

As Introduced

**128th General Assembly
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H. B. No. 65

Representatives Snitchler, Stautberg

**Cosponsors: Representatives Blair, Morgan, Adams, J., Bulp, Jordan,
Grossman, Stebelton, McClain, Sears, Huffman, Adams, R., Mecklenborg,
Balderson, Boose, Luckie**

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A BILL

To amend sections 126.02 and 126.022 and to enact 1
sections 117.46 and 126.18 of the Revised Code to 2
require performance budgeting by most state 3
agencies and to require performance audits of 4
those agencies. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 126.02 and 126.022 be amended and 6
sections 117.46 and 126.18 of the Revised Code be enacted to read 7
as follows: 8

Sec. 117.46. Each biennium, beginning with the biennium 9
ending June 30, 2013, the auditor of state shall conduct a 10
performance audit of four state agencies selected by the auditor 11
of state that have been required to file performance data with the 12
director of budget and management under section 126.18 of the 13
Revised Code for at least one biennium. Two of the audits shall be 14
of administrative departments listed in section 121.02 of the 15
Revised Code or the department of education and two of the audits 16
shall be of other state agencies. The performance audits under 17

this section shall be conducted pursuant to sections 117.01 and 18
117.13 of the Revised Code. 19

Sec. 126.02. The director of budget and management shall 20
prepare and submit to the governor, biennially, not later than the 21
first day of January preceding the convening of the general 22
assembly, state budget estimates of revenues and expenditures for 23
each state fund and budget estimates for each state agency, except 24
such estimates as are required under section 126.022 of the 25
Revised Code. The budget estimates for each state agency for which 26
direct appropriations are proposed shall include the following 27
details: 28

(A) Estimates of the operating budget; 29

(B) Estimates of the subsidy appropriations necessary, 30
delineated by a distinct subsidy program; 31

(C) Estimates for special purposes, delineated by a distinct 32
special purpose program; 33

(D) Estimates of appropriations necessary from each fund in 34
reasonable detail to allow for adequate planning and oversight of 35
programs and activities. 36

In the preparation of state revenue and expenditure 37
estimates, the director of budget and management shall, not later 38
than the fifteenth day of September in the year preceding the 39
first regular session of the general assembly, distribute to all 40
affected state agencies the forms necessary for the preparation of 41
budget requests, which shall be in the form prescribed by the 42
director in consultation with the legislative service commission 43
to procure information concerning the revenues and expenditures 44
for the preceding and current bienniums, an estimate of the 45
revenues and expenditures of the current fiscal year, ~~and~~ an 46
estimate of the revenues and proposed expenditures for the 47

respective agencies for the two succeeding fiscal years for which 48
appropriations have to be made, and, as applicable, the 49
performance data required by division (A) of section 126.18 of the 50
Revised Code. Each such agency shall, not later than the first day 51
of November, file with the director its estimate of revenues and 52
proposed expenditures for the succeeding biennium and, where 53
required by section 126.18 of the Revised Code, a comprehensive 54
and integrated statement of agency missions and outcome and 55
performance measures. 56

Each such agency shall, not later than the first day of 57
December, file with the chairperson of the finance committees of 58
the senate and house of representatives and the legislative 59
service commission a duplicate copy of such budget request. 60

The budget request shall be accompanied by a statement in 61
writing giving facts and explanation of reasons for the items 62
requested. The director and the legislative service commission may 63
make further inquiry and investigation as to any item desired. The 64
director may approve, disapprove, or alter the requests, excepting 65
those for the legislative and judicial branches of the state. The 66
requests as revised by the director constitute the state budget 67
estimates of revenues and, expenditures, and performance measures 68
which the director is required to submit to the governor. 69

The director shall determine a method to incorporate the 70
principles of zero-based budgeting into the forms prescribed in 71
this section. 72

Sec. 126.022. Not later than four weeks after the general 73
assembly convenes in each even-numbered year, the director of 74
budget and management shall prepare and recommend to the general 75
assembly, subject to the concurrence of the governor, estimates of 76
revenues from, or derived from, payments to the state under the 77
tobacco master settlement agreement and, expenditures of such 78

revenues for the biennium beginning on the following first day of 79
July, and, as applicable, the performance data required by 80
division (A) of section 126.18 of the Revised Code. Each state 81
agency affected by such revenues or expenditures shall submit to 82
the director of budget and management any related information the 83
director requires, in such form and at such times as the director 84
prescribes, and, where required by section 126.18 of the Revised 85
Code, a comprehensive and integrated statement of agency missions 86
and outcome and performance measures. 87

Sec. 126.18. (A) Except for the offices of the attorney 88
general, auditor of state, governor, secretary of state, and 89
treasurer of state and agencies of the legislative and judicial 90
branches, each state agency filing budget requests under section 91
126.02 of the Revised Code shall, in accordance with the schedule 92
set forth in division (B) of this section, include with its 93
requests data that measure the performance of the programs and 94
activities of the agency in meeting program goals and objectives. 95
Data reported shall include indicators of output, efficiency, 96
outcomes, and other measures relevant to each program and 97
activity. The agency shall also include historical data needed for 98
an understanding of major trends and shall set targets for future 99
performance where feasible and appropriate. All such data shall be 100
presented in a manner that serves to assist legislative review of 101
and decision making concerning the programs and activities of the 102
agency. 103

(B)(1) Division (A) of this section shall apply to the budget 104
requests of the department of education, department of job and 105
family services, and two other state agencies selected by the 106
director of budget and management beginning with their budget 107
requests for the biennium ending June 30, 2013. 108

(2) The director of budget and management shall divide all 109

other state agencies subject to division (A) of this section into 110
the following three categories: 111

(a) Agencies to which division (A) shall apply beginning with 112
their budget requests for the biennium ending June 30, 2015; 113

(b) Agencies to which division (A) shall apply beginning with 114
their budget requests for the biennium ending June 30, 2017; 115

(c) Agencies to which division (A) shall apply beginning with 116
their budget requests for the biennium ending June 30, 2019. 117

(C) The director shall provide all agencies subject to 118
division (A) of this section with substantial technical assistance 119
in carrying out the requirements of that division and shall review 120
the appropriateness, validity, and reliability of agency 121
performance measures and data. 122

(D) Beginning with the biennium after the biennium in which 123
the budget requests of the Ohio board of regents first become 124
subject to division (A) of this section, the board shall offer 125
assistance to each state university or college as defined in 126
section 3345.12 of the Revised Code in developing relevant 127
performance measures for the university's or college's programs 128
and activities and in setting targets for future performance where 129
feasible and appropriate. 130

Section 2. That existing sections 126.02 and 126.022 of the 131
Revised Code are hereby repealed. 132

Section 3. Notwithstanding anything to the contrary in 133
section 117.16 of the Revised Code, the Auditor of State, pursuant 134
to section 117.46 of the Revised Code, shall conduct performance 135
audits of the Department of Education and the Department of Job 136
and Family Services during the biennium ending June 30, 2013. 137