

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**Office of the Governor**

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**ATTACHMENTS:**

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

# Office of the Governor

- Executive recommended funding of \$3.0 million in FY 2012 and FY 2013
- The Common Sense Initiative Office was created in FY 2011

## OVERVIEW

### Agency Overview

The Office of the Governor (GOV) oversees the operations of state government. Under the Ohio Constitution, the Governor is the chief executive officer of the state. The major duties of the Governor include formulating and implementing administrative policy for state agencies, submitting biennial capital and operating budgets, and appointing judges, agency directors, and board and commission members. The Governor also serves as commander-in-chief of the Ohio National Guard. The Office of the Lieutenant Governor became part of the Office of the Governor in FY 1996. In addition to the office in the Statehouse, the Governor maintains an office in Washington, D.C. to oversee state-federal relations. The Washington, D.C. office will be closed at the conclusion of FY 2011.

Am. Sub. S.B. 2 of the 129th General Assembly created the Common Sense Initiative Office (CSIO) within the Office of the Governor. CSIO must develop a business impact analysis instrument, which will serve as the analytical tool for a new business rule review process. Approximately five to six individuals will complete the duties of CSIO. Overall, the Governor's office employs a staff of 40 in addition to the Governor.

### Appropriation Overview

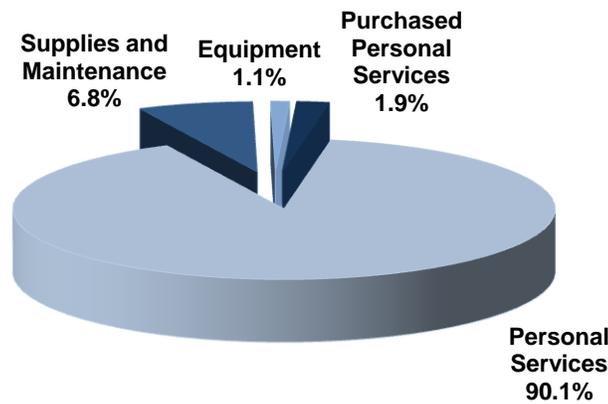
The recommended funding for the Governor's office is \$3.0 million in FY 2012 and \$3.0 million in FY 2013, which is a 5.5% annual decrease over FY 2011 estimated expenditures followed by a 0.1% increase in appropriations for the second year of the biennium. The following table provides the executive's recommendations by fund group for the Office of the Governor for the FY 2012-FY 2013 biennium.

| <b>Table 1. Executive Budget Recommendations by Fund Group, FY 2012-FY 2013</b> |                    |                    |                                      |                    |                                      |
|---|--------------------|--------------------|--------------------------------------|--------------------|--------------------------------------|
| <b>Fund Group</b>   | <b>FY 2011*</b>    | <b>FY 2012</b>     | <b>% change,<br/>FY 2011-FY 2012</b> | <b>FY 2013</b>     | <b>% change,<br/>FY 2012-FY 2013</b> |
| General Revenue   | \$2,855,832        | \$2,679,886        | -6.2%                                | \$2,682,632        | 0.1%                                 |
| General Services  | \$365,149          | \$365,149          | 0.0%                                 | \$365,149          | 0.0%                                 |
| <b>TOTAL</b>  | <b>\$3,220,981</b> | <b>\$3,045,035</b> | <b>-5.5%</b>                         | <b>\$3,047,781</b> | <b>0.1%</b>                          |

\* FY 2011 figures represent estimated expenditures.

Chart 1 below shows this funding recommendation by category of expense. The majority of the office's budget is for payroll and benefits, making up 90.1% of the proposed outlay for FY 2012-FY 2013. GOV's next largest expenditure is supplies and maintenance at 6.8%. The remaining 3.0% of GOV's budget is spent on equipment and purchased personal services combined.

**Chart 1: Recommended FY 2012-FY 2013 Budget by Type of Expense**



## ANALYSIS OF EXECUTIVE PROPOSAL

The following table shows the recommended funding levels for the Governor's office.

| Recommended Amounts for the Governor's Office |              |                      |                    |                    |
|---|--------------|----------------------|--------------------|--------------------|
| Fund  | ALI and Name |                      | FY 2012            | FY 2013            |
| <b>General Revenue Fund</b>                   |              |                      |                    |                    |
| GRF   | 040321       | Operating Expenses   | \$2,679,886        | \$2,682,632        |
| <b>General Revenue Fund Subtotal</b>          |              |                      | <b>\$2,679,886</b> | <b>\$2,682,632</b> |
| <b>General Services Fund Group</b>            |              |                      |                    |                    |
| 5AK0  | 040607       | Government Relations | \$365,149          | \$365,149          |
| <b>General Services Fund Group Subtotal</b>   |              |                      | <b>\$365,149</b>   | <b>\$365,149</b>   |
| <b>Total Funding: Governor's Office</b>       |              |                      | <b>\$3,045,035</b> | <b>\$3,047,781</b> |

### Operating Expenses (040321)

The recommended funding for this GRF line item is \$2.7 million in both FY 2012 and FY 2013, which is a 0.2% annual increase over FY 2011 estimated expenditures followed by a 0.1% increase in appropriations for the second year of the biennium. This line item is used to pay the personnel, maintenance, and equipment costs for the Office of the Governor. The Office of the Governor oversees cabinet agencies, formulates administrative policy, recommends legislation, proposes operating and capital budgets, and considers and acts upon legislation approved by the General Assembly. Funds in this line item are also used to operate the Office of the Lieutenant Governor and the Common Sense Initiative Office.

### Government Relations (040607)

The funding recommendation for Fund 5AK0, line item 040607, Government Relations, is \$365,149 in each fiscal year, which is equal to the FY 2011 estimated expenditures. This line item is used to pay for costs associated with maintaining relations with the federal government. Approximately \$250,000 annually was spent to maintain an office in Washington, D.C., of which \$110,000 was for rent. The Governor's office shared the costs associated with the D.C. office's staff of three employees with the Office of Budget and Management through FY 2011. However, the lease was terminated effective July 1, 2011 and there will not be any employees staffing the D.C. office. This line item also pays for Ohio's participation in national or regional associations, such as the National Governor's Association. Fund 5AK0 revenue consists of fees assessed to executive branch agencies which have federal policy interests.

## Office of the Governor

### General Revenue Fund

#### **GRF 040321 Operating Expenses**

| FY 2008     | FY 2009     | FY 2010     | Estimate<br>FY 2011 | Introduced<br>FY 2012 | Introduced<br>FY 2013 |
|-------------|-------------|-------------|---------------------|-----------------------|-----------------------|
| \$3,204,643 | \$2,870,927 | \$2,526,948 | \$2,674,751         | <b>\$2,679,886</b>    | <b>\$2,682,632</b>    |
|             | -10.4%      | -12.0%      | 5.8%                | <b>0.2%</b>           | <b>0.1%</b>           |

**Source:** General Revenue Fund

**Legal Basis:** Section 287.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally authorized by Article III of the Ohio Constitution)

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

#### **GRF 040403 Federal Relations**

| FY 2008   | FY 2009   | FY 2010   | Estimate<br>FY 2011 | Introduced<br>FY 2012 | Introduced<br>FY 2013 |
|-----------|-----------|-----------|---------------------|-----------------------|-----------------------|
| \$231,522 | \$297,632 | \$156,782 | \$181,081           | <b>\$0</b>            | <b>\$0</b>            |
|           | 28.6%     | -47.3%    | 15.5%               | <b>-100%</b>          | <b>N/A</b>            |

**Source:** General Revenue Fund

**Legal Basis:** Section 287.10 of Am. Sub. H.B. 1 of the 128th G.A.

**Purpose:** These moneys are used for costs associated with presenting the interests of Ohio to the federal government and related personnel, maintenance, and equipment costs, as well as Ohio's participation in national or regional associations. Temporary law also allows a portion of these membership dues to be paid from line item 040607, Government Relations.

#### **GRF 040408 Office of Veterans' Affairs**

| FY 2008   | FY 2009  | FY 2010 | Estimate<br>FY 2011 | Introduced<br>FY 2012 | Introduced<br>FY 2013 |
|-----------|----------|---------|---------------------|-----------------------|-----------------------|
| \$283,078 | \$45,069 | \$0     | \$0                 | <b>\$0</b>            | <b>\$0</b>            |
|           | -84.1%   | -100%   | N/A                 | <b>N/A</b>            | <b>N/A</b>            |

**Source:** General Revenue Fund

**Legal Basis:** Discontinued line item

**Purpose:** This line item was previously used to fund the operations of the Governor's Office of Veterans Affairs. S.B. 289 of the 127th General Assembly incorporated this Office into the Ohio Department of Veterans Services.

**Office of the Governor**

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General Services Fund Group

**5AK0 040607 Government Relations**

| FY 2008   | FY 2009   | FY 2010   | Estimate<br>FY 2011 | Introduced<br>FY 2012 | Introduced<br>FY 2013 |
|-----------|-----------|-----------|---------------------|-----------------------|-----------------------|
| \$126,715 | \$301,830 | \$311,002 | \$365,149           | <b>\$365,149</b>      | <b>\$365,149</b>      |
|           | 138.2%    | 3.0%      | 17.4%               | <b>0.0%</b>           | <b>0.0%</b>           |

**Source:** General Services Fund Group: Charges assessed to state agencies of the executive branch to defray costs incurred in presenting the interests of the respective agencies to the Federal Government

**Legal Basis:** Section 287.10 of Am. Sub. H.B. 1 of the 128th G.A.

**Purpose:** These moneys are used for costs associated with presenting the interests of Ohio to the federal government, and related personnel, maintenance, and equipment costs, and Ohio's participation in national or regional associations. Temporary law also allows a portion of these membership dues to be paid from GRF line item 040403, Federal Relations.

**FY 2012 - FY 2013 Introduced Appropriation Amounts**

**All Fund Groups**

| Line Item Detail by Agency                           |        |                      | FY 2010                       | Estimate<br>FY 2011 | Introduced<br>FY 2012 | FY 2011 to FY 2012<br>% Change | Introduced<br>FY 2013 | FY 2012 to FY 2013<br>% Change |
|--|--------|----------------------|-------------------------------|---------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| <b>Report For Main Operating Appropriations Bill</b> |        |                      | <b>Version: As Introduced</b> |                     |                       |                                |                       |                                |
| <b>GOV Office of the Governor</b>                    |        |                      |                               |                     |                       |                                |                       |                                |
| GRF  | 040321 | Operating Expenses   | \$ 2,526,948                  | \$ 2,674,751        | \$ 2,679,886          | 0.19%                          | \$ 2,682,632          | 0.10%                          |
| GRF  | 040403 | Federal Relations    | \$ 156,782                    | \$ 181,081          | \$ 0                  | -100.00%                       | \$ 0                  | N/A                            |
| <b>General Revenue Fund Total</b>                    |        |                      | <b>\$ 2,683,730</b>           | <b>\$ 2,855,832</b> | <b>\$ 2,679,886</b>   | <b>-6.16%</b>                  | <b>\$ 2,682,632</b>   | <b>0.10%</b>                   |
| 5AK0   | 040607 | Government Relations | \$ 311,002                    | \$ 365,149          | \$ 365,149            | 0.00%                          | \$ 365,149            | 0.00%                          |
| <b>General Services Fund Group Total</b>             |        |                      | <b>\$ 311,002</b>             | <b>\$ 365,149</b>   | <b>\$ 365,149</b>     | <b>0.00%</b>                   | <b>\$ 365,149</b>     | <b>0.00%</b>                   |
| <b>Office of the Governor Total</b>                  |        |                      | <b>\$ 2,994,732</b>           | <b>\$ 3,220,981</b> | <b>\$ 3,045,035</b>   | <b>-5.46%</b>                  | <b>\$ 3,047,781</b>   | <b>0.09%</b>                   |