

**Greenbook**  
**LSC Analysis of Enacted Budget**

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**Treasurer of State**

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**ATTACHMENT:**

- Budget Spreadsheet By Line Item for the Treasurer of State
- Budget Spreadsheet By Line Item for the Pension Subsidies

# Treasurer of State

- The Treasurer's budget includes funding for the Sinking Fund's operations and tax refunds
- About 30% of the Treasurer's biennial appropriations are GRF-funded

## OVERVIEW

### Agency Overview

The Office of the Treasurer of State (TOS), which was established over 200 years ago, is responsible for protecting, managing, and investing<sup>1</sup> state funds. The Treasurer is a constitutional officer elected to a four-year term. The Treasurer also 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), and a member of other boards, commissions, and authorities. Currently, the Office of the Treasurer of State employs approximately 125 employees.

The Treasurer's Office manages banking services for all state agencies, clearing and reconciling transactions. In FY 2016, over \$64 billion in revenues from various state taxes, court fees, and fines were collected by the Treasurer's Office or deposited into the state treasury. The Treasurer's Office administers and invests over \$17 billion in assets of the state investment portfolios (Regular Account, Ohio Lottery Deferred Prize Trust Fund, and Star Ohio); the Regular Account contains money from the GRF and other moneys held on behalf of various state agencies. The Treasurer's Office also manages the Bid Ohio Program, which competitively auctions off about \$100 million of interim money on a monthly basis, allowing the state to receive higher yields and competitive six-month certificate of deposit (CD) rates from participating Ohio public depositories. The Treasurer's Office serves as custodian of more than \$209 billion of moneys in the state treasury and certain moneys that are held, by law, in the custody of the Treasurer's Office, but outside the state treasury. The Treasurer's Office also safeguards the funds of the state's five public pension systems. Additionally, the Treasurer is authorized to issue various bonds for specified purposes.

The Treasurer's Office manages the state ABLE Program, the OhioMeansJobs Workforce Development Revolving Loan Program, Ohio Pooled Collateral Program,

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<sup>1</sup> H.B. 471 of the 131st General Assembly expanded the Treasurer of State's investment authority. Under the act, the Treasurer is allowed to invest in obligations issued by, or on behalf of, an Ohio political subdivision under the Uniform Public Securities Law or under Article XVIII, Section 12, of the Ohio Constitution.

and various linked deposit programs. The Treasurer's Office also provides online educational opportunities for public fund manager continuing education training, and provides educational resources related to personal financial education to all Ohioans.

### Appropriation Overview

The following table presents the total appropriations by fund group for the Office of the Treasurer of State for the FY 2018-FY 2019 biennium.

Appropriations by Fund Group, FY 2018-FY 2019 (Am. Sub. H.B. 49)					
Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
General Revenue	\$11,605,124	\$11,464,317	-1.2%	\$11,464,375	0.0%
Dedicated Purpose	\$10,397,234	\$22,635,525	117.7%	\$7,485,525	-66.9%
Fiduciary	\$22,617,601	\$12,000,000	-46.9%	\$12,000,000	0.0%
<b>TOTAL</b>	<b>\$44,619,960</b>	<b>\$46,099,842</b>	<b>3.3%</b>	<b>\$30,949,900</b>	<b>-32.9%</b>

\*FY 2017 figures represent actual expenditures.

The enacted budget appropriates a total of \$46.1 million for FY 2018. This amount is about \$1.5 million, or 3.3%, higher than total FY 2017 actual expenditures. For FY 2019, the budget appropriates a total of \$30.9 million, which is \$15.1 million, or 32.9%, lower than total appropriations for FY 2018. Of the total appropriations for the biennium, approximately \$11.5 million each year represents GRF appropriations; GRF-funded line items account for 30% of the total appropriations for the biennium. The remaining appropriations are drawn from five funds in the Dedicated Purpose Fund Group, and one in the Fiduciary Fund Group.

GRF appropriations for FY 2018 total \$11.5 million, about the same as the total GRF appropriations for FY 2019. This amount is about \$141,000, or 1.2%, lower than FY 2017 actual expenditures. Of the total GRF appropriations, \$8.0 million in each year is appropriated for line item 090321, Operating Expenses. This amount is about \$86,000, or 1.1%, higher than the actual spending for that line item in FY 2017. The budget appropriates \$1.1 million each year in FY 2018 and FY 2019 for GRF line item 090406, Treasury Management System Lease Rental Payments. This amount is about the same as the actual expenditures in FY 2017. The budget appropriates \$1.7 million each year in GRF funding in FY 2018 and FY 2019 for GRF line item 090613, ABLE Account Administration. This amount is about \$14,500, or 0.9%, less than actual expenditures in FY 2017. The remaining \$0.7 million each year in GRF funding is split between two appropriation items. One of those line items funds the operations of the Commissioners of the Sinking Fund (see the *Commissioners of the Sinking Fund Greenbook*); in both FY 2018 and FY 2019 that line item is to receive about \$3,200, or 0.7%, more than the actual expenditures in FY 2017. The other item funds continuing education programs

for local government officials; the FY 2018 appropriation is about \$213,300 (54.9%) less than FY 2017 actual expenditures, and the FY 2019 appropriation is the same as the FY 2018 appropriation.

The budget appropriates \$34.6 million in non-GRF funding for the Treasurer's Office in FY 2018. This amount is about \$1.6 million, or 4.9%, higher than the actual non-GRF funded expenditures in FY 2017. For FY 2019, the budget appropriates a total of \$19.5 million in non-GRF funding, which is \$15.2 million, or 43.7%, lower than non-GRF funding for FY 2018. The increase and decrease in appropriations are caused almost entirely by funding for a single line item, 090610, OhioMeansJobs Workforce Development, which accounts for almost half of the non-GRF funding in FY 2018. The appropriation for this line item in FY 2018 is \$15.2 million, or 1,262.9%, higher than FY 2017 actual expenditures; appropriation for the line item in FY 2019 drops to zero, though the budget includes language that reappropriates in FY 2019 any amounts unexpended and unencumbered at the end of FY 2018.

Included in the non-GRF funding totals reported in the preceding paragraph is non-GRF funding of \$12.0 million each year for tax refunds, which is \$10.6 million, or 46.9%, lower than the actual expenditures in FY 2017. The remaining non-GRF appropriation amounts are split between four appropriation line items that fund operation of the Office and educational programs for local government financial officials. The budget appropriates a total of \$7.5 million for the four line items in FY 2018. This funding is \$1.8 million, or 19.4%, lower than the actual expenditures in FY 2017. The total FY 2019 appropriation amounts are the same as the FY 2018 total. Funding for the four non-GRF line items comes from investment income, fees and charges assessed on services provided by the Treasurer, and casino licensing revenue transfers from the Economic Development Programs Fund (Fund 5JC0) used by the Department of Higher Education.

### **Credit Unions as Public Depositories**

The enacted budget requires the Treasurer of State to create a new linked deposit program, the Business Linked Deposit Program, under which the Treasurer may purchase share certificates issued exclusively by a credit union to facilitate lending to eligible small businesses, and it expands the types of eligible lending institutions that may participate in the existing Agricultural Linked Deposit Program to include credit unions. Generally speaking, a linked deposit program is intended to promote lending from private sector financial institutions to targeted groups upon application of eligible lending institutions. A lending institution applies to the Treasurer's Office to participate in the program, including in the application information about proposed loans to members of the relevant targeted group and, if approved, receives deposits of state

money on which the institution pays a below-market interest rate to the state; the institution in turn must charge a below-market interest rate to the borrowers.

In addition to permitting credit unions to participate in these two programs, H.B. 49 modifies the Treasurer's investment authority related to state interim funds by allowing the Treasurer to invest them in certificates of deposit in credit unions that are participating in the new Business Linked Deposit or the Agricultural Linked Deposit programs. The budget requires the Treasurer to adopt rules addressing the participation of credit unions in the new Business Linked Deposit or the Agricultural Linked Deposit programs, including rules that set forth the manner in which the linked deposits are placed, held, and collateralized. The budget specifies that no linked deposits may be placed with a credit union until those rules are adopted.

The budget allows the Treasurer to require credit unions that are participating in the new Business Linked Deposit or the Agricultural Linked Deposit programs, and other eligible lending institutions participating in the Small Business Linked Deposit Program, the Short-term Loan Linked Deposit Program, or the Agricultural Linked Deposit Program, to pay interest at a rate not lower than the product of the prevailing interest rate multiplied by the sum of one plus the "Treasurer's assessment rate." The budget defines "Treasurer's assessment rate" as a number not exceeding 10% that is calculated in a manner determined by the Treasurer of State and that seeks to account for the effect that varying tax treatment among different types of financial institutions has on the ability of financial institutions to pay competitive rates to hold deposits.<sup>2</sup> The budget also allows the Treasurer to adopt rules related to the interest rate requirement.

The establishment of the new linked deposit programs and the related provisions described in this section may increase the Treasurer of State's administrative costs. The provision that allows the Treasurer to set a minimum interest rate to be paid by eligible lending institutions participating in the Small Business Linked Deposit Program, the Short-term Loan Linked Deposit Program, the Business Linked Deposit Program, or the Agricultural Linked Deposit Program may increase or decrease interest income received by the state. Any effect on the state's interest income overall, though, should be modest because the budget does not change the current aggregate percentage of state funds that the state Treasurer may invest in all linked deposit programs, including the new program: under existing law, the state Treasurer may invest up to 12% of the state's total average investment portfolio in all of the state's linked deposit programs.

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<sup>2</sup> Credit unions are not subject to Ohio's financial institutions tax, unlike banks and other financial institutions that historically have served as public depositories. This provision of H.B. 49 is related to this differential tax treatment.

## Ohio Pooled Collateral Program

The budget authorizes the Treasurer to impose reasonable fees, including late fees, upon public depositories participating in the Ohio Pooled Collateral Program to defray the costs of the program. The budget allows the Treasurer to adopt rules necessary for the implementation of the Pooled Collateral Program in connection with the other methods by which public depositories provide security for the repayment of public deposits. The budget also specifies that certain information about a bank serving as a public depository that is used for purposes of the Ohio Pooled Collateral Program is confidential and not a public record.

All fees collected by the Treasurer related to the Ohio Pooled Collateral Program are deposited into the state treasury to the credit of the Treasurer of State Administrative Fund (Fund 6050).

## Debt Authorizations for the Departments of Natural Resources and Rehabilitation And Correction

The budget increases debt authorizations that were originally provided under Sections 223.50 and 229.40 of S.B. 310 of the 131st General Assembly. The budget increases the Treasurer of State's authority to issue general obligations under Section 2i of Article VIII, Ohio Constitution, and Chapter 154. of the Revised Code by an additional \$1 million, and it increases the Treasurer of State's authority to issue general obligations under Section 2i of Article VIII, Ohio Constitution, and Chapter 154. and section 307.021 of the Revised Code by an additional \$1 million. The additional debt authorization would provide sufficient moneys to the following funds: (1) the Parks and Recreation Improvement Fund (Fund 7035) to pay for the costs of capital facilities for parks and recreation, and (2) the Adult Correctional Building Fund (Fund 7027) to pay costs associated with previously authorized capital facilities and the additional appropriations in the enacted budget from Fund 7027 for the Department of Rehabilitation and Correction.

## Transfer to the GRF

The budget requires the Director of Budget and Management, on July 1, 2017, or as soon as possible thereafter, to transfer \$2 million from the OhioMeansJobs Workforce Development Revolving Loan Fund (Fund 5NH0) to the GRF to support the appropriations for the Ohio College Grant Program (OCOG). The Program is administered under the Department of Higher Education; see the *Department of Higher Education Greenbook* for details.

## Separately Managed and Pooled Accounts

The enacted budget allows the Treasurer of State to invest money held in the Ohio Subdivision's Fund in separately managed accounts, and pooled accounts of that

Fund, and the Treasurer's investment pool. Under current law, the Treasurer may invest money held in the Ohio Subdivision's Fund only in the Treasurer's investment pool. The budget allows a treasurer, governing board, or investing authority of a subdivision to enter into an agreement with the Treasurer in order to invest subdivision public money in a separately managed account or pooled account of the Ohio Subdivision's Fund, with the agreement specifying how the funds are to be invested; for purposes of such agreements, the 25% investment limit on debt interests other than commercial paper specified in section 135.143 of the Revised Code does not apply to the subdivision's excess reserves.<sup>3</sup> The Treasurer is required to invest any such funds in accordance with the agreement. The budget applies a prohibition in continuing law against a treasurer, governing board, or investing authority of a subdivision from investing the subdivision's public money in the Ohio Subdivision's Fund if the fund does not maintain the highest rating from at least one nationally recognized rating service, to investing the money in a pooled account of the fund in such circumstances, if no agreement has been entered into with the state Treasurer.

The budget expands the continuing law liability and exemptions for the Treasurer and the Treasurer's bonders or surety for the loss of any state interim moneys invested in the Ohio Subdivision's Fund to also include losses of any subdivision interim moneys. The budget requires the Treasurer of State to adopt rules to implement the separately managed and pooled account requirements.

These provisions may increase or decrease local governments' interest income related to their investments in the fund.

### **Public Utility Excise Tax Collection**

The budget transfers the collection and refund responsibilities related to the public utility excise tax from the Treasurer of State to the Tax Commissioner. The budget requires all payments to be made to, and all refunds to be made by, the Commissioner, except for tax payments required to be made by electronic funds transfer, which will continue to be paid to the Treasurer. The transfer would minimally decrease the Treasurer of State's administrative costs. Currently, the Commissioner determines and certifies the amount of tax due to the utility company and the Treasurer. However, the company pays the tax and estimated tax installments to the Treasurer, though tax reports are filed with the Commissioner. The Treasurer also issues refunds, although the Commissioner determines refund amounts.

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<sup>3</sup> The act provides a definition of "excess reserves" for this purpose as the amount of the subdivision's public moneys that exceed the average of the subdivision's annual operating expenses over the immediately preceding three fiscal years.

## ANALYSIS OF ENACTED BUDGET

### Introduction

This section provides an analysis of each appropriation item in the Treasurer of State's (TOS) budget. In this analysis, the Treasurer's Office line items are grouped into six major categories. For each category, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes in the enacted budget affecting the appropriation. If the appropriation is earmarked, the earmarks are listed and described. The six categories used in this analysis are as follows:

1. Treasurer's Office Operations;
2. Office of the Sinking Fund;
3. County Treasurer Education;
4. Achieving a Better Life Experience;
5. OhioMeansJobs Loan Program; and
6. Tax Refunds.

### Treasurer of State

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget act.

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

### Category 1: Treasurer's Office Operations (090321, 090406, 090603, 090605, and 090609)

This category of line items provides funding for operations of the Treasurer's Office. The budget provides the funding necessary to maintain the Treasurer's Office operations at current levels.

<b>Appropriations for Treasurer's Office Operations</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2018</b>	<b>FY 2019</b>
<b>General Revenue Fund</b>				
GRF	090321	Operating Expenses	\$8,038,581	\$8,037,839
GRF	090406	Treasury Management System Lease Rental Payments	\$1,113,900	\$1,114,700
<b>General Revenue Fund Subtotal</b>			<b>\$9,152,481</b>	<b>\$9,152,539</b>
<b>Dedicated Purpose Fund Group</b>				
4E90	090603	Securities Lending Income	\$5,415,468	\$5,415,468
5770	090605	Investment Pool Reimbursement	\$1,050,000	\$1,050,000
6050	090609	Treasurer of State Administrative Fund	\$700,000	\$700,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$7,165,468</b>	<b>\$7,165,468</b>
<b>Total Funding: Treasurer's Office Operations</b>			<b>\$16,317,949</b>	<b>\$16,318,007</b>

#### Operating Expenses (090321)

This GRF line item supports activities of the Treasurer's Office and provides funding for payroll, fringe benefits, maintenance, and equipment. The budget appropriates \$8.0 million in both FY 2018 and FY 2019. This amount is about \$86,000, or 1.1%, higher than the actual expenditures for FY 2017. The appropriations are sufficient to pay for the Treasurer's Office anticipated payroll expenses in the FY 2018-FY 2019 biennium.

#### Treasury Management System Lease Rental Payments (090406)

This GRF line item provides funding for debt service payments. The budget appropriates \$1.1 million in both FY 2018 and FY 2019. This amount is about the same as the actual expenditures for FY 2017. The appropriations are sufficient to pay for debt service payments related to the Treasury Management System in the FY 2018-FY 2019 biennium.

#### Securities Lending Income (090603)

This line item provides funding for the administration of the Securities Lending Program. The Treasurer's Office 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 the appropriation comes from earnings generated by the program.

The budget appropriates \$5.4 million each for FY 2018 and FY 2019. This amount is \$0.9 million, or 14.7%, lower than actual expenditures in FY 2017. In FY 2017, funding in this line item was also used for the implementation of the Ohio Pooled Collateral Program.

#### **Investment Pool Reimbursement (090605)**

This line item pays for administrative services provided by the Treasurer's Office related to the Ohio Subdivision's Fund, which is commonly referred to as STAR Ohio. STAR Ohio is an AAA-rated investment alternative created for eligible governmental subdivisions as defined in section 135.45 of the Revised Code, and is similar in concept to a money market mutual fund. The investment program is co-managed by investment staff of the Treasurer's Office and a private fund manager. Funding for the program is from fees paid by governmental subdivisions that participate in the fund.

STAR Ohio affords the participants a convenient tool for investing in an affordable and diversified pool of high quality short-term assets. Most of the portfolio is invested in U.S. government obligations and U.S. government agency securities. The remainder of the portfolio is invested in fully collateralized certificates of deposit, repurchase agreements, eligible bankers' acceptances, and commercial paper. While the fund is not insured, it is backed by the underlying securities of the portfolio.

As of January 31, 2017, STAR Ohio had over \$7.3 billion in total assets, with 2,340 accounts. The primary users of STAR Ohio are school districts, with 814 accounts totaling approximately 27% of all STAR assets. Other entities that invest in STAR Ohio are cities, counties, townships, villages, libraries, public hospitals, and state custodial funds. STAR Ohio accountholders may also participate in the Treasurer of State's STAR Plus Program. STAR Plus is a bank deposit program for public fund managers.

The budget appropriates \$1.1 million each year of the next biennium, which is \$1.1 million, or 52.2%, lower than actual expenditures for FY 2017. In FY 2017, funding in this line item was also used for the implementation of the Ohio Pooled Collateral Program.

#### **Treasurer of State Administrative Fund (090609)**

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. Funding is from fees paid by those entities who receive the services.

The budget appropriates \$0.7 million for FY 2018 and the same amount in FY 2019. This amount is about \$65,500, or 10.3%, higher than the actual expenditure for FY 2017.

## Category 2: Office of the Sinking Fund (090401)

This line item covers costs incurred by order of or on behalf of the Commissioners of the Sinking Fund relative to the issuance and sale of bonds or other obligations. The GRF is reimbursed from the affected issuance's bond retirement fund.

Appropriations for Office of the Sinking Fund			
Fund	ALI and Name	FY 2018	FY 2019
<b>General Revenue Fund</b>			
GRF	090401 Office of the Sinking Fund	\$476,836	\$476,836
<b>General Revenue Fund Subtotal</b>		<b>\$476,836</b>	<b>\$476,836</b>
<b>Total Funding: Office of The Sinking Fund</b>		<b>\$476,836</b>	<b>\$476,836</b>

### Office of the Sinking Fund (090401)

This GRF line item provides funding for payroll, fringe benefits, maintenance, and equipment for the Office of the Commissioners of the Sinking Fund's employees.

The budget appropriates about \$0.5 million for FY 2018 and the same amount in FY 2019. This amount is about \$3,200, or 0.7%, higher than the actual expenditure for FY 2017. Actual expenditure in FY 2017 was \$473,653.

### Category 3: County Treasurer Education (090402 and 090602)

This category of line items provides funding for county treasurer education. The budget provides the funding necessary to maintain the county treasurer education at current levels.

Appropriations for County Treasurer Education			
Fund	ALI and Name	FY 2018	FY 2019
<b>General Revenue Fund</b>			
GRF	090402 Continuing Education	\$175,000	\$175,000
<b>General Revenue Fund Subtotal</b>		<b>\$175,000</b>	<b>\$175,000</b>
<b>Dedicated Purpose Fund Group</b>			
5C50	090602 County Treasurer Education	\$320,057	\$320,057
<b>Dedicated Purpose Fund Group Subtotal</b>		<b>\$320,057</b>	<b>\$320,057</b>
<b>Total Funding: County Treasurer Education</b>		<b>\$495,057</b>	<b>\$495,057</b>

#### Continuing Education (090402)

This GRF line item provides funding for costs associated with registration and enrollment for classes that are organized by the Center for Public Investment Management (CPIM) within the Treasurer's Office. The Center organizes financial education conferences and maintains continuing education requirements for all public funds managers with investing authority throughout the state, as required by the Ohio Revised Code.

The budget appropriates \$175,000 in both FY 2018 and FY 2019. This amount is about \$213,300 (54.9%) less than the actual expenditure for FY 2017. The decrease in funding to this GRF line item is made up by a slightly larger increase in funding through non-GRF line item 090602.

#### County Treasurer Education (090602)

This line item provides funding for CPIM. As required by the Ohio Revised Code, the Treasurer's Office administers a continuing education training program for all public funds managers with investing authority through CPIM. This continuing education program ensures that local tax dollars are invested wisely and safely. Funding for the appropriation comes from fees imposed by the Treasurer for these training programs.

The budget appropriates \$320,057 for FY 2018 and the same amount in FY 2019. This amount is about \$216,300, or 208.4%, higher than the actual expenditure for FY 2017.

### Category 4: Achieving a Better Life Experience (090613)

This category provides moneys for promoting and administering the "Achieve a Better Living Experience" (ABLE) savings accounts program.

<b>Appropriations for Achieving a Better Life Experience</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>General Revenue Fund</b>				
GRF	090613	ABLE Account Administration	\$1,660,000	\$1,660,000
<b>General Revenue Fund Subtotal</b>			<b>\$1,660,000</b>	<b>\$1,660,000</b>
<b>Total Funding: Achieving a Better Life Experience</b>			<b>\$1,660,000</b>	<b>\$1,660,000</b>

#### ABLE Account Administration (090613)

This line item provides funding for administering the ABLE Program for the Treasurer's Office. The budget appropriates \$1.7 million for FY 2018 and the same amount in FY 2019. This amount is about \$14,500, or 0.9%, lower than the actual expenditure for FY 2017.

The budget authorizes the continuation of the ABLE Account Program Advisory Board, which advises and reviews the work of the Treasurer of State regarding this program, until December 31, 2020. This change brings its expiration date in line with other boards currently subject to sunset review.

### Category 5: OhioMeansJobs

This category provides moneys for loans to individuals for workforce training under the OhioMeansJobs Workforce Development Revolving Loan Program. The budget allows the Treasurer of State to use up to \$250,000 each year for administrative expenses related to the program. 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.

Appropriations for OhioMeansJobs				
Fund	ALI and Name		FY 2018	FY 2019
<b>Dedicated Purpose Fund Group</b>				
5NH0	090610	OhioMeansJobs Workforce Development	\$15,150,000	\$0
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$15,150,000</b>	<b>\$0</b>
<b>Total Funding: OhioMeansJobs</b>			<b>\$15,150,000</b>	<b>\$0</b>

#### OhioMeansJobs Workforce Development (090610)

This line item provides funding for the OhioMeansJobs Workforce Development Revolving Loan Program. The budget appropriates \$15.2 million for FY 2018 and none in FY 2019. The FY 2018 appropriation is \$14.0 million, or 1,262.9%, higher than the actual expenditure for FY 2017. The budget act includes uncodified language that (1) earmarks up to \$250,000 in FY 2018 for the Treasurer of State to administer the program, (2) reappropriates in FY 2019 any amounts remaining unexpended and unencumbered at the end of FY 2018, and (3) earmarks up to \$250,000 for administrative purposes in FY 2019 if the funds are available.

### Category 6: Tax Refunds (090635)

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

Appropriations for Tax Refunds				
Fund		ALI and Name	FY 2018	FY 2019
<b>Fiduciary Fund Group</b>				
4250	090635	Tax Refunds	\$12,000,000	\$12,000,000
<i>Fiduciary Fund Group Subtotal</i>			<i>\$12,000,000</i>	<i>\$12,000,000</i>
<b>Total Funding: Tax Refunds</b>			<b>\$12,000,000</b>	<b>\$12,000,000</b>

### Tax Refunds (090635)

The budget appropriates \$12.0 million for tax refunds for FY 2018 and FY 2019. This funding is \$10.6 million, or 46.9%, lower than the actual expenditure in FY 2017. Uncodified language in the budget appropriates additional funding if needed to pay qualified refunds.

## Pension Subsidies

All of the GRF line items in Pension Subsidies are administered by the Treasurer of State. These line items were part of the Treasurer of State's budget in past budget acts, but H.B. 49 separated these line items into a new section of the act (Section 361.10) separate from the Treasurer of State budget's (Section 413.10). This program provides subsidies to be transferred to the Board of the Police and Fire Pension Fund.

### Police and Fire Subsidies (090524, 090534, 090554, and 090575)

These subsidies provide supplemental moneys to specified members of Ohio's retirement systems and to surviving spouses and children of law enforcement officers, peace officers, firefighters, and corrections officers who die in the line of duty or who die from injuries sustained in the line of duty.

The budget appropriates a total of \$20.4 million each for FY 2018 and FY 2019 for subsidies. This amount is about the same as the actual expenditure for FY 2017. Funding for subsidies decreases each year for certain line items, as the number of members covered by the particular benefit declines.

Appropriations for Police and Fire Subsidies				
Fund	ALI and Name		FY 2018	FY 2019
<b>General Revenue Fund</b>				
GRF	090524	Police and Fire Disability Pension Fund	\$3,000	\$3,000
GRF	090534	Police and Fire Ad Hoc Cost of Living	\$42,000	\$42,000
GRF	090554	Police and Fire Survivor Benefits	\$355,000	\$355,000
GRF	090575	Police and Fire Death Benefits	\$20,000,000	\$20,000,000
<i>General Revenue Fund Subtotal</i>			<b>\$20,400,000</b>	<b>\$20,400,000</b>
<b>Total Funding: Police and Fire Subsidies</b>			<b>\$20,400,000</b>	<b>\$20,400,000</b>

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

This GRF line item subsidizes 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 (090534)

This GRF line item subsidizes a 5% benefit increase for retirees who belonged to the PFDPF system.

### Police and Fire Survivor Benefits (090554)

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

**Police and Fire Death Benefits (090575)**

This GRF line item subsidizes benefits to the surviving spouses and children of law enforcement officers, firefighters, corrections officers, drug agents, the Bureau of Criminal Identification and Investigation's (BCII) investigators and special agents, gaming agents employed by the Casino Control Commission, and the Department of Taxation's tax investigators who die in the line of duty or who die from injuries sustained in the line of duty.<sup>4</sup>

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<sup>4</sup> S.B. 11 of the 131st General Assembly expanded the eligibility for benefits to eligible survivors of gaming agents employed by the Casino Control Commission and Department of Taxation investigators who are killed in the line of duty or die of injuries or diseases incurred in the performance of official duties.

# FY 2018 - FY 2019 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>TOS Treasurer of State</b>								
GRF	090321	Operating Expenses	\$ 7,864,929	\$ 7,952,416	\$ 8,038,581	1.08%	\$ 8,037,839	-0.01%
GRF	090401	Office of the Sinking Fund	\$ 476,836	\$ 473,653	\$ 476,836	0.67%	\$ 476,836	0.00%
GRF	090402	Continuing Education	\$ 376,508	\$ 388,286	\$ 175,000	-54.93%	\$ 175,000	0.00%
GRF	090406	Treasury Management System Lease Rental Payments	\$ 1,114,800	\$ 1,116,250	\$ 1,113,900	-0.21%	\$ 1,114,700	0.07%
GRF	090613	ABLE Account Administration	\$ 1,963,583	\$ 1,674,520	\$ 1,660,000	-0.87%	\$ 1,660,000	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 11,796,656</b>	<b>\$ 11,605,124</b>	<b>\$ 11,464,317</b>	<b>-1.21%</b>	<b>\$ 11,464,375</b>	<b>0.00%</b>
4E90	090603	Securities Lending Income	\$ 4,402,772	\$ 6,351,421	\$ 5,415,468	-14.74%	\$ 5,415,468	0.00%
5770	090605	Investment Pool Reimbursement	\$ 989,048	\$ 2,195,913	\$ 1,050,000	-52.18%	\$ 1,050,000	0.00%
5C50	090602	County Treasurer Education	\$ 171,932	\$ 103,773	\$ 320,057	208.42%	\$ 320,057	0.00%
5NH0	090610	OhioMeansJobs Workforce Development	\$ 549,056	\$ 1,111,585	\$ 15,150,000	1,262.92%	\$ 0	-100.00%
6050	090609	Treasurer of State Administrative Fund	\$ 692,506	\$ 634,543	\$ 700,000	10.32%	\$ 700,000	0.00%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 6,805,314</b>	<b>\$ 10,397,234</b>	<b>\$ 22,635,525</b>	<b>117.71%</b>	<b>\$ 7,485,525</b>	<b>-66.93%</b>
4250	090635	Tax Refunds	\$ 21,348,507	\$ 22,617,601	\$ 12,000,000	-46.94%	\$ 12,000,000	0.00%
<b>Fiduciary Fund Group Total</b>			<b>\$ 21,348,507</b>	<b>\$ 22,617,601</b>	<b>\$ 12,000,000</b>	<b>-46.94%</b>	<b>\$ 12,000,000</b>	<b>0.00%</b>
<b>Treasurer of State Total</b>			<b>\$ 39,950,477</b>	<b>\$ 44,619,960</b>	<b>\$ 46,099,842</b>	<b>3.32%</b>	<b>\$ 30,949,900</b>	<b>-32.86%</b>