

# **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 2014-FY 2015 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 2013 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 Overview<sup>1</sup>

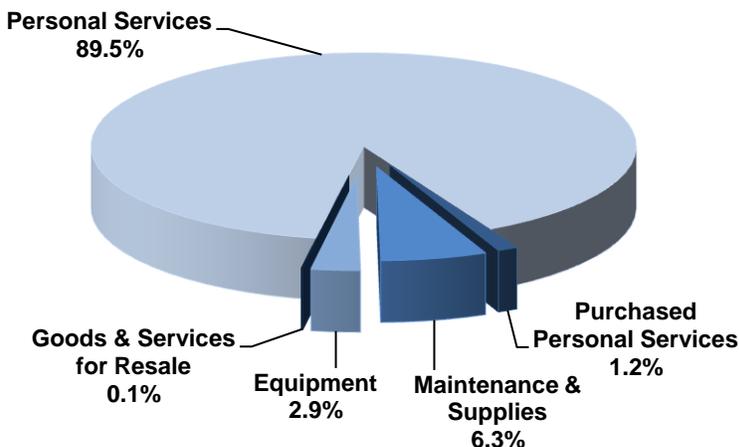
Under the executive recommended budget, the House proposes GRF and non-GRF appropriations totaling \$22.5 million in each of FYs 2014 and 2015. As Table 1 immediately below indicates, this results in flat GRF and non-GRF funding. That is, FY 2014 and FY 2015 appropriations are identical to the estimated FY 2013 GRF and non-GRF expenditures. Over 93% of the House's expenditures are supported by money appropriated from the GRF.

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 Revenue	\$21,031,091	\$21,031,091	0.0%	\$21,031,091	0.0%
General Services	\$1,471,513	\$1,471,513	0.0%	\$1,471,513	0.0%
<b>TOTAL</b>	<b>\$22,502,604</b>	<b>\$22,502,604</b>	<b>0.0%</b>	<b>\$22,502,604</b>	<b>0.0%</b>

\*FY 2013 figures represent adjusted appropriations.

**Appropriations by Object of Expense.** Chart 1 immediately below shows the total recommended appropriations (FY 2014 and FY 2015) 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 1: Biennial Executive Budget Recommendations by Object of Expense, FY 2014-FY 2015**



<sup>1</sup> 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.

## Staffing Levels

Table 2 immediately below displays the number of members and staff paid, or to be paid, by the House from FY 2011 through FY 2015.

<b>Table 2. House Staffing Levels by Fiscal Year</b>					
<b>Type of Staff</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014*</b>	<b>FY 2015*</b>
Members	99	99	99	99	99
Administrative Staff	157	159	150	150	150
Pages	80	77	82	82	82
<b>TOTAL</b>	<b>336</b>	<b>335</b>	<b>331</b>	<b>331</b>	<b>331</b>

\*The staffing levels displayed in the above table for FYs 2014 and 2015 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, the latter of 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.

<b>Table 3. Recommended Amounts for the House of Representatives</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2014</b>	<b>FY 2015</b>
<b>General Revenue Fund</b>				
GRF	025321	Operating Expenses	\$21,031,091	\$21,031,091
<b>General Revenue Fund Subtotal</b>			<b>\$21,031,091</b>	<b>\$21,031,091</b>
<b>General Services Fund Group</b>				
1030	025601	House Reimbursement	\$1,433,664	\$1,433,664
4A40	025602	Miscellaneous Sales	\$37,849	\$37,849
<b>General Services Fund Group Subtotal</b>			<b>\$1,471,513</b>	<b>\$1,471,513</b>
<b>Total Funding: House of Representatives</b>			<b>\$22,502,604</b>	<b>\$22,502,604</b>

### Operating Expenses (GRF line item 025321)

Under the executive recommended budget, the appropriation for this GRF line item in each of FYs 2014 and 2015 is identical to the FY 2013 appropriation of \$21,091,091. 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, 150 full-time staff, and 82 part-time pages.

Over 95% of the appropriated amounts in each of FYs 2014 and 2015 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.

**Temporary Law.** 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 2013 to FY 2014, and similarly, from FY 2014 to FY 2015. Current

law contains a similar provision relative to the transfer of the line item's unexpended, unencumbered balance of appropriations from FY 2011 to FY 2012, and from FY 2012 to FY 2013.

#### **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 2014 and 2015, which is the same as the FY 2013 appropriation, and should be sufficient to maintain existing service levels. Just over 92% of the appropriated amounts in each of FYs 2014 and 2015 will be allocated to a mix of supplies and maintenance and equipment, the remainder (7.3%) will be allocated for personal services, purchased personal services, and goods and services for resale.

**Temporary Law.** The executive budget also contains a temporary law provision increasing the line item's appropriation if the Chief Administrative Officer of the House determines that additional amounts are necessary. Current law contains a similar provision for the FY 2012-FY 2013 biennium.

#### **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 2014 and 2015 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.

# House of Representatives

## General Revenue Fund

### GRF 025321 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$17,777,755	\$18,673,725	\$16,924,338	\$21,031,091	<b>\$21,031,091</b>	<b>\$21,031,091</b>
	5.0%	-9.4%	24.3%	<b>0.0%</b>	<b>0.0%</b>

**Source:** General Revenue Fund

**Legal Basis:** Section 299.10 of Am. Sub. H.B. 153 of the 129th G.A.

**Purpose:** This line item is used exclusively to pay operating expenses of the House of Representatives, primarily compensation paid to the members of the House and legislative staff. Temporary law: (1) requires the Director of Budget and Management, at the direction of the Chief Administrative Officer of the House, to transfer all, or a portion, of the line item's unexpended, unencumbered appropriation from FY 2011 to FY 2012, and similarly, from FY 2012 to FY 2013, and (2) reappropriates the transferred amount to the same line item. The FY 2014-FY 2015 executive budget contained in H.B. 59 of the 130th G.A. proposes a similar temporary law provision allowing the transfer and reappropriation of amounts from FY 2013 to FY 2014 and from FY 2014 to FY 2015.

## General Services Fund Group

### 1030 025601 House Reimbursement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$732,242	\$388,615	\$672,992	\$1,433,664	<b>\$1,433,664</b>	<b>\$1,433,664</b>
	-46.9%	73.2%	113.0%	<b>0.0%</b>	<b>0.0%</b>

**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 by the Office of the Chief Administrative Officer of the House for salvage and recycling of equipment, materials, and supplies, and (3) payments from members and employees for incidental use of House equipment or facilities

**Legal Basis:** ORC 101.272(A); Section 299.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. S.B. 336 of the 118th G.A.)

**Purpose:** Money deposited to the credit of this fund is statutorily restricted to pay operating expenses of the House of Representatives. Temporary law for the FY 2012-FY 2013 biennium increases the line item's appropriation if the Chief Administrative Officer of the House determines that additional amounts are necessary. The FY 2014-FY 2015 executive budget contained in H.B. 59 of the 130th G.A. proposes a similar temporary law provision.

## House of Representatives

### 4A40 025602    Miscellaneous Sales

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$19,492	\$21,821	\$25,407	\$37,849	<b>\$37,849</b>	<b>\$37,849</b>
	11.9%	16.4%	49.0%	<b>0.0%</b>	<b>0.0%</b>

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

**Legal Basis:** ORC 101.69; Section 299.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

**Purpose:** Money deposited to the credit of this 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 House of Representatives.

# 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
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>REP House of Representatives</b>								
GRF	025321	Operating Expenses	\$ 16,924,338	\$ 21,031,091	\$ 21,031,091	0.00%	\$ 21,031,091	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 16,924,338</b>	<b>\$ 21,031,091</b>	<b>\$ 21,031,091</b>	<b>0.00%</b>	<b>\$ 21,031,091</b>	<b>0.00%</b>
1030	025601	House Reimbursement	\$ 672,992	\$ 1,433,664	\$ 1,433,664	0.00%	\$ 1,433,664	0.00%
4A40	025602	Miscellaneous Sales	\$ 25,407	\$ 37,849	\$ 37,849	0.00%	\$ 37,849	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 698,399</b>	<b>\$ 1,471,513</b>	<b>\$ 1,471,513</b>	<b>0.00%</b>	<b>\$ 1,471,513</b>	<b>0.00%</b>
<b>House of Representatives Total</b>			<b>\$ 17,622,737</b>	<b>\$ 22,502,604</b>	<b>\$ 22,502,604</b>	<b>0.00%</b>	<b>\$ 22,502,604</b>	<b>0.00%</b>