

Redbook

LBO Analysis of Executive Budget Proposal

Board of Deposit

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LBO Redbook

Board of Deposit

Quick look...

- The Ohio Board of Deposit (BDP), contained in the Office of the Treasurer of State (TOS), designates financial institutions to function as public depositories, manages contracts with those institutions, and regulates deposits of state moneys.
- BDP employs no staff and receives no GRF funding.
- The BDP budget recommendation is for approximately \$1.7 million per year, and is used to pay bank fees and other costs necessary to maintain the Ohio Regular Bank Account and other public banking needs. A small portion of expenditures pays for personal services provided by TOS.

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
Fund 4M20 ALI 974601, Board of Deposit					
\$1,212,071	\$1,091,489	\$921,222	\$1,876,000	\$1,688,400	\$1,688,400
% change	-9.9%	-15.6%	103.6%	-10.0%	0.0%

Agency overview

The State Board of Deposit is composed of three elected officials or designees of these officials: the Treasurer of State (TOS), the Auditor of State, and the Attorney General. The TOS or the TOS'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 serve as public depositories, to regulate the deposits of state money into these institutions, to approve bank service charges and bank earnings credits, and to confirm the designation and investment of interim moneys of the state.

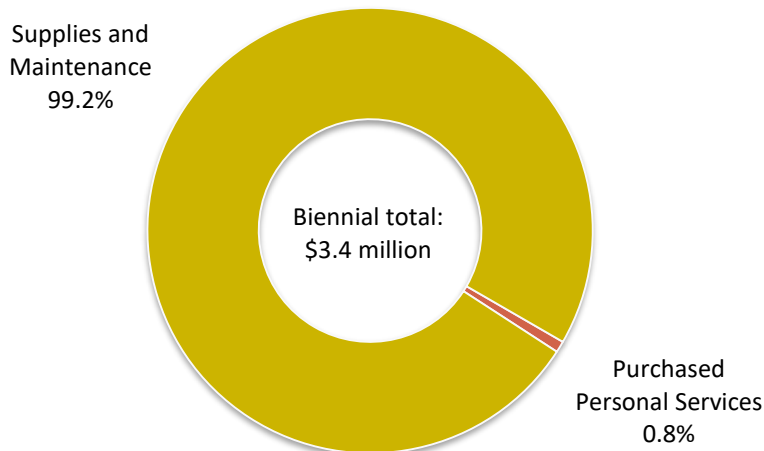
The Board has no employees, but the staff of the Treasurer of State provides some support for the Ohio Board of Deposit (BDP).

Analysis of FY 2022-FY 2023 budget proposal

The executive proposal is for appropriations of \$1.7 million each year for FY 2022 and FY 2023. The amount each year is a 10% reduction from estimated FY 2021 expenses, as proposed in budget guidance documents. Over 99% of this funding is to pay for banking charges and fees required for the operation of the Treasurer's regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account. A small portion of funding, \$14,000 per fiscal year, is to pay for support services provided by TOS staff.

BDP uses no GRF moneys. Language in the current budget bill requires the Director of Budget and Management to make transfers to pay for expenses necessary for the operation of BDP and the state of Ohio Regular Account. Expenditures are made from the Board of Deposit Expense Fund (Fund 4M20), which receives transfers of cash from the Investment Earnings Redistribution Fund (Fund 6080) after certification of the Board's expenses.

**BDP Budget by Expense Category
FY 2022-FY 2023 Biennium**



Board of Deposit (974601)

This line item provides for expenses necessary for BDP to operate and covers banking charges and fees accrued through operation of the bank accounts mentioned above. The executive recommendation is \$1.7 million each for FY 2022 and FY 2023, a planned reduction in operating costs of 10.0% from those anticipated in FY 2021. Funding for this line item comes from transfers from the Investment Earnings Redistribution Fund (Fund 6080).

Each month, the Board's chairperson is required to provide a report on the state of interim moneys invested in public institutions, and a separate report on expenses incurred in maintaining accounts with public depositories. The reports are posted on BDP's website, which is maintained by TOS.

Staff work with financial institutions to encourage participation as public depositories, manage contracts with participants, and ensure contract compliance on behalf of BDP and TOS. As of December 31, 2020, a total of 97 financial institutions throughout the state were designated by the Board as public depositories for state funds.¹

BDP/zg

¹ <http://www.tos.ohio.gov/depositorybanks>.