

LSC Redbook

Analysis of the Executive Budget Proposal

House of Representatives

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READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the House of Representatives (REP), which includes the following three sections.

1. **Overview:** Provides a description of the House's existing functions and staffing, and an overview of the House's executive recommended budget for the FY 2012-FY 2013 biennium.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the House's executive recommended budget, including the funding and purposes for each appropriated line item.
3. **Attachments:** Includes LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet which summarizes each line item's recent expenditure and appropriations history.

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ATTACHMENTS:

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

House of Representatives

- Primarily GRF-funded budget
- Largest expense: member and staff compensation
- Funded at FY 2011 levels

OVERVIEW

Duties and Responsibilities

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 House:

- Enacts, in conjunction with the Senate, new laws or amends or repeals existing laws;
- Adopts, in conjunction with the Senate, 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;
- Judges the election, returns, and qualifications of its members; and
- Institutes the process by which a state officer can be charged and impeached for misconduct, with the subsequent trial conducted by the Senate.

The House has 99 members called Representatives, with one Representative elected from each House District. Representatives are elected to terms of two years. Unlike the Senate, the entire membership of the House is subject to election every even-numbered year. Pursuant to the Ohio Constitution, a person cannot hold the office of Representative for longer than four successive two-year terms.

Appropriation Overview¹

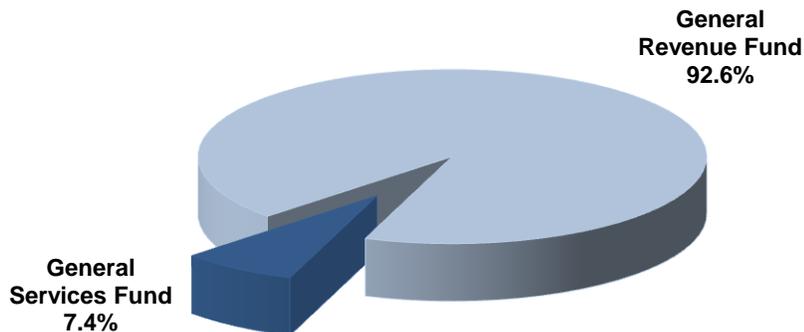
Under the executive recommended budget, the House proposes GRF and non-GRF appropriations totaling \$20.0 million in each of FYs 2012 and 2013. As Table 1 immediately below indicates, this results in flat GRF and non-GRF funding. That is, FY 2012 and FY 2013 appropriations are identical to the estimated FY 2011 GRF and non-GRF expenditures. The House'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 99 members and 157 full-time staff.

Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$18,517,093	\$18,517,093	0.0%	\$18,517,093	0.0%
General Services	\$1,471,513	\$1,471,513	0.0%	\$1,471,513	0.0%
TOTALS	\$19,988,606	\$19,988,606	0.0%	\$19,988,606	0.0%

*FY 2011 figures represent adjusted appropriations.

Appropriations by Fund Group. Chart 1 immediately below shows the total recommended appropriations (FY 2012 and FY 2013) by fund group. Over 92% of the House's expenditures are supported by moneys appropriated from the GRF.

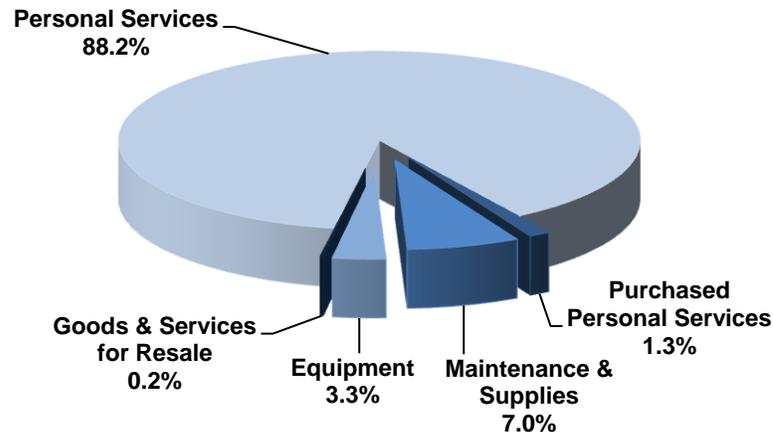
Chart 1: Biennial Executive Budget Recommendations by Fund Group, FY 2012-FY 2013



¹ Under R.C. 107.03(B), 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.

Appropriations by Object of Expense. Chart 2 immediately below shows the total recommended appropriations (FY 2012 and FY 2013) by object of expense. Close to 90% of the House's annual operating expenses in the next biennium will be allocated for personal services, essentially payroll expenses (salaries and wages, supplements, fringe benefits, and so forth).

**Chart 2: Biennial Executive Budget Recommendations
by Object of Expense, FY 2012-FY 2013**



Staffing Levels

Table 2 immediately below displays the number of members and staff paid, or to be paid, by the House from FY 2009 through FY 2013.

Table 2. House Staffing Levels by Fiscal Year					
Type of Staff	FY 2009	FY 2010	FY 2011	FY 2012*	FY 2013*
Members	99	99	99	99	99
Administrative Staff	176	166	157	157	157
Pages	43	53	80	80	80
TOTALS	318	318	336	336	336

* The staffing levels displayed in the above table for FYs 2012 and 2013 are estimates.

ANALYSIS OF EXECUTIVE PROPOSAL

Introduction

The House was established in 1802 and derives its authority from both Article II of the Ohio Constitution and R.C. Chapter 101. The primary role of the House 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 House.

Operating Expenses

This category of appropriations includes funding to support the efforts of Representatives, and their staffs, in the representation of their districts. Table 3 immediately below shows the line items that are used to fund this category of services and activities, as well as the recommended funding levels. It is then followed by a narrative describing how each appropriated amount will be used.

Table 3. Recommended Amounts for the House of Representatives				
Fund		ALI and Name	FY 2012	FY 2013
General Revenue Fund				
GRF	025321	Operating Expenses	\$18,517,093	\$18,517,093
General Revenue Fund Subtotal			\$18,517,093	\$18,517,093
General Services Fund Group				
1030	025601	House Reimbursement	\$1,433,664	\$1,433,664
4A40	025602	Miscellaneous Sales	\$37,849	\$37,849
General Services Fund Group Subtotal			\$1,471,513	\$1,471,513
Total Funding: House of Representatives			\$19,988,606	\$19,988,606

Operating Expenses (GRF line item 025321)

Under the executive recommended budget, the appropriation for this GRF line item in each of FYs 2012 and 2013 is identical to the FY 2011 appropriation of \$18,517,093. With what amounts to flat GRF funding, the House will be able to maintain current service levels, including covering the payroll costs and obligations associated with 99 House members, 157 full-time staff, and 80 part-time pages.

Around 95% of the appropriated amounts in each of FYs 2012 and 2013 will be allocated to cover payroll costs; the remainder will be allocated, in rough order of magnitude for maintenance and supplies, purchased personal services, and equipment.

The executive budget also contains a temporary law provision requiring the Director of Budget and Management, at the direction of the Clerk of the House, to transfer all, or a portion, of the House's unexpended, unencumbered GRF appropriation from FY 2011 to FY 2012, and similarly, from FY 2012 to FY 2013. Current law contains

a similar provision relative to the transfer of the line item's unexpended, unencumbered balance of appropriations from FY 2008 to FY 2009, and from FY 2009 to FY 2010.

House Reimbursement (GSF line item 025601)

This GSF line item is funded through miscellaneous reimbursements, such as refunds from the Department of Administrative Services for overpayment of medical insurance premiums for Representatives, amounts received for the salvage and recycling of equipment, materials, and supplies, and payments from members and staff for incidental use of equipment or facilities. This money is statutorily restricted to pay for operating expenses of the House.

For the next biennium, the executive budget recommends an appropriation of \$1,433,664 in each of FYs 2012 and 2013, which is the same as the FY 2011 appropriation, and should be sufficient to maintain existing service levels. Over 90% of the appropriated amounts in each of FYs 2012 and 2013 will be allocated to a mix of supplies and maintenance and equipment, the remainder will be allocated for personal services, purchased personal services, and goods and services for resale.

Miscellaneous Sales (GSF line item 025602)

This GSF line item is funded by money collected by the Office of the Chief Administrative Officer of the House from the sale of flags, insignia, seals, frames for resolutions, and similar items. This money is statutorily restricted to pay for the costs of procuring these items for resale. Thus, the executive recommended appropriation of \$37,849 in each of FYs 2012 and 2013 will be allocated for goods and services for resale and supplies and maintenance. All costs associated with the procurement of these items in excess of the money available through this GSF revenue stream are statutorily required to be paid out of the regular appropriation to the House.

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House of Representatives

General Revenue Fund

GRF 025321 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$18,685,625	\$18,419,825	\$17,777,755	\$18,517,093	\$18,517,093	\$18,517,093
	-1.4%	-3.5%	4.2%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 301.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: Funds expended from the line item are used exclusively to pay operating expenses of the House, primarily compensation paid to the members of the House and legislative staff. Section 301.10 of Am. Sub. H.B. 1 of the 128th G.A. contains a temporary law provision requiring the Director of Budget and Management, at the direction of the Clerk of the House, to transfer all, or a portion, of the House's unexpended, unencumbered GRF appropriation from FY 2009 to FY 2010, and similarly, from FY 2010 to FY 2011.

General Services Fund Group

1030 025601 House Reimbursement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$324,377	\$114,622	\$732,242	\$1,433,664	\$1,433,664	\$1,433,664
	-64.7%	538.8%	95.8%	0.0%	0.0%

Source: General Services Fund Group: (1) Refunds from the Department of Administrative Services for overpayment of medical insurance premiums for state representatives, (2) amounts received for salvage and recycling of equipment, materials, and supplies, and (3) payments from members and employees for incidental use of equipment or facilities

Legal Basis: ORC 101.272(A); Section 301.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. S.B. 336 of the 118th G.A.)

Purpose: Money deposited to the credit of the fund is statutorily restricted to pay operating expenses of the House of Representatives.

House of Representatives

4A40 025602 Miscellaneous Sales

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$21,453	\$18,840	\$19,492	\$37,849	\$37,849	\$37,849
	-12.2%	3.5%	94.2%	0.0%	0.0%

Source: General Services Fund Group: All moneys collected by the Office of the Chief Administrative Officer of the House of Representatives for the sale of flags, insignia, seals, frames for resolutions, and similar items

Legal Basis: ORC 101.69; Section 301.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: Money deposited to the credit of the fund is statutorily restricted 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 House of Representatives.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
REP House of Representatives								
GRF	025321	Operating Expenses	\$ 17,777,755	\$ 18,517,093	\$ 18,517,093	0.00%	\$ 18,517,093	0.00%
General Revenue Fund Total			\$ 17,777,755	\$ 18,517,093	\$ 18,517,093	0.00%	\$ 18,517,093	0.00%
1030	025601	House Reimbursement	\$ 732,242	\$ 1,433,664	\$ 1,433,664	0.00%	\$ 1,433,664	0.00%
4A40	025602	Miscellaneous Sales	\$ 19,492	\$ 37,849	\$ 37,849	0.00%	\$ 37,849	0.00%
General Services Fund Group Total			\$ 751,734	\$ 1,471,513	\$ 1,471,513	0.00%	\$ 1,471,513	0.00%
House of Representatives Total			\$ 18,529,489	\$ 19,988,606	\$ 19,988,606	0.00%	\$ 19,988,606	0.00%