Settlement Agreement Payments

R.C. 183.51, 183.52

R.C. 183.51, 183.52

Creates the Ohio Tobacco Settlement Financing Authority for the purpose of purchasing and receiving an assignment of the tobacco settlement receipts and issuing obligations. The Authority is to consist of the Governor (as the chair), the Director of Budget and Management (as the secretary), the Tax Commissioner, the Treasurer of the State, the Attorney General, and the Auditor of State, or their designees. OBM staff is required to provide support to the Authority.

Same as the Executive, but removes the Attorney General from the Authority.

Permits the state to assign and to sell to the Ohio Tobacco Settlement Financing Authority all or a portion of the amounts to be received by the state under the Tobacco Master Settlement Agreement. In addition, the executive

Same as the Executive.

As Introduced (Executive)

As Passed by the House

proposal permits the Authority to accept and purchase those amounts, and to issue and sell obligations, as provided by the proposal.

Specifies that these obligations are to be issued to pay the costs of capital facilities for: (1) housing branches and agencies of state government, including facilities for housing state agencies, for a system of common schools throughout the state, and for use as jail facilities or workhouses; (2) state-supported or state-assisted institutions of higher education; (3) mental hygiene and retardation; and (4) parks and recreation.

Specifies that the aggregate principal amount of obligations issued under the bill cannot exceed \$6.0 billion, exclusive of obligations issued to refund, renew, or advance refund other obligations issued or incurred, with at least 75% of the aggregate net proceeds of the obligations issued having to be paid to the state for deposit into the School Building Program Assistance Fund (Fund 032) under the School Facilities Commission.

Provides that, no later than two years following the date on which there are no longer any obligations outstanding under the bond proceedings, all assets of the Authority are to vest in the state, the Authority is to execute any necessary assignments or instruments, including any assignment of any right, title, or ownership to the state for receipt of amounts under the Tobacco Master Settlement Agreement, and the Authority is to be dissolved.

No provision.

No provision.

Same as the Executive.

Same as the Executive.

Same as the Executive.

Specifies that the Attorney General, as counsel to the Authority, is to represent it in the execution of its powers and duties and to prosecute all actions on its behalf.

Provides for the payment of the Attorney General's enforcement expenses from tobacco master settlement agreement amounts sold to the Authority, from the

As Introduced (Executive)

Fiscal effect: Potential increase of capital funds for school district and other capital facility projects. The executive budget states that at least 75% of the aggregate net proceeds of the obligations issued with tobacco securitization moneys must be paid to the School Building Program Assistance Fund (Fund 032) and limits the use of net proceeds, estimated at approximately \$5.04 billion, to School Facilities Commission and other capital facility projects.

According to the Office of Budget and Management, of the estimated \$5.04 billion in net proceeds, \$2.20 billion would cover all of the funding currently allocated by section 183.02 of the Revised Code to the Education Facilities Trust Fund (Fund N87) and to the Education Facilities Endowment Fund (Fund P87) of the School Facilities Commission for FY 2008 through FY 2025. The remaining \$2.84 billion would cover the capital costs of SFC (\$1.92 billion) and higher education (\$0.92 billion) over the next three years. Since these capital costs will not be financed with bonds, GRF debt service payments for SFC and higher education will be lower. As a result, the GRF moneys that would otherwise be used to finance SFC and higher education bonds would be used to cover the expansion of the homestead property tax exemption.

OBM may experience minimal increased administrative costs for providing staff support to the Authority.

As Passed by the House

proceeds of obligations issued by the Authority, or from a combination of both.

Fiscal effect: Same as the Executive, but permits Attorney General enforcement activity expenses to be paid from tobacco master settlement agreement amounts sold to the Authority, from the proceeds of obligations issued by the Authority, or from a combination of both.

As Introduced (Executive)

As Passed by the House

32 (CD-714-MIS) Budget Adjustments to Reflect Tobacco Securitization

Section: 518.03

Authorizes the Director of Budget and Management to periodically on any date following the issuance of the tobacco obligations through June 30, 2009 do the following:

(1) Determine any excess amounts after the amounts of debt service obligations have already been paid from GRF appropriation items 235-909, Higher Education General Obligation Debt Service, and 230-908, Common Schools General Obligation Debt Service and transfer all or a portion of those excess funds to GRF appropriation items 200-901, Property Tax Allocation - Education or 110-901, Property Tax Allocation-Taxation, or both, for the purposes of making the state's property tax relief payments to school districts and counties.

(2) Determine the amount by which interest earnings credited to the Higher Education Improvement Fund (Fund 034) and the School Building Program Assistance Fund (Fund 032) from the investment of the net proceeds of the tobacco obligations exceed the amount needed to satisfy the appropriations from those funds, transfer all or a portion of that excess cash balance to the GRF, and increase GRF appropriation items 200-901, Property Tax Allocation - Education or 110-901, Property Tax Allocation-Taxation, or both, by up to the amount of cash transferred to the GRF.

(3) Determine the amount of capital appropriations in CAP-770, School Building Assistance Program, transfer cash to School Facilities Commission (Fund 5E3) in an amount necessary to fully expend the amount of net proceeds deposited into the School Building Program Assistance

Section: 518.03

Same as the Executive.

Same as the Executive.

Same as the Executive.

Same as the Executive.

As Introduced (Executive)

As Passed by the House

Fund (Fund 032) from the issuance of those tobacco obligations, and increase the appropriations for CAP-770 and SSR appropriation item 230-644, Operating Expenses (for SFC), by the necessary amount.

(4) Determine the amount of additional capital appropriations necessary to fully expend the amount of net proceeds deposited from the issuance of those tobacco obligations into the Higher Education Improvement Fund (Fund 034).

(5) Reduce the amount of authorization to issue and sell general obligations to pay the costs of capital facilities for a system of common schools throughout the state granted to the Ohio Public Facilities Commission by prior acts of the General Assembly to reflect the amount of net proceeds of those tobacco obligations deposited into the Higher Education Improvement Fund (Fund 034) that are intended to replace general obligations for that purpose.

(6) Reduce the amount of authorization to issue and sell general obligations to pay the costs of capital facilities for state supported and state assisted higher education institutions granted to the Ohio Public Facilities Commission by prior acts of the General assembly to reflect the amount of net proceeds of those tobacco obligations deposited into the Higher Education Improvement Fund (Fund 034) that are intended to replace general obligations for that purpose.

Requires the Office of Budget and Management to make a report to the Controlling Board, at its next regularly scheduled meeting, when any of these determinations, transfers, and increases or decreases in appropriations and authorizations described above have been completed.

Same as the Executive.

Same as the Executive.

Same as the Executive.

Same as the Executive.