

Greenbook
LBO Analysis of Enacted Budget
Board of Deposit

Eric Makela, Economist
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LBO Greenbook

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 is used to pay bank fees and other costs necessary to maintain the Ohio Regular Bank Account.

| FY 2018 Actual | FY 2019 Actual | FY 2020 Actual | FY 2021 Actual | FY 2022 Appropriation | FY 2023 Appropriation |
|---|-------------------|-------------------|-------------------|--------------------------|--------------------------|
| Fund 4M20 ALI 974601, Board of Deposit | | | | | |
| \$1,212,071 | \$1,091,489 | \$921,222 | \$1,253,357 | \$1,688,400 | \$1,688,400 |
| % change | -9.9% | -15.6% | 36.1% | 34.7% | 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. An employee of TOS must be designated 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 support for the Ohio Board of Deposit (BDP).

Analysis of FY 2022-FY 2023 budget

H.B. 110 appropriates just under \$1.7 million each year for FY 2022 and FY 2023. The amount each year provides ample coverage for both anticipated and unanticipated expenses, is 34.7% above actual FY 2021 spending, and approximately 50% above the average level of annual expenditures from FY 2018 through FY 2021. 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.

The enacted budget gives the Treasurer of State flexibility to select the employee who will serve as secretary of the Board. Prior law required the secretary to be the cashier of the state treasury. There is no fiscal effect from this provision of the budget.

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. H.B. 110 appropriates approximately \$1.7 million to BDP each year for FY 2022 and FY 2023. Funding for this line item comes from transfers from the Investment Earnings Redistribution Fund (Fund 6080), and language in H.B. 110 requires the Director of Budget and Management, upon receiving certification of expenses from the Treasurer of State, to transfer cash from Fund 6080 to the Board of Deposit Expense Fund (Fund 4M20) to pay for any banking expenses necessary for operation of Ohio's primary accounts. A small portion of funding is to pay for support services provided by TOS staff.

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 the Treasurer's Office.