

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 of State or the Treasurer of State's representative 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 2015, 119 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 Board's chairperson is required to provide a monthly report to the Board consisting of notifications received from the Treasurer of State that public moneys have been classified as interim moneys and to post the report to a website maintained by the Treasurer of State.¹ 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.

¹ R.C. 135.02 (effective March 23, 2015).

The executive recommends funding of \$1.9 million each for FY 2016 and FY 2017. This amount is the same as the FY 2015 estimated expenditures.

Appropriation Overview

The following table presents the executive recommendations by fund group for the Board of Deposit for the FY 2016-FY 2017 biennium.

Table 1. Executive Budget Recommendations by Fund Group, FY 2016-FY 2017					
Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
Dedicated Purpose 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 2015 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 2016	FY 2017
Dedicated Purpose 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 2016 and for FY 2017, unchanged from estimated expenditures in FY 2015. Actual expenditures in FY 2014 were \$1.5 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

Dedicated Purpose Fund Group

4M20 974601 Board of Deposit

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$1,707,766	\$1,728,138	\$1,514,789	\$1,876,000	\$1,876,000	\$1,876,000
	1.2%	-12.3%	23.8%	0.0%	0.0%

Source: Dedicated Purpose 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 255.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is 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 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Estimate	Introduced	FY 2015 to FY 2016	Introduced	FY 2016 to FY 2017	
			FY 2014	FY 2015	FY 2016	FY 2017	% Change	
					% Change		% Change	
Report For Main Operating Appropriations Bill			Version: As Introduced					
BDP Board of Deposit								
4M20	974601	Board of Deposit	\$ 1,514,789	\$ 1,876,000	\$ 1,876,000	0.00%	\$ 1,876,000	0.00%
Dedicated Purpose Fund Group Total			\$ 1,514,789	\$ 1,876,000	\$ 1,876,000	0.00%	\$ 1,876,000	0.00%
Board of Deposit Total			\$ 1,514,789	\$ 1,876,000	\$ 1,876,000	0.00%	\$ 1,876,000	0.00%