

LSC Greenbook

Analysis of the Enacted Budget

Board of Deposit

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ATTACHMENT:

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.

The Board of Deposit uses no GRF moneys, and employs no staff. The Board of Deposit received appropriations of \$1.9 million for both FY 2010 and FY 2011. This amount is \$481,022, or 34.5%, higher than FY 2009 actual expenditures.

Appropriation Overview

The following table presents the appropriations by fund group for the Board of Deposit for the FY 2010-FY 2011 biennium.

Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Services Fund	\$1,394,978	\$1,876,000	34.5%	\$1,876,000	0.0%
TOTAL	\$1,394,978	\$1,876,000	34.5%	\$1,876,000	0.0%

*FY 2009 figures represent actual expenditures.

Major Initiatives

H.B. 1 modifies the current requirements to become a qualified public depository for public funds in Ohio. Under the new requirement, any savings association or savings bank that is located in Ohio, but doing business under the authority of another state, is eligible to become a public depository. However, any bank doing business under authority of another country is no longer qualified. The new requirement could increase the number of qualified public depository for the public funds.

ANALYSIS OF ENACTED BUDGET

Introduction

This section shows the line item that is used to fund the activities of the Board, as well as the appropriations.

Fund	ALI and Name	FY 2010	FY 2011
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 budget appropriates \$1.9 million each for FY 2010 and FY 2011. This amount is \$481,022, or 34.5%, higher than the actual expenditures in FY 2009, and 102.2% higher than expenditures in FY 2008.

The increase in appropriation amounts is related to two recent developments. First, in FY 2009, the Board received new authority to issue three banking contracts for electronic funds transfer. It was transferred to the Board from the Office of Budget and Management (OBM) to increase state accounting efficiency. The increase in this appropriation thus represents, in part, a shift in funding from the budget of OBM.

Second, expenditures in FY 2008 were reduced by a one-time benefit. The Board's banking charges were reduced by over \$800,000 from its actual expenditures in that fiscal year. The reduction was made in exchange for a total amount of earnings that had not been properly credited to the state over several years by its designated banks. The Board discovered the errors and recouped the amount during its review of all of its banking contracts over the last two years.

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FY 2010 - 2011 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
Report For: Main Operating Appropriations Bill			Version: Enacted					
BDP Board of Deposit								
4M20	974601	Board of Deposit	\$ 927,892	\$ 1,394,978	\$ 1,876,000	34.48%	\$ 1,876,000	0.00%
General Services Fund Group Total			\$ 927,892	\$ 1,394,978	\$ 1,876,000	34.48%	\$ 1,876,000	0.00%
Board of Deposit Total			\$ 927,892	\$ 1,394,978	\$ 1,876,000	34.48%	\$ 1,876,000	0.00%