

LSC Redbook

Analysis of the Executive Budget Proposal

Senate

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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 Senate (SEN), which includes the following three sections.

1. Overview: Provides a description of the Senate's existing functions and staffing, and an overview of the Senate's executive recommended budget for the FY 2012-FY 2013 biennium.
2. Analysis of Executive Proposal: Provides a detailed analysis of the Senate'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

Senate

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

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 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.

Appropriation Overview¹

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 about 7.5% of its total annual operating budget.

Under the executive recommended budget, the Senate proposes GRF appropriations totaling \$10.9 million in each of FYs 2012 and 2013. As Table 1 below indicates, this essentially results in flat GRF and non-GRF funding. That is, FY 2012 and FY 2013 appropriations identical to the estimated FY 2011 GRF and non-GRF expenditures.

Table 1. Executive Budget Recommendations by Fund Group, FY 2012-FY 2013

Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$10,911,095	\$10,911,095	0.0%	\$10,911,095	0.0%
General Services	\$886,498	\$886,498	0.0%	\$886,498	0.0%
TOTALS	\$11,797,593	\$11,797,593	0.0%	\$11,797,593	0.0%

*FY 2011 figures represent estimated expenditures.

Budget by Fund Group and Object of Expense Summary

The two pie charts below show the total recommended appropriations (FYs 2012 and 2013) by both fund group (Chart 1) and major object of expense (Chart 2) for the Senate. This information includes all sources of funding, over 90% of which is drawn from the General Revenue Fund.

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.

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

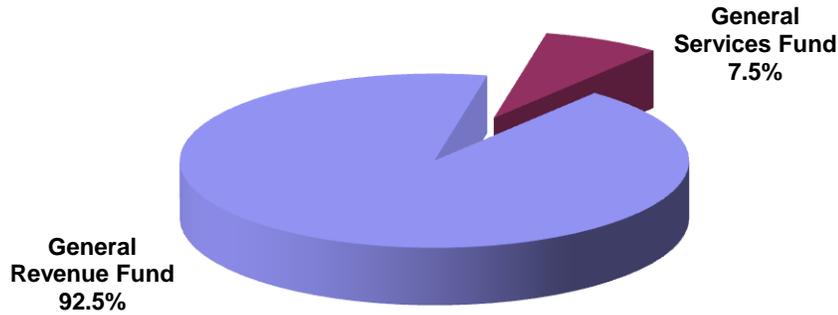
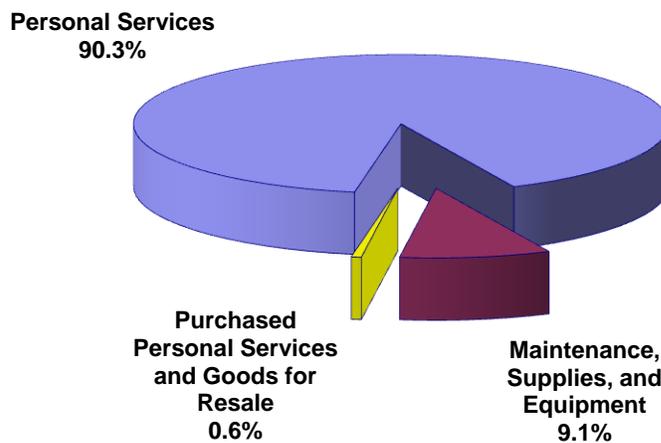


Chart 2: Biennial Executive Budget Recommendations by Object of Expense, FY 2012-FY 2013



Staffing Levels

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

Table 2. Senate Staffing Levels by Fiscal Year					
Type of Staff	2009	2010	2011	2012*	2013*
Full-time Staff	125	125	125	125	125
Part-time Pages	40	40	40	40	40
Members	33	33	33	33	33
TOTALS	198	198	198	198	198

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

ANALYSIS OF EXECUTIVE PROPOSAL

Introduction

The Senate 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 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.

Operating Expenses

This category of appropriations includes funding to support the efforts of state senators 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 Operating Expenses				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	020321	Operating Expenses	\$10,911,095	\$10,911,095
General Revenue Fund Subtotal			\$10,911,095	\$10,911,095
General Services Fund (GSF) Group				
1020	020602	Senate Reimbursement	\$852,001	\$852,001
4090	020601	Miscellaneous Sales	\$34,497	\$34,497
General Services Fund Group Subtotal			\$886,498	\$886,498
Total Funding: Operating Expenses			\$11,797,593	\$11,797,593

Operating Expenses (GRF line item 020321)

Under the executive proposed budget, the appropriations recommendation for this GRF line item in each of FYs 2012 and 2013 is identical to the estimated FY 2011 expenditure of \$10.9 million. With what essentially amounts to flat GRF funding, the Senate will be able to maintain current service levels, including the payroll costs and obligations associated with 33 Senate members, 125 full-time staff, and 40 part-time pages.

Virtually all 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, equipment purchases, and personal services contracts.

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

Senate Reimbursement (GSF line item 020602)

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 state senators; 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 Senate.

For the next biennium, the executive budget recommends an appropriation of \$852,001 in each of FYs 2012 and 2013, which is the same as the estimated FY 2011 expenditures, and should be sufficient to maintain existing service levels. Close to 90% of the appropriated amounts in each of FYs 2012 and 2013 will be allocated to cover supplies and maintenance; the remainder will be allocated, in rough order of magnitude, for, for goods and services for resale, purchased personal services, equipment purchases, and personal services.

Miscellaneous Sales (GSF line item 020601)

This GSF line item is funded by money collected by the Office of the Clerk of the Senate for the sale of flags, insignia, seals, frames for resolutions, and similar items. The money is statutorily restricted to pay for the costs of procuring these items for resale. Thus, the executive recommended appropriation of \$34,497 in each of FYs 2012 and 2013 will be allocated more or less for the purchase of goods and services for resale. 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 Senate.

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Senate

General Revenue Fund

GRF 020321 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$10,526,126	\$10,555,644	\$10,035,077	\$10,911,095	\$10,911,095	\$10,911,095
	0.3%	-4.9%	8.7%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 389.10 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 Senate, primarily compensation paid to the members of the Senate and legislative staff. Section 389.10 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 Senate, to transfer all, or a portion, of the Senate's unexpended, unencumbered GRF appropriation from FY 2009 to FY 2010, and similarly, from FY 2010 to FY 2011.

General Services Fund Group

1020 020602 Senate Reimbursement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$448,465	\$363,191	\$813,657	\$852,001	\$852,001	\$852,001
	-19.0%	124.0%	4.7%	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 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 389.10 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 Senate.

Senate

4090 020601 Miscellaneous Sales

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,293	\$2,395	\$15,253	\$34,497	\$34,497	\$34,497
	85.3%	536.9%	126.2%	0.0%	0.0%

Source: General Services Fund Group: All moneys collected by the Senate Clerk's office from the sale of flags, insignia, seals, frames for resolutions, and similar items

Legal Basis: ORC 101.69; Section 389.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 1237 of the 113th G.A.)

Purpose: Money deposited to the credit of the fund is statutorily restricted to pay for the costs of procuring items for sale, 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.

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					
SEN Senate								
GRF	020321	Operating Expenses	\$ 10,035,077	\$ 10,911,095	\$ 10,911,095	0.00%	\$ 10,911,095	0.00%
General Revenue Fund Total			\$ 10,035,077	\$ 10,911,095	\$ 10,911,095	0.00%	\$ 10,911,095	0.00%
1020	020602	Senate Reimbursement	\$ 813,657	\$ 852,001	\$ 852,001	0.00%	\$ 852,001	0.00%
4090	020601	Miscellaneous Sales	\$ 15,253	\$ 34,497	\$ 34,497	0.00%	\$ 34,497	0.00%
General Services Fund Group Total			\$ 828,910	\$ 886,498	\$ 886,498	0.00%	\$ 886,498	0.00%
Senate Total			\$ 10,863,987	\$ 11,797,593	\$ 11,797,593	0.00%	\$ 11,797,593	0.00%