

LSC Redbook

Analysis of the Executive Budget Proposal

Ohio 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, 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 2016-FY 2017 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

Ohio Senate

- Primarily GRF-driven budget
- Less money requested to cover operating expenses
- 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.

Appropriations Overview¹

Under the executive recommended budget, the Senate proposes GRF and non-GRF appropriations totaling nearly \$12,978,440 in each of FYs 2016 and 2017 (see Table 1 below). These annual amounts are \$1,368,427, or 9.5%, less than the estimated FY 2015 expenditures totaling \$14,346,867. This largely reflects the Senate's plan to allocate less money for supplies and maintenance and payroll that is currently allocated for FY 2015. For the biennium, virtually all of the Senate's operating expenses will be supported by money appropriated from the GRF.

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
General Revenue	\$13,460,369	\$12,518,143	-7.0%	\$12,518,143	0.0%
Internal Service Activity	\$886,498	\$460,297	-48.1%	\$460,297	0.0%
TOTAL	\$14,346,867	\$12,978,440	-9.5%	\$12,978,440	0.0%

*FY 2015 figures represent estimated expenditures.

Around 90% of the Senate's annual operating expenses in the next biennium will be allocated for personal services, essentially payroll expenses (salaries and wages, supplements, fringe benefits). The remainder will be allocated, in order of magnitude, for supplies and maintenance (7.1%), equipment (1.1%), purchased personal services (0.6%), and goods for resale (0.3%).

Staffing Levels

Table 2 immediately below displays the number of members and staff paid, or to be paid, by the Senate from FYs 2014 through 2017.

Table 2. Senate Staffing Levels, FYs 2014-2017				
Type of Staff	FY 2014	FY 2015	FY 2016*	FY 2017*
Full-time Staff	125	114	114	114
Part-time Pages	40	60	60	60
Members	33	33	33	33
TOTAL	198	207	207	207

*FYs 2016 and 2017 are estimates.

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.

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, the latter of 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. The table 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.

Executive's Recommended Amounts for Operating Expenses				
Fund	ALI and Name		FY 2016	FY 2017
General Revenue Fund (GRF)				
GRF	020321	Operating Expenses	\$12,518,143	\$12,518,143
General Revenue Fund Subtotal			\$12,518,143	\$12,518,143
Internal Service Activity (ISA) Fund Group				
1020	020602	Senate Reimbursement	\$425,800	\$425,800
4090	020601	Miscellaneous Sales	\$34,497	\$34,497
Internal Service Activity Fund Group Subtotal			\$460,297	\$460,297
Total Funding: Operating Expenses			\$12,978,440	\$12,978,440

Operating Expenses (GRF line item 020321)

Under the executive budget, the appropriations recommendation for this GRF line item in each of FYs 2016 and 2017 is \$12,518,143. These annual amounts are \$942,226, or 7%, below the estimated FY 2015 expenditure of \$13,460,369. This largely reflects the Senate's plan to allocate less money for payroll and supplies and maintenance than is currently allocated for FY 2015.

For the next biennium, around 94% of the line item will be allocated to cover payroll costs; the remainder will be allocated, in rough order of magnitude, for maintenance and supplies, equipment purchases, and purchased personal services.

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 Senate, to transfer all, or a portion, of the Senate's unexpended, unencumbered GRF appropriations from FY 2015 to FY 2016, and similarly, from FY 2016 to FY 2017. The current operating budget contains a similar provision relative to the transfer of the line item's unexpended, unencumbered balance of appropriations from FY 2013 to FY 2014, and from FY 2014 to FY 2015.

Senate Reimbursement (ISA line item 020602)

This 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 restricted to paying for operating expenses of the Senate.

For the next biennium, the executive budget recommends appropriations of \$425,800 in each of FYs 2016 and 2017, amounts that are \$426,201, or 50%, less than the estimated FY 2015 expenditure of \$852,001. This largely reflects the Senate's plan to allocate less money for supplies and maintenance than is currently allocated for FY 2015.

For the next biennium, 76.0% of this line item will be allocated to cover supplies and maintenance; the remainder will be allocated, in rough order of magnitude, for equipment purchases, purchased personal services, and personal services.

Miscellaneous Sales (ISA line item 020601)

This 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 restricted to paying for the costs of procuring these items for resale. The executive recommended appropriations of \$34,497 in each of FYs 2016 and 2017 are identical to the amounts appropriated for FYs 2014 and 2015 of the current biennium.

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General Revenue Fund

GRF 020321 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$10,537,811	\$10,544,781	\$11,024,228	\$13,460,369	\$12,518,143	\$12,518,143
	0.1%	4.5%	22.1%	-7.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 383.10 of Am. Sub. H.B. 59 of the 130th G.A.

Purpose: This line item is used to pay operating expenses of the Senate, primarily compensation paid to members of the Senate and their staff.

Internal Service Activity Fund Group

1020 020602 Senate Reimbursement

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$246,237	\$548,668	\$128,210	\$852,001	\$425,800	\$425,800
	122.8%	-76.6%	564.5%	-50.0%	0.0%

Source: Internal Service Activity Fund Group: (1) Refunds from the Department of Administrative Services for overpayment of medical insurance premiums for state senators, (2) 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 383.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. S.B. 336 of the 118th G.A.)

Purpose: This line item is used to pay operating expenses of the Senate.

4090 020601 Miscellaneous Sales

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$20,135	\$3,342	\$16,437	\$34,497	\$34,497	\$34,497
	-83.4%	391.8%	109.9%	0.0%	0.0%

Source: Internal Service Activity Fund Group: Sale of flags, insignia, seals, frames for resolutions, and similar items

Legal Basis: ORC 101.69; Section 383.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Am. Sub. H.B. 1237 of the 113th G.A.)

Purpose: This line item is used 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 other appropriation to the Senate.

FY 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2014	Estimate FY 2015	Introduced FY 2016	FY 2015 to FY 2016 % Change	Introduced FY 2017	FY 2016 to FY 2017 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
SEN Senate								
GRF	020321	Operating Expenses	\$ 11,024,228	\$ 13,460,369	\$ 12,518,143	-7.00%	\$ 12,518,143	0.00%
General Revenue Fund Total			\$ 11,024,228	\$ 13,460,369	\$ 12,518,143	-7.00%	\$ 12,518,143	0.00%
1020	020602	Senate Reimbursement	\$ 128,210	\$ 852,001	\$ 425,800	-50.02%	\$ 425,800	0.00%
4090	020601	Miscellaneous Sales	\$ 16,437	\$ 34,497	\$ 34,497	0.00%	\$ 34,497	0.00%
Internal Service Activity Fund Group Total			\$ 144,646	\$ 886,498	\$ 460,297	-48.08%	\$ 460,297	0.00%
Senate Total			\$ 11,168,874	\$ 14,346,867	\$ 12,978,440	-9.54%	\$ 12,978,440	0.00%