

# Senate

## Senate Finance and Financial Institutions Committee

*Joseph Rogers, Senior Budget Analyst  
Legislative Service Commission*

*May 11, 2007*

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# LSC Redbook for the Senate

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## **TABLE OF CONTENTS**

<b>OVERVIEW</b> .....	<b>1</b>
Executive Recommendation.....	1
Staffing Levels.....	2
Expense by Object Summary.....	2
<b>ANALYSIS OF EXECUTIVE PROPOSAL</b> .....	<b>3</b>
<b>Operating Expenses</b> .....	<b>3</b>
<b>ATTACHMENTS:</b>	
Catalog of Budget Line Items	
LSC Budget Spreadsheet By Line Item: Executive to House Passed	
Comparison Document: Permanent and Temporary Law	

*May 11, 2007*

# Senate

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- Primarily GRF-driven budget
  - GRF slated for 1% bump
  - Largest expense: member and staff compensation

## OVERVIEW

The legislative branch of the State of Ohio includes the General Assembly, which is composed of two chambers: the Senate and the House of Representatives. Based on Article II of the Ohio Constitution, the General Assembly can be viewed as having three fundamental legislative powers: (1) the power to enact laws providing for the establishment, organization, and operation of government in Ohio, (2) the power to enact all manner of laws that promote the public peace, health, safety, and welfare, and (3) the power to levy and collect taxes for certain purposes. In terms of more specific legislative duties and responsibilities, the Senate:

- Enacts, in conjunction with the House of Representatives, new laws or amends or repeals existing laws;
- Adopts, in conjunction with the House of Representatives, joint, concurrent, and simple resolutions that generally are formal expressions of the opinions and wishes of the General Assembly and do not require approval of the Governor;
- Confirms members of state boards and commissions appointed by the Governor, the Attorney General, the Director of the Bureau of Workers' Compensation, and certain other agency heads who the Governor is authorized to appoint;
- Judges the election, returns, and qualifications of its members; and
- Conducts the trial should any impeachment proceedings be brought forth by the House of Representatives against the Governor, other executive officers, and state judges.

Members of the Ohio Senate are elected to four-year terms, and represent 33 separate districts, the boundaries of which are determined according to equal distributions of population. The elections in the Senate are staggered such that approximately half of the members are elected in each two-year election cycle. All members are subject to term limits prescribing no more than two consecutive four-year terms.

## Executive Recommendation

Under existing law – division (B) of section 107.03 of the Revised Code – the executive branch of the state of Ohio has limited authority over the state's legislative agencies, especially in the case of their biennial budgets and associated permanent and temporary law. Although these state legislative agency budgets are presented to the legislature as executive recommendations, the Office of Budget and Management in reality only serves as the conduit through which legislative agency budgets are passed to the legislature.

The Senate's operating expenses, which are financed almost entirely by GRF appropriations, largely consist of personal service-related payroll expenses, in particular payments of salaries and wages, supplements, and fringe benefits of 33 members and 120-plus full-time staff. The Senate's two non-GRF revenue streams combined cover less than 1% of its total annual operating budget.

Under the executive-recommended budget, the Senate has requested annual GRF appropriations totaling \$11.8 million in each of FYs 2008 and 2009. Relative to the Senate's total estimated FY 2007 GRF expenditure of \$11.7 million, these requested amounts represent an increase of 1%, or slightly more than \$100,000 in each fiscal year.

### Staffing Levels

The table below displays the number of members and staff paid, or to be paid, by the Senate from FYs 2002 through 2009.

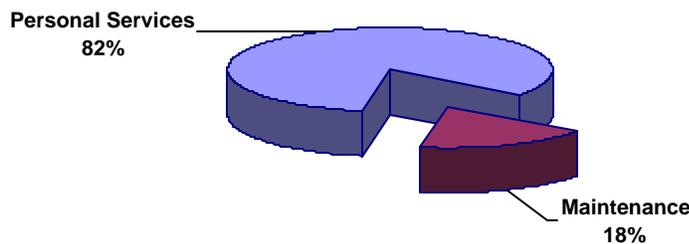
<b>Senate Staffing Levels by Fiscal Year</b>								
Type of Personnel	2002	2003	2004	2005	2006	2007	2008*	2009*
Full-time Staff	125	125	125	125	125	125	125	125
Part-time Pages	40	40	40	40	40	40	40	40
Part-time Constituent Aides	5	5	5	5	0	0	0	0
Members	33	33	33	33	33	33	33	33
<b>Totals</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>198</b>	<b>198</b>	<b>198</b>	<b>198</b>

\* The staffing levels displayed in the above table for FYs 2008 and 2009 are estimates.

### Expense by Object Summary

The pie chart immediately below shows the total recommended appropriations (FYs 2008 and 2009) by major object of expense for the Senate. This information includes all sources of funding, virtually all of which is drawn from the General Revenue Fund. It should also be noted that, although no moneys appear to have been allocated for equipment, the Senate has, in the last few years, spent anywhere from \$70,000 to slightly in excess of \$100,000 on the purchase of equipment annually.

**Total Budget by Object of Expense  
FYs 2008-2009**



## ANALYSIS OF EXECUTIVE PROPOSAL

For budget purposes, as detailed below, the Senate is considered a single program series agency and its activities are not subdivided into multiple programs.

### Single Program Series

### Operating Expenses

**Purpose:** To support the efforts of state senators, and their staffs, in the representation of their districts

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

Fund	ALI	Title	FY 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	020-321	Operating Expenses	\$11,778,439	\$11,778,439
<b>General Revenue Fund Subtotal</b>			<b>\$11,778,439</b>	<b>\$11,778,439</b>
<b>General Services Fund</b>				
102	020-602	Senate Reimbursement	\$448,465	\$448,465
409	020-601	Miscellaneous Sales	\$34,497	\$34,497
<b>General Services Fund Subtotal</b>			<b>\$482,962</b>	<b>\$482,962</b>
<b>Total Funding: Senate</b>			<b>\$12,261,401</b>	<b>\$12,261,401</b>

**Program Description:** The Senate was established in 1802 and derives its authority from both Article II of the Ohio Constitution and Chapter 101. of the Revised Code. The primary role of the Senate is to consider bills, which may alter existing law or create new law and resolutions, which are formal expressions of the wishes and opinions of the Senate. The Senate also provides advice and consent on gubernatorial appointments to various state boards and commissions.

**Funding Sources:** (1) GRF, (2) sale of flags and other items to the general public, (3) moneys from salvage and recycling of equipment, materials, and supplies, and (4) miscellaneous reimbursements, such as those received for overpayment of medical insurance

**Line Items:** See above table

**Implication of Executive Recommendation:** As of this writing, the Senate's total FY 2007 GRF expenditure is estimated at \$11.66 million. Under the executive-proposed budget, the Senate has requested a 1% increase in GRF funding in each fiscal year of the next biennium, which translates into a gain of around \$116,618 in each of FYs 2008 and 2009. With the amount of recommended GRF funding, it would appear that the Senate will be able to maintain current service levels, including covering the payroll costs and obligations associated with 33 Senate members, 125 full-time staff, and 40 part-time pages.

The supporting documentation to the executive-recommended budget also contains a potentially misleading picture relative to the Senate's Miscellaneous Sales Fund (Fund 409) and related line item 020-601. While the executive-recommended budget documentation estimates the line item's FY 2007 expenditures at \$15,000, the line item's actual FY 2007 appropriation authority is \$34,155. If one uses the executive's FY 2007 estimate as a reference point, then the Senate's requested FYs 2008 and 2009

appropriations for the Miscellaneous Sales line item represent an annual spending authority increase of 130%. If, however, one uses the actual FY 2007 appropriation authority, then the Senate's requested FYs 2008 and 2009 appropriations for the Miscellaneous Sales line item represent an annual spending authority increase of a noticeably smaller 1%.

### **Temporary Law**

*Operating Expenses (Section 395.10)*. The executive budget contains a temporary law provision requiring the Director of the Office of Budget and Management, at the direction of the Clerk of the Senate, to transfer any of the Senate's unencumbered GRF appropriations from FY 2007 to FY 2008, and similarly, from FY 2008 to FY 2009. Current law contains a similar provision relative to the transfer of the line item's unencumbered appropriations from FY 2005 to FY 2006, and from FY 2006 to 2007.

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## General Revenue Fund

### GRF 020-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$10,377,782	\$10,342,417	\$10,811,089	\$11,661,821	\$11,778,439	\$11,778,439
	-0.3%	4.5%	7.9%	1.0%	0.0%

**Source:** GRF

**Legal Basis:** Section 209.96 of Am. Sub. H.B. 66 of the 126th G.A.

**Purpose:** Funds disbursed from the line item are used exclusively to pay operating expenses of the Senate, primarily compensation paid to the members of the Senate and legislative staff. The executive budget contains a temporary law provision requiring the Director of the Office of Budget and Management, at the direction of the Clerk of the Senate, to transfer any of the Senate's unencumbered appropriations in this line item from FY 2007 to FY 2008, and similarly, from FY 2008 to FY 2009. Current law contains a similar provision relative to the transfer of the line item's unencumbered appropriations from FY 2005 to FY 2006, and from FY 2006 to 2007.

## General Services Fund Group

### 102 020-602 Senate Reimbursement

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$103,803	\$5,673	\$48,765	\$444,025	\$448,465	\$448,465
	-94.5%	759.6%	810.5%	1.0%	0.0%

**Source:** GSF: (1) Refunds from the Department of Administrative Services for overpayment of medical insurance premiums for state senators, (2) amounts received by the Senate clerk's office for salvage and recycling of equipment, materials, and supplies, and (3) payments from members and employees for incidental use of Senate equipment or facilities

**Legal Basis:** ORC 101.272(B); Section 209.96 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. S.B. 336 of the 118th G.A.)

**Purpose:** Moneys deposited to the credit of the fund may only be used to pay operating expenses of the Senate.

*Senate - Catalog of Budget Line Items*

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**409 020-601 Miscellaneous Sales**

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$5,880	\$4,307	\$15,116	\$15,000	<b>\$34,497</b>	<b>\$34,497</b>
	-26.8%	251.0%	-0.8%	<b>130.0%</b>	<b>0.0%</b>

**Source:** GSF: All moneys collected by the Office of the Clerk of the Senate from the sale of flags, insignia, seals, frames for resolutions, and similar items

**Legal Basis:** ORC 101.69; Section 209.96 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 1237 of the 113th G.A.)

**Purpose:** Moneys deposited to the credit of the fund may only be used solely to pay for the costs of procuring items for resale, such as flags, insignia, seals, and frames for resolutions. Any costs of procuring such items in excess of the money available in the fund is required to be paid out of the regular appropriation to the Senate.

## 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>
<b><i>SEN Senate</i></b>							
GRF 020-321 Operating Expenses	\$11,661,821	\$ 11,778,439	\$ 11,778,439	1.0%	\$ 11,778,439	\$ 11,778,439	0.0%
<b>General Revenue Fund Total</b>	<b>\$ 11,661,821</b>	<b>\$ 11,778,439</b>	<b>\$ 11,778,439</b>	<b>1.0%</b>	<b>\$ 11,778,439</b>	<b>\$ 11,778,439</b>	<b>0.0%</b>
102 020-602 Senate Reimbursement	\$444,025	\$ 448,465	\$ 448,465	1.0%	\$ 448,465	\$ 448,465	0.0%
409 020-601 Miscellaneous Sales	\$15,000	\$ 34,497	\$ 34,497	130.0%	\$ 34,497	\$ 34,497	0.0%
<b>General Services Fund Group Total</b>	<b>\$ 459,025</b>	<b>\$ 482,962</b>	<b>\$ 482,962</b>	<b>5.2%</b>	<b>\$ 482,962</b>	<b>\$ 482,962</b>	<b>0.0%</b>
<b><i>Total All Budget Fund Groups</i></b>							
	<b>\$ 12,120,846</b>	<b>\$ 12,261,401</b>	<b>\$ 12,261,401</b>	<b>1.2%</b>	<b>\$ 12,261,401</b>	<b>\$ 12,261,401</b>	<b>0.0%</b>

## As Introduced (Executive)

## As Passed by the House

**1 (CD-675-SEN) Operating Expenses****Section: 395.10**

Requires the Director of Budget and Management, at the direction of the Clerk of the Senate, to: (1) transfer any FY 2007 unencumbered appropriations in GRF appropriation item 020-321, Operating Expenses, to FY 2008 for use within that same GRF appropriation item, and (2) transfer any FY 2008 unencumbered appropriations in GRF appropriation item 020-321, Operating Expenses, to FY 2009 for use within that same GRF appropriation item.

**Section: 395.10**

Same as the Executive.