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## TREASURER OF STATE

### Ohio State and Local Government Expenditure Database

- Requires the Treasurer of State, in collaboration with the OBM and DAS Directors, to establish and maintain the Ohio State and Local Government Expenditure Database that includes information about state entities' expenditures.
- Allows a political subdivision or state retirement system to agree to have information on the political subdivision's or state retirement system's expenditures included in the Database.
- Requires that the Database be free to access by the public and available on the Treasurer's website, OBM's website, and by a prominent internet link on each state entity's website.
- Requires the Treasurer to enter into an annual agreement with the OBM and DAS Directors to ensure the proper maintenance and operation of the Database.
- Requires the Database to include certain expenditure information and a searchable database of state and school district employee salary and employment information.
- Requires the Treasurer to coordinate with the OBM Director to allow for public comment regarding the Database's utility.
- Prohibits the Database from including information that is confidential or that is not a public record under state law, but provides that the Treasurer, a state entity, and the Treasurer's and state entity's employees are not liable for disclosure of a Database record that is confidential or not a public record.

### Treasurer's investment in negotiable certificates of deposit

- Authorizes the Treasurer of State to invest or execute transactions for interim funds in negotiable certificates of deposit.
- Limits investment in negotiable certificates of deposit to not more than 25% of the state's total average portfolio.
- Expands the limit on investment in debt interests of a single issuer, such that when the amount of such an investment, when added to the amount invested in commercial paper (continuing law) and negotiable certificates of deposit (added by the act), it may not exceed in the aggregate 5% of the state's portfolio.

### State Board of Deposit secretary

- Requires an employee of the Treasurer of State's department appointed by the Treasurer, rather than the Cashier of the State Treasury, to serve as secretary of the State Board of Deposit.

## Ohio State and Local Government Expenditure Database

(R.C. 113.70, 113.71, 113.72, 113.73, 113.74, 113.75, 113.76, and 113.77)

### Creation and operation

The act requires the Treasurer of State, in collaboration with the OBM and DAS Directors, to establish and maintain the Ohio State and Local Government Expenditure Database. The Database must be free to access by the public and available on the Treasurer's website and OBM's website. Additionally, each state entity must display a prominent internet link to the Database on its website. The act codifies the 2020 merger of the Ohiocheckbook.com, which was launched by the Treasurer in 2014, and Ohio's Interactive Budget, which was launched by OBM in 2016, into the Ohio Checkbook.<sup>158</sup> The Ohio Checkbook can be accessed at <https://checkbook.ohio.gov/>.

The act requires the Treasurer to enter into an annual agreement with the OBM and DAS Directors to define data storage, data handling, user interface requirements, and other provisions considered necessary to ensure the proper maintenance and operation of the database. State entities must assist in the development, establishment, operation, storage, hosting, and support of the database and comply with all of the act's requirements regarding the database. State entities must do this by using existing resources.

### Participation

The act requires "state entities" to participate in the database, meaning that the General Assembly, Supreme Court, Court of Claims, office of an elected state officer, or a department, bureau, board, office, commission, agency, institution, instrumentality, or other governmental entity of the state established by the Ohio Constitution or laws of Ohio for the exercise of any function of state government must participate in the database. "State entity" does not include a political subdivision, institution of higher education, state retirement system, the City of Cincinnati Retirement System, or JobsOhio.

The "state retirement systems" are the Public Employees Retirement System, the Ohio Police and Fire Pension Fund, the State Teachers Retirement System, the School Employees Retirement System, and the State Highway Patrol Retirement System. A "political subdivision" is a county, city, village, public library, township, park district, school district, regional water and sewer district, or regional transit authority. The "school districts" that are considered political subdivisions and excluded from the definition of "state entity" are city, local, exempted village, or joint vocational school districts; science, technology, engineering, and mathematics (STEM) schools; and educational service centers. However, community (charter) schools are state entities under the act and required to participate in the database because they are excluded from the definition of "school districts."

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<sup>158</sup> Cleveland.com, *Ohio Merges Dueling State Websites That Detail Government Spending* (July 1, 2020), available [here](#).

Under the act, a political subdivision or state retirement system may agree to have information on the political subdivision's or state retirement system's expenditures included in the database. A political subdivision or state retirement system that agrees to have the information included in the database must provide the information to the Treasurer and comply with the act's requirements in the same manner as a state entity.

### **Database expenditure information**

The database must include information about expenditures made in each fiscal year, beginning with FY 2023. It must include the following information for each expenditure:

1. The expenditure amount;
2. The date the expenditure was paid;
3. The supplier to which the expenditure was paid;
4. The state entity that made the expenditure or requested that the expenditure be made.

An "expenditure" is a payment, distribution, loan, advance, reimbursement, deposit, or gift of money from a state entity to any supplier. A "supplier" is any person, partnership, corporation, association, organization, state entity, or other party, including any executive officer, legislative officer, judicial officer, or member or employee of a state entity that either (1) sells, leases, or otherwise provides equipment, materials, goods, supplies, or services to a state entity pursuant to a contract between the supplier and a state entity, or (2) receives reimbursement from a state entity for any expense.

The act does not prohibit the Treasurer from including any information in the database not required by the act and that is available to the public.

### **Database features**

The database must include all of the following features:

- A searchable database of all expenditures;
- The ability to filter expenditures by the category of expense and by the Ohio Administrative Knowledge System accounting code for a specific good or service;
- The ability to search and filter by any of the factors listed in "**Database expenditure information**," above;
- The ability to aggregate data contained in the Database;
- The ability to determine the total amount of expenditures awarded to a supplier by a state entity;
- The ability to download information obtained through the database;
- A searchable database of state and "school district" employee salary and employment information.

The employee salary and employment information must be provided by the Department of Administrative Services or the Department of Education. However, the use of the term “school district” in this database feature may create uncertainty about the act’s application to community schools. Because community schools are excluded from the definition of “school district,” it appears that they are state entities subject to the act’s expenditure reporting requirements. The reference here to “school district” apart from the definition of “state entity” suggests that the salary and employment information of employees of city, local, exempted village, joint vocational, or STEM schools, or of educational service centers, but **not** of community schools, must be provided.

### **Public comment opportunity**

Not later than one year after the database is implemented, the Treasurer must coordinate with the OBM Director to provide an opportunity for public comment as to the database’s utility.

### **Exclusion from liability for disclosure**

The act prohibits the database from including any information that is determined to be confidential or that is not a public record under state law. None of the following are liable for the disclosure of a record contained in the database that is determined to be confidential or that is not a public record under state law:

- The Treasurer;
- The Treasurer’s employees;
- A state entity;
- Any employee of a state entity that provides information to the database.

### **Treasurer’s investment in negotiable certificates of deposit**

(R.C. 135.143 and conforming changes in R.C. 135.45 and 3770.06)

The Ohio Uniform Depository Act, R.C. Chapter 135, governs the investment of public funds, as well as the deposit of those funds. Under the law, the Treasurer of State is authorized to invest the interim funds of the state in specified classifications of obligations. The act expands this list, authorizing the Treasurer of State to invest or execute transactions for interim funds of the state in negotiable certificates of deposit (NCDs). Interim funds of the state are public funds in the state treasury after the award of inactive deposits, that are not needed for immediate use, but found by the Treasurer of State to be needed before the end of the designation period. An NCD is a certificate of deposit with a minimum face value of \$100,000 (although typically \$1 million or more). NCDs are guaranteed by a depository institution and can usually be sold in a highly liquid secondary market, but they cannot be cashed in before maturity.<sup>159</sup>

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<sup>159</sup> Investopedia, Negotiable Certificate of Deposit (NCD), available [here](#).

The act limits investment in NCDs to those (1) denominated in U.S. dollars, (2) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or a federally licensed or state-licensed branch of a foreign bank, and that are (3) rated in the two highest categories by two nationally recognized standard rating services. The act specifies that the Treasurer cannot invest more than 25% of the state's total average portfolio in NCDs. In terms of investments in a single issuer, the act expands an existing limit, such that when added to the amount invested in commercial paper (continuing law) and NCDs (added by the act), the investment may not exceed in the aggregate 5% of the state's portfolio. The act specifies that the Treasurer can invest interim funds in NCDs that meet the qualifications described above, and are not limited to institutions applying for interim money as an Ohio public depository. Also, under the act the NCD investments are not subject to certain pledging (security) requirements under the Uniform Depository Act.

### **State Board of Deposit secretary**

(R.C. 135.02)

The act requires the Treasurer of State to designate an employee of the Treasurer of State's department to serve as the secretary of the State Board of Deposit. Under prior law, the Cashier of the State Treasury served as the Board's secretary. The Board is responsible for approving applications for financial institutions to accept deposits of public funds that have been vetted by the Treasurer.<sup>160</sup>

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<sup>160</sup> Ohio Treasurer of State, *Board of Deposit*, available [here](#).