

Greenbook

LBO Analysis of Enacted Budget

Board of Deposit

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July 2023

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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 enacted budget (H.B. 33 of the 135th General Assembly) appropriates approximately \$1.7 million per year for BDP, 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 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 4M20 ALI 974601, Board of Deposit					
\$921,222	\$1,253,357	\$1,246,687	\$519,976	\$1,688,400	\$1,688,400
% change	36.1%	-0.5%	-58.3%	224.7%	0.0%

Agency overview

The State Board of Deposit (BDP) 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 TOS is required to designate a TOS departmental employee to serve 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 BDP.

Analysis of FY 2024-FY 2025 budget

The enacted budget appropriates about \$1.7 million each year for FY 2024 and FY 2025. The appropriation in FY 2024 is nearly \$1.2 million (224.7%) higher than the actual expenditures in FY 2023. The appropriation in FY 2025 is identical to the appropriation for FY 2024. Over 99% of this funding will 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, will pay for support services provided by TOS staff.

BDP uses no GRF moneys. Language in the enacted budget 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's 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.

The enacted budget requires the Board's chairperson to provide a notice to the Board when the following reports: (1) the daily ledger report of state funds, (2) the monthly portfolio report detailing the current inventory of all investments and deposits held within the classification of interim moneys, and (3) the monthly activity report within the classification of interim moneys summarized by type of investment or deposit, have been posted on a website maintained by TOS.

The enacted budget also modifies the timeline and processes for designating public depositories of state funds but retains current law as it applies to the funds of local governments, school districts, and other subdivisions. Beginning in 2025 and every four years thereafter the Board must meet on the third Monday of March to designate public depositories to a four-year cycle, instead of a meeting on that March date in every even-numbered year to designate public depositories for a two-year term. Public depositories of state funds designated in 2022 will retain that designation for three years, instead of two, until the enacted budget's new timeline is implemented in 2025. The enacted budget retains the five-year cycle prescribed by existing law for governing boards other than the state. The enacted budget requires the Board to meet during the designation period, (1) whenever a statute authorizes a new custodial fund to be created and award such public moneys to a designated public depository, and (2) whenever a state agency requests to change its public depository and consider the agency's request.

Board of Deposit (ALI 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 enacted budget appropriates \$1.7 million each for FY 2024 and FY 2025, about \$1.2 million higher than the actual expenditures in FY 2023. The appropriation in FY 2025 is identical to the appropriation for FY 2024. Funding for this line item comes from transfers from the Investment Earnings Redistribution Fund (Fund 6080).

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 July 17, 2023, a total of 95 financial institutions throughout the state were designated by the Board as public depositories for state funds.¹

BDP/zg

¹ [A list of depository financial institutions](#) is available on the TOS website (visited July 17, 2023).