

LSC Redbook

Analysis of the Executive Budget Proposal

Board of Deposit

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ATTACHMENTS:

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

Board of Deposit

- The Board of Deposit uses no GRF moneys
- The Board of Deposit designates which financial institutions serve as public depositories

OVERVIEW

Agency Overview

The State Board of Deposit was created in 1904 and operates under the authority of Ohio Revised Code Chapter 135, the Uniform Depository Act. The Board is composed of three elected officials or designees of these officials: the Treasurer of State, the Auditor of State, and the Attorney General. The Treasurer serves as the Board's chairperson. The cashier of the state treasury serves as the secretary of the Board.

The Board's major functions are to designate qualified financial institutions and banks to function as public depositories, to regulate the deposits of state money into these institutions, to approve bank service charges, and to confirm the designation and investment of interim moneys of the state. As of February 2013, approximately 120 financial institutions throughout the state have been designated by the Board as public depositories for state funds.

The Board of Deposit uses no GRF moneys. The Board of Deposit Expense Fund receives transfers of cash from the Investment Earnings Redistribution Fund (Fund 6080) after certification of the Board's expenses by the Treasurer of State. The Board's funding is used to pay for banking charges and fees required for the operation of the State Treasurer's regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account.

The Board employs no staff, but the staff of the Treasurer of State provides some support for the Board. Each month, the staff of the Treasurer of State's investment department prepares and presents a Monthly Portfolio Review report to the Board. The investment information included in the report and reviewed by the Board includes summaries of current portfolio holdings, market value of portfolio assets, securities purchased and sold, and yield analyses. In the next biennium, the Board of Deposit will continue to monitor compliance of the designated public depositories with its contracts, and to ensure efficient and prudent management of state cash. The Board of Deposit will also continue its oversight responsibility over the state's investment portfolios.

The executive recommends funding of \$1.9 million each for FY 2014 and FY 2015. This amount is the same as the FY 2013 estimated expenditures, but 9.9% higher than expenditures of \$1.7 million in FY 2012.

Appropriation Overview

The following table presents the executive recommendations by fund group for the Board of Deposit for the FY 2014-FY 2015 biennium.

Table 1. Executive Budget Recommendations by Fund Group, FY 2014-FY 2015					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Services Fund	\$1,876,000	\$1,876,000	0.0%	\$1,876,000	0.0%
TOTAL	\$1,876,000	\$1,876,000	0.0%	\$1,876,000	0.0%

*FY 2013 figures represent estimates.

ANALYSIS OF EXECUTIVE PROPOSAL

Introduction

This section shows the line item that is used to fund the activities of the Board, as well as the Governor's recommended funding levels.

Fund		ALI and Name	FY 2014	FY 2015
General Services Fund Group				
4M20	974601	Board of Deposit	\$1,876,000	\$1,876,000
Total Funding: Board of Deposit			\$1,876,000	\$1,876,000

Board of Deposit (974601)

This line item provides funding for banking charges and fees required for the operation of the State Treasurer's regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account. The executive recommends \$1.9 million each for FY 2014 and for FY 2015, unchanged from estimated expenditures in FY 2013. Actual expenditures in FY 2012 were \$1.7 million. Funding for the line item has historically come from transfers from Fund 6080, the Investment Earnings Redistribution Fund.

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Board of Deposit

General Services Fund Group

4M20 974601 Board of Deposit

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,622,711	\$1,309,223	\$1,707,766	\$1,876,000	\$1,876,000	\$1,876,000
	-19.3%	30.4%	9.9%	0.0%	0.0%

Source: General Services Fund Group: Transfers of cash from the Investment Earnings Redistribution Fund (Fund 6080) after certification of the Board's expenses by the Treasurer of State

Legal Basis: Section 259.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: Funds are used to pay for any and all necessary expenses of the Board of Deposit or for banking charges and fees required for the operation of the state treasury accounts.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
BDP Board of Deposit								
4M20	974601	Board of Deposit	\$ 1,707,766	\$ 1,876,000	\$ 1,876,000	0.00%	\$ 1,876,000	0.00%
General Services Fund Group Total			\$ 1,707,766	\$ 1,876,000	\$ 1,876,000	0.00%	\$ 1,876,000	0.00%
Board of Deposit Total			\$ 1,707,766	\$ 1,876,000	\$ 1,876,000	0.00%	\$ 1,876,000	0.00%