

As Introduced

**130th General Assembly
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H. B. No. 467

Representatives Butler, Romanchuk

**Cosponsors: Representatives Terhar, Amstutz, Blair, Boose, Brenner,
Grossman, Hood, Perales, Retherford, Roegner, Thompson**

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A B I L L

To amend section 126.02 and to enact sections 101.61, 1
103.31, 103.32, 103.33, 103.34, 103.35, 103.36, 2
103.37, and 103.38 of the Revised Code to provide 3
for the preparation of a state biennial budget 4
independent of that submitted by the Governor and 5
to authorize the Legislative Service Commission, 6
upon the request of the Speaker of the House of 7
Representatives or the President of the Senate, to 8
arrange for an independent actuarial review of a 9
proposed bill, specified analyses of economic 10
policy initiatives and state benchmarking data, 11
and a study of the state's long-range financial 12
outlook. 13

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

Section 1. That section 126.02 be amended and sections 14
101.61, 103.31, 103.32, 103.33, 103.34, 103.35, 103.36, 103.37, 15
and 103.38 of the Revised Code be enacted to read as follows: 16

Sec. 101.61. The chairperson of the house finance committee 17
or the chairperson of the senate finance committee, upon receipt 18

of the information certified by the director of budget and 19
management under section 126.02 of the Revised Code and the budget 20
request of each state agency, may instruct the legislative service 21
commission on the preparation of a main operating appropriations 22
bill independent of the state budget submitted by the governor 23
under section 107.03 of the Revised Code. 24

Sec. 103.31. The speaker of the house of representatives or 25
the president of the senate may, at any time, request the director 26
of the legislative service commission to arrange for the 27
performance of an independent actuarial review of any proposed 28
bill. Subject to section 103.37 of the Revised Code, the director 29
may, in making this arrangement, retain one or more private 30
actuaries on a consulting basis. Any actuary retained shall be a 31
member in good standing of the American academy of actuaries. 32

Sec. 103.32. (A) The speaker of the house of representatives 33
or the president of the senate may, at any time, request the 34
director of the legislative service commission to arrange for 35
either of the following: 36

(1) A dynamic forecast and analysis of any tax proposal or 37
other economic policy initiative; 38

(2) A compilation of benchmarking data that compares this 39
state to other states with respect to key business and fiscal 40
metrics. 41

(B) Subject to section 103.37 of the Revised Code, the 42
director may retain tax analysts, economists, and other finance or 43
business professionals on a consulting basis to assist the 44
commission in the completion of any request received under 45
division (A) of this section. 46

Sec. 103.33. The speaker of the house of representatives or 47

the president of the senate may, at any time, request the director 48
of the legislative service commission to arrange for a study of 49
the long-range financial outlook of the state in accordance with 50
sections 103.34 and 103.35 of the Revised Code for the purpose of 51
providing impartial, accurate information to assist the general 52
assembly in establishing the state's biennial budget. Subject to 53
section 103.37 of the Revised Code, the director may, in making 54
this arrangement, retain certified public accountants, certified 55
financial analysts, economists, and banking professionals on a 56
consulting basis. 57

Sec. 103.34. A study of the long-range financial outlook of 58
the state shall, at a minimum, include all of the following: 59

(A) A review of the current fiscal position of the state, 60
including the state debt and debt service, and the establishment 61
of a method for a long-range financial projection at the state 62
level in order to help maintain the state's financial stability 63
between fiscal years and avoid future budget problems; 64

(B) The integration of baseline projections of the budget 65
requirements of the major programs comprising the state's budget 66
with revenue estimates for the state based on current law; 67

(C) Economic forecasts for the state; 68

(D) A review of the demographics of the state; 69

(E) The collection of information from state agencies about 70
their financial status and projections for the next four fiscal 71
years. 72

Sec. 103.35. (A) Upon completion of the review and analysis 73
required under section 103.34 of the Revised Code, those 74
conducting the study shall issue a long-range financial outlook 75
report. The report shall include, but shall not be limited to, the 76

<u>following information:</u>	77
<u>(1) Projections of future financial needs of the state for the next four fiscal years;</u>	78 79
<u>(2) Projections of future resources of the state;</u>	80
<u>(3) Actual revenues for the previous three fiscal years and revenue estimates for the next four fiscal years;</u>	81 82
<u>(4) A review of both revenue estimates and projections for the budget requirements and expenditures of major state-funded programs;</u>	83 84 85
<u>(5) Per agency workload estimates for state agencies.</u>	86
<u>(B) The legislative service commission shall submit the report to the general assembly.</u>	87 88
<u>Sec. 103.36. The legislative service commission may request any department, division, institution, board, authority, bureau, or other instrumentality or officer of the state, a county, a municipal corporation, a township, a school district, or other governmental entity of the state to provide any information the commission requires for purposes of an actuarial review conducted under section 103.31 of the Revised Code, a forecast and analysis performed under division (A)(1) of section 103.32 of the Revised Code, the state benchmarking data compiled pursuant to division (A)(2) of section 103.32 of the Revised Code, or a study of the long-range financial outlook of the state conducted under sections 103.33 to 103.35 of the Revised Code. The commission shall specify the manner of compliance, and the period of time for compliance, in its request.</u>	89 90 91 92 93 94 95 96 97 98 99 100 101 102
<u>An instrumentality, officer, or entity shall comply with a request within the period of time specified in the request.</u>	103 104

Sec. 103.37. The state shall not enter into a contract with any consultant under section 103.31, 103.32, or 103.33 of the Revised Code unless the director of the legislative service commission makes a written determination prior to entering into the contract or within a reasonable time after entering into the contract that utilizing such a consultant is both cost effective and in the public interest. Any written determination shall include findings as to whether there exist sufficient and appropriate technical and financial resources within the legislative service commission to handle the matter involved.

A copy of each such contract between the state and a consultant shall be posted on the commission's web site and shall remain posted on the web site for the duration of the contract.

Sec. 103.38. By the first day of September of each year, the director of the legislative service commission shall submit a report to the commission regarding the use in the preceding fiscal year of consultants to assist the commission in the completion of any request received under section 103.31, 103.32, or 103.33 of the Revised Code, if such consultants were used.

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

- (A) Estimates of the operating budget;
- (B) Estimates of the subsidy appropriations necessary,

delineated by a distinct subsidy program; 135

(C) Estimates for special purposes, delineated by a distinct 136
special purpose program; 137

(D) Estimates of appropriations necessary from each fund in 138
reasonable detail to allow for adequate planning and oversight of 139
programs and activities. 140

In the preparation of state revenue and expenditure 141
estimates, the director of budget and management shall, not later 142
than the fifteenth day of September in the year preceding the 143
first regular session of the general assembly, distribute to all 144
affected state agencies the forms necessary for the preparation of 145
budget requests, which shall be in the form prescribed by the 146
director in consultation with the legislative service commission 147
to procure information concerning the revenues and expenditures 148
for the preceding and current bienniums, an estimate of the 149
revenues and expenditures of the current fiscal year, and an 150
estimate of the revenues and proposed expenditures for the 151
respective agencies for the two succeeding fiscal years for which 152
appropriations have to be made. Each such agency shall, not later 153
than the first day of November, file with the director its 154
estimate of revenues and proposed expenditures for the succeeding 155
biennium. 156

~~Each such agency shall, not later than the first day of~~ 157
~~December~~ and, at the same time, file with the chairperson of the 158
finance committees of the senate and house of representatives and 159
the legislative service commission a duplicate copy of such budget 160
request. 161

The budget request shall be accompanied by a statement in 162
writing giving facts and explanation of reasons for the items 163
requested. The director and the legislative service commission may 164
make further inquiry and investigation as to any item desired. The 165

director may approve, disapprove, or alter the requests, excepting 166
those for the legislative and judicial branches of the state. The 167
requests as revised by the director constitute the state budget 168
estimates of revenues and expenditures which the director is 169
required to submit to the governor. 170

Not later than the thirty-first day of December of each 171
even-numbered year or, if in the following year a new governor is 172
inaugurated, the thirty-first day of January of that inauguration 173
year, the director shall certify to the chairperson of the finance 174
committees of the senate and house of representatives and the 175
legislative service commission the estimated beginning cash 176
balance of the general revenue fund for the next fiscal year, the 177
estimated expenditure levels for all general revenue fund and 178
non-general revenue fund appropriation items for the current 179
fiscal year, and the estimated baseline nontax revenues to the 180
general revenue fund for the following two fiscal years, that will 181
be used in preparing the state budget presented to the governor. 182

The director shall determine a method to incorporate the 183
principles of zero-based budgeting into the forms prescribed in 184
this section. 185

Section 2. That existing section 126.02 of the Revised Code 186
is hereby repealed. 187