



Ohio Legislative Service Commission

Bill Analysis

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H.B. 368

129th General Assembly
(As Introduced)

Reps. Roegner and C. Hagan, Huffman, Grossman, Newbold, Derickson, Buchy, Duffey, Wachtmann, Terhar, Stebelton, McGregor, Thompson, Bubb, J. Adams, Blessing, Uecker, Gonzales, Slaby, Hill, Brenner, McClain, Gardner, Henne, Yuko, Patmon, Hayes, Batchelder, Milkovich, Sears, Anielski, Barnes, Stinziano, Slesnick

BILL SUMMARY

- Establishes the Long-Range Financial Outlook Council to research and annually report on the long-range financial outlook of the state.
- Requires the Legislative Service Commission to conduct research and provide staffing and technical assistance to the Council.
- Requires the General Assembly to jointly convene each year to receive the Council's annual report.
- Requires the Governor to review and recommend revisions to the Council's most recent annual report as part of the Governor's biennial budget submission to the General Assembly.
- Exempts the Council from the state's Sunset Review Law.

CONTENT AND OPERATION

Long-Range Financial Outlook Council

The bill establishes the Long-Range Financial Outlook Council to research and report to the General Assembly and the public the long-range financial outlook of the state.

Outline of Council duties, membership, and procedures

The following chart outlines the Council's duties, membership, and procedures.¹

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| Duties of Council | Provide long-range economic information regarding the state's fiscal position (<i>see more information below</i>). |
| Reporting duties | Must submit an annual report to the General Assembly (<i>see more information below</i>), an executive summary of the report to the Clerk of the House of Representatives, and publish the report on the web sites of the General Assembly, Legislative Service Commission, and Office of Budget and Management. |
| Council members | The LSC chairperson appoints one member. The OBM Director appoints two members. The Speaker of the House of Representatives and Senate President each appoint six to nine members, and each set of appointments must include at least one certified public accountant, one certified financial analyst, one economist, and one banker. |
| Member qualifications | Must be Ohio residents. Must include individuals with expertise in financial institutions and financial services. May not be members of the General Assembly. Not more than one-half plus one of the members may be from the same political party. |
| Council member compensation | No compensation. |
| Reimbursement for expenses | Yes. |
| Appointment deadline | March 12, 2012. |
| Term of office | Initial appointments are for staggered terms ranging from one to four years. Thereafter, all terms are for four years, with the term ending on the same day of the same month as the term it succeeds. Members are to hold office subsequent to the term's expiration date until the member's successor takes office or 60 days has elapsed, whichever occurs first. |
| Reappointment of members | Members may be reappointed. |
| Filling of vacancies | In the same manner as original appointment. |

¹ R.C. 101.82, 103.13(L), 103.35, 103.36(B), 103.37, and 103.38(B) and (C).

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| Council chairperson | The member appointed by the chairperson of the LSC is to serve as Council chairperson, with a term of office ending on the same day of the same month as the term it succeeds. |
| Term of office for Council chairperson | Two years. |
| Council meetings | Held at the call of the chairperson and must include public hearings at which interested parties, including state agency representatives, may submit testimony about the financial outlook of the state. |
| Agency assistance | The Legislative Service Commission must conduct research and provide staffing and technical assistance to the Council. State agencies must cooperate with the Council and provide information based on current law as requested, as well as provide to LSC, on its request, all readily available information based on current law. |
| Application of Sunset Review Laws | The Council is exempt from the Sunset Review Law. |

Specific Council duties regarding financial analysis

The Council must annually perform the following duties:

- (1) Conduct regular reviews of the current fiscal position of the state, including the state debt and debt service, and establish a method for a long-range financial projection at the state level to help maintain the state's financial stability between fiscal years and avoid future budget problems;
- (2) Integrate baseline projections of the budget requirements of the major programs comprising the state's budget with revenue estimates for the state based on current law;
- (3) Analyze the state's long-range financial outlook for the purpose of providing impartial and accurate information to assist the General Assembly in establishing the state's biennial budget;
- (4) Study economic forecasts for the state;
- (5) Review the demographics of the state;
- (6) Request information from state agencies about their financial status and projections for the next four fiscal years;
- (7) Determine the accuracy of financial projections in the Council's previous long-range financial outlook reports.

The Council may study other issues that the Council determines may affect the financial outlook of the state.²

Council reporting requirement

On September 1 of each year, starting in 2012, the Council must issue a long-range financial outlook report that includes an executive summary. The report must be based on the consensus of the Council and reflect current law, demographics, and other factors specified by the Council. The report must include the following:

- (1) Projections of future financial needs of the state for the next four fiscal years;
- (2) Projections of future resources of the state;
- (3) Actual revenues for the previous three fiscal years and revenue estimates for the next four fiscal years;
- (4) A review of both revenue estimates and projections for the budget requirements and expenditures of major state-funded programs;
- (5) Per agency workload estimates for state agencies.³

Joint convention of the General Assembly

Starting in 2013, the bill requires the General Assembly to jointly convene each year, not later than January 31, to receive the most recent long-range financial outlook report issued by the Council. The bill requires the Clerk of the House of Representatives, or the Clerk's designee, to read the executive summary of the report at the joint convention.⁴

Governor's review of report

The bill requires the Governor to provide a review of the most recent long-range financial outlook report adopted by the Council as part of the Governor's biennial budget submission to the General Assembly. The Governor must also provide any recommended revisions to the report.⁵

² R.C. 103.36(A).

³ R.C. 103.38(A).

⁴ R.C. 103.39.

⁵ R.C. 107.036.

HISTORY

ACTION

DATE

Introduced

11-02-11

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