

# Redbook

## LBO Analysis of Executive Budget Proposal

### Ohio Treasurer of State

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Attachments:

    Catalog of Budget Line Items (COBLI)

    Appropriation Spreadsheet

# LBO Redbook

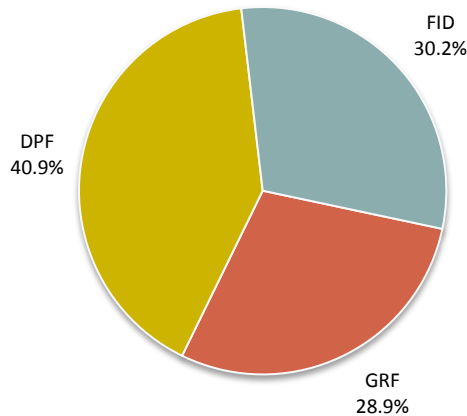
## Ohio Treasurer of State

### Quick look...

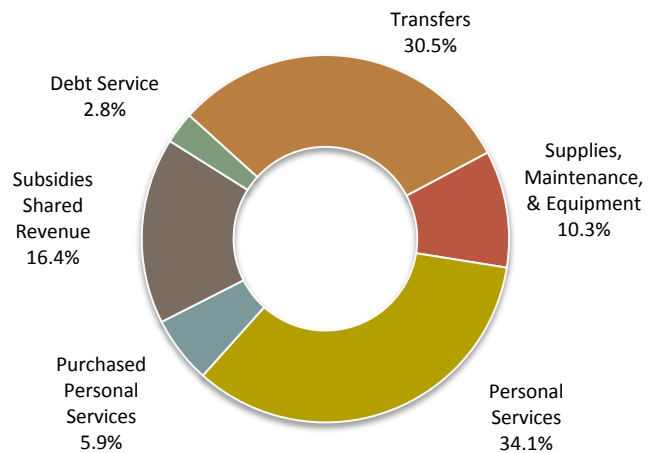
- The Treasurer of State (TOS) manages banking services for all state agencies and collects taxes, fees, and fines on behalf of state entities.
- TOS manages over \$66 billion of funds passing through the Ohio treasury and oversees over \$233 billion in public assets.
- Recommended amounts to be appropriated from the GRF represent just under 29% of total recommended appropriations.
- Recommended GRF appropriation amounts are essentially flat funded compared to estimated FY 2019 GRF expenditures.

Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
General Revenue	\$10,880,552	\$11,464,056	\$11,463,075	\$11,464,675
Dedicated Purpose	\$8,965,241	\$20,593,108	\$22,623,316	\$9,878,622
Fiduciary	\$46,226,433	\$30,000,000	\$12,000,000	\$12,000,000
<b>Total</b>	<b>\$66,072,227</b>	<b>\$62,057,164</b>	<b>\$46,086,391</b>	<b>\$33,343,297</b>
% change	--	-6.1%	-25.7%	-27.7%
<i>GRF % change</i>	--	5.4%	-0.0%	0.0%

**Chart 1: TOS Budget by Fund Group  
FY 2020-FY 2021 Biennium**



**Chart 2: TOS Budget by Expense Category  
FY 2020-FY 2021 Biennium**



Biennial total: \$79.4 million

## Overview

### Agency overview

The Treasurer of State (TOS) is a constitutional officer elected to a four-year term. The TOS serves as the state's cash manager and chief investment officer; the Treasurer's Office oversees more than \$233 billion in public assets.<sup>1</sup> The TOS manages banking services of all state agencies and is responsible for collecting a wide range of taxes, fees, and fines on behalf of state entities. In FY 2018, over \$66 billion was collected by or deposited into the Ohio treasury.

In addition to overseeing treasury operations, the Treasurer of State serves as chairman of the State Board of Deposit (BDP), a member of the Commissioners of the Sinking Fund (CSF), a member of the Petroleum Underground Storage Tank Release Compensation Board (UST), as well as a member of other boards, commissions, and authorities. As of the end of March 2019, the Office of the Treasurer of State employed 107 full-time equivalent (FTE) workers.<sup>2</sup>

The Office of the Treasurer of State manages an investment portfolio of more than \$22.6 billion as of November 1, 2018. In order to facilitate the proper practices of public investment managers, TOS provides continuing education for its public funds managers through the Center for Public Investment Management (CPIM). TOS also offers the Bid Ohio Program, which competitively auctions off public moneys, allowing the state to receive higher yields and competitive rates on deposits from participating Ohio public depositories.

TOS manages the OhioMeansJobs Workforce Development Revolving Loan Program, Ohio Pooled Collateral Program, and various Linked Deposit programs. In addition, the Treasurer's Office provides for administrative support of the STABLE Program, in addition to supporting various funding and treasury initiatives. TOS also provides online educational opportunities to help all Ohioans improve their knowledge of personal finance.

### Appropriation summary

The executive budget for TOS recommends appropriation amounts totaling \$46.1 million in FY 2020 and \$33.3 million in FY 2021. The table and Chart 1 shown in the "Quick look" section present the executive recommended appropriations by fund group. As shown in Chart 1, the GRF serves as the source of nearly 29% of total appropriation amounts for the biennium, while Dedicated Purpose Fund (DPF) funds serve as the largest single fund group source (40.9%) for appropriations. GRF items fund general TOS operations and other initiatives. The Fiduciary Fund (FID) group provides for tax refunds. Chart 2 in the "Quick look" section shows the executive recommended appropriations by object of expense. Subsidies and transfers from tax refunds and loan programs make up about 47% of expenses. Personal services account for 34.1% of the next biennium's total budgetary request.

The executive budget proposal requests \$11.5 million in GRF funds for both FY 2020 and FY 2021, essentially flat funding compared to anticipated FY 2019 GRF funding. A total of

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<sup>1</sup> TOS has been responsible for managing state funds for over 200 years.

<sup>2</sup> One full-time employee counts as 1.0 FTE worker, while one part-time employee counts as 0.5 FTE worker.

\$8.0 million is dedicated to TOS line item 090321, Operating Expenses, in each year. Proposed funding for the Commissioners of the Sinking Fund, GRF line item 090401, is approximately \$477,000 to recover costs associated with CSF's administration of debt service payments on Ohio general obligation and special obligation bonds, as well as highway capital improvement bonds. Appropriations for GRF line item 090402, Continuing Education, are \$175,000 in both fiscal years. Treasury Management System Lease Rental Payments, GRF line item 090406, is proposed to receive approximately \$1.1 million per year in the upcoming biennium's budget request, to cover debt service payments on a recently acquired IT system. Administration expenses for the "Achieving a Better Life Experience" (ABLE) savings account program are paid through GRF line item 090613; just under \$1.7 million per year is recommended.

Approximately \$22.6 million of the proposed FY 2020 TOS budget is appropriated through dedicated purpose funds. The largest appropriation in this section is appropriation line item (ALI) 090610, OhioMeansJobs Workforce Development, which provides funding for the OhioMeanJobs Workforce Development Revolving Loan Program. Approximately \$13.1 million is allocated to subsidizing the loan program in FY 2020, which is aimed at supporting students in both academic and workforce training programs. According to language in the biennial budget bill, up to \$250,000 per year is allocated to administration costs for the OhioMeansJobs Program. The next largest item in the DPF list is ALI 090603, Securities Lending Income, which has recommended funding between \$7.4 million and \$7.9 million per year. This program generates revenue for the state by providing short-term loans to brokerage firms and other financial institutions. The Investment Pool Reimbursement Fund, ALI 090605, provides a similar service to political subdivisions within Ohio, allowing smaller governments to realize increased returns on investment through the state's skilled fund managers. This line item is allocated \$1.1 million per year in the upcoming biennium's budget request.

A total of \$12.0 million per year in the executive budget recommendation is to be allocated from a fiduciary fund, the Tax Refund Fund. These moneys fall under the Tax Refund Program, ALI 090635, and are allocated to provide a refund pool for Ohio taxpayers, as well as to pay certain permissive taxes which are not refunds. These taxes include some county-specific taxes such as Cuyahoga County's cigarette tax.

## **New initiatives**

In November 2018, the Ohio Treasurer of State launched an initiative to become the first major political subdivision in the United States to accept cryptocurrencies as payment for business taxes. With the launch of [OhioCrypto.com](https://ohiocrypto.com), Ohio becomes a national leader in the integration between cryptocurrencies and regulatory authorities. In a joint venture with BitPay, a leading provider of digital currency technologies, the state of Ohio has opened the door for companies to pay tax bills directly through [OhioCrypto.com](https://ohiocrypto.com). Currently, Bitcoin is the only cryptocurrency accepted; however, TOS's annual report suggests it looks forward to adding other cryptocurrencies in the future, as the program expands.

# Analysis of FY 2020-FY 2021 budget proposal

## Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation line item (ALI) included in the TOS and Pension Subsidies (PEN) sections of the main operating budget. All four GRF ALIs in PEN are administered by TOS, but are not part of the latter's budget. These pension subsidies are to be transferred to the Board of the Police and Fire Pension Fund.

For organizational purposes, the line items below are grouped into six major categories based on their funding purposes. In the analysis, each appropriation item's estimated expenditures for FY 2019 and recommended appropriations for FY 2020 and FY 2021 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described.

Categorization of TOS Line Items for Analysis of FY 2020-FY 2021 Budget Proposal				
Fund	ALI	ALI Name		Category
<b>General Revenue Fund Group</b>				
GRF	090321	Operating Expenses	1	Operations and Administration
GRF	090401	Office of the Sinking Fund	2	Office of the Sinking Fund
GRF	090402	Continuing Education	3	Treasury Education Operations
GRF	090406	Treasury Management System Lease Rental Payments	1	Operations and Administration
GRF	090613	STABLE Account Administration	4	Achieving a Better Life Experience
<b>Dedicated Purpose Fund Group</b>				
4E90	090603	Securities Lending Income	1	Operations and Administration
4X90	090614	Political Subdivision Obligation	1	Operations and Administration
5770	090605	Investment Pool Reimbursement	1	Operations and Administration
5C50	090602	County Treasurer Education	3	Treasury Education Operations
5NH0	090610	OhioMeansJobs Workforce Development	6	OhioMeanJobs Program
6050	090609	Treasurer of State Administrative Fund	1	Operations and Administration
<b>Fiduciary Fund Group</b>				
4250	090635	Tax Refunds	5	Tax Refunds

## Category 1: Operations and Administration

This category of appropriation line items supports activities of the Treasurer's Office. The executive recommendation provides funding necessary to maintain the current levels of operations within the Treasurer's Office.

**C1:1: Operating Expenses (ALI 090321)**

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090321, Operating Expenses	\$8,037,839	\$8,037,839	\$8,037,839
% change	--	0.0%	0.0%

This item supports activities of the Treasurer's Office and funds payroll and fringe benefits; 100% of the appropriation in each year is for the personal services expense category. The executive recommended funding is \$8.0 million in FY 2020 and \$8.0 million in FY 2021, totals equal to the current FY 2019 estimate.

**C1:2: Treasury Management System Lease Rental Payments (ALI 090406)**

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090406, Treasury Management System Lease Rental Payments	\$1,114,381	\$1,113,400	\$1,115,000
% change	--	-0.1%	0.1%

This GRF line item funds debt service payments related to the Treasury Management System. The executive recommended funding is \$1.1 million in both FY 2020 and FY 2021, amounts sufficient to pay for debt servicing over the next biennium.

**C1:3: Securities Lending Income (ALI 090603)**

Earmark	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF 4E90, ALI 090603, Securities Lending Income	\$5,415,467	\$7,480,675	\$7,843,565
% change	--	38.1%	4.9%

This line item funds administration of the Securities Lending Program. TOS manages the Securities Lending Program, which generates income by loaning securities on a short-term basis to selected brokerage firms and financial institutions for a fee. Funding for this appropriation comes from earnings generated by the Securities Lending Program. Approximately half of the amount recommended for the biennium is for the personal services category of expense, and just over one-third is for supplies and maintenance.

### C1:4: Treasurer of State Administrative Fund (ALI 090609)

Earmark	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF 6050, ALI 090609, Treasurer of State Administrative Fund	\$700,000	\$700,000	\$700,000
% change	--	0.0%	0.0%

This line item provides funding for custodial services provided by the Treasurer's Office to other state agencies. Funding is paid by fees received from those entities. Services include safekeeping and disbursing funds, as well as administering moneys and assets such as the retirement systems' funds. The executive recommendation suggests funding of \$700,000 each year for FY 2020 and FY 2021, which is an increase of 0.0% over anticipated FY 2019 funding.

### C1:5: Investment Pool Reimbursement (ALI 090605)

Earmark	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF 5770, ALI 090605, Investment Pool Reimbursement	\$1,050,000	\$1,050,000	\$1,050,000
% change	--	0.0%	0.0%

This line item provides funding for administrative services provided by the Treasurer's Office with regards to the Ohio Subdivisions Fund, commonly referred to as STAR Ohio. The State Treasury Asset Reserve of Ohio (STAR) is an investment fund that allows government subdivisions to invest funds in a public investment pool in order to receive a higher return on their invested funds, similar in concept to a money market fund. The program is managed by the TOS private fund managers and staff. Funding for the program is from fees paid by governmental subdivisions that participate in the fund.

STAR Ohio provides participants a tool for investing in an array of affordable, diversified, and safe short-term assets. The portfolio is composed of assets such as U.S. government obligations, U.S. government securities, commercial paper, collateralized certificates of deposit, and other secure investment vehicles. As of the end of FY 2018, STAR Ohio had over \$10.4 billion in assets distributed among ten different asset instruments. STAR reported \$144.4 million in interest income during FY 2018. Entities that invest with STAR include school districts, cities, counties, townships, villages, libraries, public hospitals, and state custodial funds. The executive recommendation provides approximately \$1.1 million each for FY 2020 and FY 2021, on par with anticipated FY 2019 spending.



### C1:6: Political Subdivision Obligation (ALI 090614)

Earmark	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF 4X90, ALI 090614, Political Subdivision Obligation	\$0	\$45,000	\$45,000
% change	--	--	0.0%

This line item provides for expenses incurred by TOS to maintain the Ohio Market Access Program (OMAP). OMAP is a credit enhancement program offered through TOS that is designed to lower borrowing costs on short-term notes issued by Ohio schools, cities, and local governments. The revenue stream for this fund comes from a fee imposed by TOS as consideration for an agreement to purchase obligations for the political subdivision.

### Category 2: Office of the Sinking Fund

This category provides for any expenses incurred by order of the Commissioners of the Sinking Fund, and covers issuance of bonds, sale of bonds, or other similar obligations. The GRF is reimbursed for expenses from the bond retirement fund of the affected issuance.

#### C2:1: Commissioners of the Sinking Fund (ALI 090401)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090401, Office of the Sinking Fund	\$476,836	\$476,836	\$476,836
% change	--	0.0%	0.0%

This item funds payroll, fringe benefits, maintenance, and equipment expenses for the Office of the Commissioners of the Sinking Fund; approximately 73% of the total is for the personal services expense category. The recommended funding for FY 2020 represents no increase from anticipated FY 2019 funding.

### Category 3: Treasury Education Operations

This category of line items primarily funds the continuing education of county treasurers. The budget recommendation provides the funding necessary to maintain the current levels of continuing education.

#### C3:1: Continuing Education (ALI 090402)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090402, Continuing Education	\$175,000	\$175,000	\$175,000
% change	--	0.0%	0.0%

This GRF line item funds the personal services needed to register and enroll members for classes organized by the Center for Public Investment Management (CPIM). The Center

provides financial education conferences and maintains continuing education requirements for all public funds managers with investing authority throughout the state. The executive recommendation is for \$175,000 each year in funding for FY 2020 and FY 2021, no increase over the anticipated FY 2019 total.

### **C3:2: County Treasurer Education (ALI 090602)**

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF 5C50, ALI 090602, County Treasurer Education	\$320,057	\$240,057	\$240,057
% change	--	-25.0%	0.0%

This line item provides funding for the CPIM of the Treasurer's Office. CPIM administers a continuing education training program for all public funds authorities in the state. The purpose is to ensure public tax dollars are invested wisely and safely.

Funding for this appropriation comes from fees paid by participants of the training program. The executive recommends \$240,057 each for FY 2020 and FY 2021. The 25.0% drop in funding from FY 2019 stems from a decrease in purchased personal services, as well as in spending on supplies and maintenance.

### **Category 4: Achieving a Better Life Experience**

This category of line item primarily funds the STABLE Program. The budget recommendation provides the funding necessary to maintain the current levels of service under the program.

### **C4:1: STABLE Account Administration (ALI 090613)**

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090613, STABLE Account Administration	\$1,660,000	\$1,660,000	\$1,660,000
% change	--	0.0%	0.0%

This GRF line item funds the administration costs of the STABLE Program within the Treasurer's Office. The STABLE Program was established by H.B. 155 of the 131<sup>st</sup> General Assembly, and offers federally tax-advantaged savings accounts used to pay for a person's qualified disability expenses. About half of the amount recommended for the biennium is for the personal services category of expense. The executive recommends approximately \$1.7 million each for FY 2020 and FY 2021. The FY 2020 appropriation is equal to projected FY 2019 spending, primarily reflecting moderate increases in personal services spending. As of March 20, 2019, STABLE administered accounts for 10,624 active members, and works continually to expand outreach for the program.

## Category 5: Tax Refunds

This category provides liquid moneys for certain tax refunds to Ohio taxpayers, as well as to pay certain permissive tax distributions that are not refunds. Taxes included are the county permissive sales and use, transit authority permissive sales and use, cigarette excise (Cuyahoga County), alcoholic beverage (Cuyahoga County), and liquor gallonage (Cuyahoga County).

### C5:1: Tax Refunds (ALI 090635)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
FID 4250, ALI 090635, Tax Refunds	\$30,000,000	\$12,000,000	\$12,000,000
% change	--	-60.0%	0.0%

This GRF line item funds tax refunds. The executive recommendation provides \$12.0 million per year for FY 2020 and FY 2021, 60% less than FY 2019. Uncodified language in the budget bill appropriates additional funding to pay qualified refunds, if required.

## Category 6: OhioMeansJobs Program

This category within TOS provides funding for loans to individuals for workforce training under the OhioMeansJobs Workforce Development Revolving Loan Program. The executive budget allots TOS up to \$250,000 per year for personal services and maintenance for administration of the program.

OhioMeansJobs has been a focal point of TOS efforts to expand workforce training initiatives in the state of Ohio. During FY 2018, the OhioMeansJobs Workforce Development Revolving Loan Program provided disbursements to 29 programs in 18 institutions, representing a total dollar amount of approximately \$3.2 million in award funds used.

### C6:1: OhioMeansJobs Program (ALI 090610)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
DPF 5NH0, ALI 090610, OhioMeansJobs Workforce Development	\$13,107,584	\$13,107,584	\$0
% change	--	0.0%	-100.0%

This line item provides funding for the OhioMeanJobs Workforce Development Revolving Loan Program. The executive budget proposal appropriates \$13.1 million for FY 2020. The budget bill includes language that appropriates the full cash balance of Fund 5NH0 at the end of FY 2020 in FY 2021 for the purpose of funding the program. Of this total, up to \$250,000 per year is appropriated for administrative expenses within TOS.

## Pension subsidy programs

The following GRF line items are administered by TOS, but are not part of the TOS budget. They are found in a separate section of the budget bill, Section 361.10, Pension Subsidies. The program provides subsidies to be transferred to the Board of the Police and Fire Pension Fund. These subsidies provide supplemental moneys to specified members of Ohio's retirement systems, as well as surviving spouses and children of first responders who die in the line of duty or who die from injuries sustained in the line of duty. Recently enacted legislation enhanced the benefits available under line item 090575, Police and Fire Death Benefits, as explained below.

### Police and Fire Disability Pension (ALI 090524)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090524, Police and Fire Disability Pension Fund	\$3,000	\$2,000	\$2,000
% change	--	-33.3%	0.0%

This GRF line item provides funds for supplemental retirement benefits to members of the Police and Firemen's Disability and Pension Fund (PFDPF) system who were retired and eligible to receive pension benefits prior to July 1, 1968.

### Police and Fire Ad Hoc Cost of Living (ALI 090534)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090534, Police and Fire Ad Hoc Cost of Living	\$42,000	\$31,000	\$31,000
% change	--	-26.2%	0.0%

This GRF line item subsidizes a 5% benefit increase for retirees who belonged to the PFDPF system and were receiving an age and service or disability pension prior to January 1, 1974.

### Police and Fire Survivor Benefits (ALI 090554)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090554, Police and Fire Survivor Benefits	\$355,000	\$270,000	\$270,000
% change	--	-23.9%	0.0%

This GRF line item subsidizes payments to all persons who received survivors' benefits from the PFDPF prior to July 1, 1981. For survivors who began receiving benefits after that date, the PFDPF system makes payments from its own resources.

## Police and Fire Death Benefits (ALI 090575)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 090575, Police and Fire Death Benefits	\$25,500,000	\$33,500,000	\$33,750,000
% change	--	31.4%	0.7%

This GRF line item subsidizes death benefits to the surviving spouses and children of first responders, drug agents, Bureau of Criminal Investigation (BCI)<sup>3</sup> investigators and special agents, gaming agents employed by the Casino Control Commission, and TOS tax investigators who die in the line of duty or who die from injuries sustained in the line of duty.<sup>4</sup>

Am. Sub. S.B. 296 of the 132<sup>nd</sup> General Assembly enhanced the benefits paid by way of this line item, thereby increasing the funding requirements. The benefit enhancements included increasing the “transitional benefit” paid by the pension fund, extending the period of time for which the initial death benefit is paid, and eliminating a requirement that the death benefit amount be reduced by any survivor benefits or annuity payable by the officer’s retirement system. The bill also permitted death benefit fund recipients, i.e., survivors, to elect to participate in medical, dental, or vision benefit plans provided to state employees.

The current budget bill includes language which specifies that each death benefit recipient who participates in health, medical, hospital, dental, surgical, or vision benefits is eligible to have a percentage of their costs covered by the Ohio Police and Fire Pension Fund. The percentage paid is that which would be paid by a state employer for an employee who elects such coverage. Moneys spent for this purpose are to be deducted from the death benefit received.

TOS/zg

<sup>3</sup> Section 742.63 of the Revised Code, which governs eligibility for these benefits, refers to the Bureau of Criminal Identification and Investigation.

<sup>4</sup> S.B. 11 of the 131<sup>st</sup> General Assembly expanded the eligibility for benefits to eligible survivors of gaming agents employed by CAC and TOS investigators.

## Treasurer of State

### General Revenue Fund

**GRF 090321 Operating Expenses**

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$7,864,929	\$7,952,416	\$7,751,021	\$8,037,839	\$8,037,839	\$8,037,839
% change	1.1%	-2.5%	3.7%	0.0%	0.0%

**Source:** General Revenue Fund

**Legal Basis:** ORC 113.06; Section 413.10 of H.B. 49 of the 132nd G.A.

**Purpose:** This line item provides funds for payroll, fringe benefits, maintenance, and equipment for the Treasurer of State.

**GRF 090401 Office of the Sinking Fund**

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$476,836	\$473,653	\$474,851	\$476,836	\$476,836	\$476,836
% change	-0.7%	0.3%	0.4%	0.0%	0.0%

**Source:** General Revenue Fund

**Legal Basis:** ORC 129.06; Section 413.20 of H.B. 49 of the 132nd G.A.

**Purpose:** This line item covers all costs incurred by order of or on behalf of the Commissioners of the Sinking Fund, the Ohio Public Facilities Commission, or the Treasurer of State with respect to State of Ohio general obligation bonds, special obligation bonds, or notes and costs related to the issuance and ongoing administration of those bonds and notes. The General Revenue Fund will be reimbursed from the Highway Capital Improvement Bond Retirement Fund for financing costs incurred involving Highway Capital Improvement obligations.

**GRF 090402 Continuing Education**

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$376,508	\$388,286	\$174,594	\$175,000	\$175,000	\$175,000
% change	3.1%	-55.0%	0.2%	0.0%	0.0%

**Source:** General Revenue Fund

**Legal Basis:** Section 413.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 117 of the 121st G.A.)

**Purpose:** This line item pays for costs associated with the registration and enrollment into classes for continuing education by public portfolio managers.

## Treasurer of State

### GRF 090406 Treasury Management System Lease Rental Payments

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,114,800	\$1,116,250	\$1,113,875	\$1,114,381	\$1,113,400	\$1,115,000
% change	0.1%	-0.2%	0.0%	-0.1%	0.1%

**Source:** General Revenue Fund

**Legal Basis:** Sections 413.10 and 413.30 of H.B. 49 of the 132nd G.A.

**Purpose:** This line item is used to make lease rental payments related to the acquisition, application, installation, and implementation of the Treasury Management System.

### GRF 090613 STABLE Account Administration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,963,583	\$1,674,520	\$1,366,212	\$1,660,000	\$1,660,000	\$1,660,000
% change	-14.7%	-18.4%	21.5%	0.0%	0.0%

**Source:** General Revenue Fund

**Legal Basis:** Section 413.20 of H.B. 49 of the 132nd G.A.

**Purpose:** This line item is used to pay for initial costs associated with the implementation and administration of an Achieve a Better Living Experience (ABLE) account program. The program, which was created under H.B. 155 of the 131st G.A., offers federally tax-advantaged savings accounts used to pay for a person's qualified disability expenses.

## Dedicated Purpose Fund Group

### 4E90 090603 Securities Lending Income

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,402,772	\$6,351,421	\$5,186,752	\$5,415,467	\$7,480,675	\$7,843,565
% change	44.3%	-18.3%	4.4%	38.1%	4.9%

**Source:** Dedicated Purpose Fund Group: Net income generated from the securities lending program, not to exceed a rate of one quarter of one percent of the total average daily par value of assets in the securities lending program (all other such income is credited to the GRF)

**Legal Basis:** ORC 135.47; Section 413.10 of H.B. 49 of the 132nd G.A.

**Purpose:** This line item is used to help fund the operations of the office of the Treasurer of State.

## Treasurer of State

### 4X90 090614 Political Subdivision Obligation

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$0	\$45,000	\$45,000
% change	N/A	N/A	N/A	N/A	0.0%

**Source:** Dedicated Purpose Fund Group:

**Legal Basis:**

**Purpose:**

### 5770 090605 Investment Pool Reimbursement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$989,048	\$2,195,913	\$1,165,951	\$1,050,000	\$1,050,000	\$1,050,000
% change	122.0%	-46.9%	-9.9%	0.0%	0.0%

**Source:** Dedicated Purpose Fund Group: An investment pool administration fee paid by local governments who wish to participate in the program

**Legal Basis:** ORC 135.45; Section 413.10 of H.B. 49 of the 132nd G.A.

**Purpose:** This line item funds the administrative costs incurred by the Treasurer of State for managing the local governments' investment pool, StarOhio, which consists of local subdivisions' deposits of interim moneys. These moneys are then invested. The money invested and the interest earned are returned to the local subdivisions when needed. The Treasurer is reimbursed for administrative expenses, which are initially paid out of the investment earnings.

### 5C50 090602 County Treasurer Education

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$171,932	\$103,773	\$320,075	\$320,057	\$240,057	\$240,057
% change	-39.6%	208.4%	0.0%	-25.0%	0.0%

**Source:** Dedicated Purpose Fund Group: Fees imposed by the Treasurer of State and the Auditor of State for education and training programs for county treasurers

**Legal Basis:** ORC 135.22; Section 413.10 of H.B. 49 of the 132nd G.A. (originally established by S.B. 81 of the 121st G.A.)

**Purpose:** Moneys from this line item are used for the expenses associated with conducting education programs for county treasurers. These programs are to enhance the background and working knowledge of county treasurers in the areas of governmental accounting, investments, portfolio reporting and compliance, and cash and portfolio management.



## Treasurer of State

### 5NH0 090610 OhioMeansJobs Workforce Development

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$549,056	\$1,111,585	\$2,006,414	\$13,107,584	\$13,107,584	\$0
% change	102.5%	80.5%	553.3%	0.0%	-100%

**Source:** Dedicated Purpose Fund Group: Casino licensing revenues; transfers from the Economic Development Programs Fund (Fund 5JC0) used by the Department of Higher Education

**Legal Basis:** ORC 6301.14; Section 413.40 of H.B. 49 of the 132nd G.A.

**Purpose:** Moneys from this line item are used to provide loans for workforce training programs by the Treasurer of State's Office (TOS) under the OhioMeansJobs Workforce Development Revolving Loan Program. TOS is permitted to use up to \$250,000 each year for administrative expenses. A separate appropriation from Fund 5NH0, line item 235684 in the Department of Higher Education budget, allows that Department to use up to \$250,000 each year for its administrative expenses related to the Program.

### 6050 090609 Treasurer of State Administrative Fund

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$692,506	\$634,543	\$286,049	\$700,000	\$700,000	\$700,000
% change	-8.4%	-54.9%	144.7%	0.0%	0.0%

**Source:** Dedicated Purpose Fund Group: Fees charged to the entities which receive custodial services from the Treasurer's Office; fees collected by the Treasurer of State related to the Ohio Pooled Collateral Program

**Legal Basis:** Section 413.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 201 of the 116th G.A.)

**Purpose:** This line item pays for custodial services provided by the Treasurer's office. These services include safekeeping, disbursing, and administering custodial moneys and assets, such as the retirement systems' funds and various other agency funds. The line item also pays for administrative costs associated with the Ohio Pooled Collateral Program.

## Treasurer of State

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### Fiduciary Fund Group

**4250    090635    Tax Refunds**

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$21,348,507	\$22,617,601	\$46,226,433	\$30,000,000	\$12,000,000	\$12,000,000
% change	5.9%	104.4%	-35.1%	-60.0%	0.0%

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**Source:** Fiduciary Fund Group: Money transferred to the Tax Refund Fund by the Treasurer of State is derived from current receipts of the tax or fee for which the refund arose

**Legal Basis:** ORC 5703.052; Section 413.20 of H.B. 49 of the 132nd G.A. (originally established by H.B. 705 of the 106th G.A.)

**Purpose:** Moneys from this line item are used to pay tax refunds related to insurance taxes.

Line Item Detail by Agency			FY 2018	Estimate FY 2019	Introduced FY 2020	FY 2019 to FY 2020 \$ Change	% Change	Introduced FY 2021	FY 2020 to FY 2021 \$ Change	% Change
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>							
<b>TOS Treasurer of State</b>										
GRF	090321	Operating Expenses	\$ 7,751,021	\$ 8,037,839	\$ 8,037,839	\$ 0	0.00%	\$ 8,037,839	\$ 0	0.00%
GRF	090401	Office of the Sinking Fund	\$ 474,851	\$ 476,836	\$ 476,836	\$ 0	0.00%	\$ 476,836	\$ 0	0.00%
GRF	090402	Continuing Education	\$ 174,594	\$ 175,000	\$ 175,000	\$ 0	0.00%	\$ 175,000	\$ 0	0.00%
GRF	090406	Treasury Management System Lease Rental Payments	\$ 1,113,875	\$ 1,114,381	\$ 1,113,400	(\$981)	-0.09%	\$ 1,115,000	\$ 1,600	0.14%
GRF	090613	STABLE Account Administration	\$ 1,366,212	\$ 1,660,000	\$ 1,660,000	\$ 0	0.00%	\$ 1,660,000	\$ 0	0.00%
<b>Sub-Total General Revenue Fund</b>			<b>\$ 10,880,552</b>	<b>\$ 11,464,056</b>	<b>\$ 11,463,075</b>	<b>(\$981)</b>	<b>-0.01%</b>	<b>\$ 11,464,675</b>	<b>\$ 1,600</b>	<b>0.01%</b>
4E90	090603	Securities Lending Income	\$ 5,186,752	\$ 5,415,467	\$ 7,480,675	\$ 2,065,208	38.14%	\$ 7,843,565	\$ 362,890	4.85%
4X90	090614	Political Subdivision Obligation	\$ 0	\$ 0	\$ 45,000	\$ 45,000	N/A	\$ 45,000	\$ 0	0.00%
5770	090605	Investment Pool Reimbursement	\$ 1,165,951	\$ 1,050,000	\$ 1,050,000	\$ 0	0.00%	\$ 1,050,000	\$ 0	0.00%
5C50	090602	County Treasurer Education	\$ 320,075	\$ 320,057	\$ 240,057	(\$80,000)	-25.00%	\$ 240,057	\$ 0	0.00%
5NH0	090610	OhioMeansJobs Workforce Development	\$ 2,006,414	\$ 13,107,584	\$ 13,107,584	\$ 0	0.00%	\$ 0	(\$13,107,584)	-100.00%
6050	090609	Treasurer of State Administrative Fund	\$ 286,049	\$ 700,000	\$ 700,000	\$ 0	0.00%	\$ 700,000	\$ 0	0.00%
<b>Sub-Total Dedicated Purpose Fund Group</b>			<b>\$ 8,965,241</b>	<b>\$ 20,593,108</b>	<b>\$ 22,623,316</b>	<b>\$ 2,030,208</b>	<b>9.86%</b>	<b>\$ 9,878,622</b>	<b>(\$12,744,694)</b>	<b>-56.33%</b>
4250	090635	Tax Refunds	\$ 46,226,433	\$ 30,000,000	\$ 12,000,000	(\$18,000,000)	-60.00%	\$ 12,000,000	\$ 0	0.00%
<b>Sub-Total Fiduciary Fund Group</b>			<b>\$ 46,226,433</b>	<b>\$ 30,000,000</b>	<b>\$ 12,000,000</b>	<b>(\$18,000,000)</b>	<b>-60.00%</b>	<b>\$ 12,000,000</b>	<b>\$ 0</b>	<b>0.00%</b>
<b>Treasurer of State Total</b>			<b>\$ 66,072,227</b>	<b>\$ 62,057,164</b>	<b>\$ 46,086,391</b>	<b>(\$15,970,773)</b>	<b>-25.74%</b>	<b>\$ 33,343,297</b>	<b>(\$12,743,094)</b>	<b>-27.65%</b>
<b>Grand Total</b>			<b>\$ 66,072,227</b>	<b>\$ 62,057,164</b>	<b>\$ 46,086,391</b>	<b>(\$15,970,773)</b>	<b>-25.74%</b>	<b>\$ 33,343,297</b>	<b>(\$12,743,094)</b>	<b>-27.65%</b>