



# Ohio Legislative Service Commission

## Bill Analysis

Bethany Boyd

### **S.B. 228**

130th General Assembly  
(As Passed by the Senate)

**Sens.** Widener, Patton, Uecker, Obhof, Schaffer, Seitz, Hughes, Oelslager, Coley, Balderson, Burke, Hite, Jordan, LaRose, Peterson

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## **BILL SUMMARY**

- Limits the Controlling Board's authority to approve the expenditure of certain federal and nonfederal funds that (1) are received in excess of the amount appropriated or (2) are not anticipated in the current biennial appropriations act.
- Requires a state agency, as part of a request to approve the making of a purchase, to provide to the Controlling Board certain information about a proposed supplier, or proposed subcontractor of that supplier, that is not headquartered in Ohio, but has a presence in the state.
- Requires an agency to contact each entity headquartered in Ohio that the agency approached to fulfill a purchase or to whom the agency sent a request for proposals but who failed to respond, to determine why the entity failed to respond, and requires the agency to report that information to the Controlling Board.

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## **CONTENT AND OPERATION**

### **Controlling Board authority to approve the expenditure of certain funds**

The bill imposes a limitation on the Controlling Board's authority to approve the expenditure of certain federal and nonfederal funds.

#### **Federal funds**

The federal funds to which the bill applies are those received into any state fund from which transfers may be made by the Controlling Board under continuing law.<sup>1</sup> Currently:

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<sup>1</sup> R.C. 127.14(D), not in the bill.

(1) If the federal funds received are greater than the amount of such funds appropriated by the General Assembly for a specific purpose, the Board may authorize the expenditure of those excess funds.

(2) If the federal funds received are not anticipated in an appropriations act for the biennium in which the new revenues are received, the Board may create funds for those revenues and authorize expenditures from those additional funds during that biennium.<sup>2</sup>

The bill stipulates that the amount of any expenditure authorized by the Board under (1) or (2), above, for a specific or related purpose or item in any fiscal year cannot exceed an amount greater than 1% of the General Revenue Fund (GRF) appropriations for that fiscal year.<sup>3</sup>

### **Nonfederal funds**

The nonfederal funds to which the bill applies are those received into any state fund from which transfers may be made by the Controlling Board,<sup>4</sup> as well as the Waterways Safety Fund and the Wildlife Fund.

Currently:

(1) If the nonfederal funds received are greater than the amount of such funds appropriated, the Board may authorize the expenditure of those excess funds.

(2) If the nonfederal funds received are not anticipated in an appropriations act for the biennium in which the new revenues are received, the Board may create funds to receive those revenues and authorize expenditures from those additional funds during that biennium.<sup>5</sup>

The bill stipulates that the amount of any expenditure authorized by the Board under (1) or (2), above, for a specific or related purpose or item in any fiscal year cannot exceed an amount greater than 1% of the GRF appropriations for that fiscal year.<sup>6</sup>

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<sup>2</sup> R.C. 131.35(A)(2) and (4).

<sup>3</sup> R.C. 131.35(D).

<sup>4</sup> R.C. 127.14(D), not in the bill.

<sup>5</sup> R.C. 131.35(B)(2) and (3).

<sup>6</sup> R.C. 131.35(D).



## Information to be provided to the Board regarding purchases from out-of-state suppliers

The bill requires an agency to provide certain information about a potential supplier to the Controlling Board at the time the agency submits a request to the Board to approve the making of a purchase, if the proposed supplier is not headquartered in Ohio but has a presence in the state. The agency must include in the request the following information:

- The address or addresses of the supplier's places of business in Ohio;
- The total number of employees the supplier employs in each of its places of business in Ohio;
- The percentage of the requested purchase to be completed by employees of the supplier located in Ohio;
- A list of any suppliers, subcontractors, or other entities the supplier intends to use to fulfill the requested purchase that includes the address or addresses of the places of business in Ohio of each potential supplier, subcontractor, or entity; the number of employees that each potential supplier, subcontractor, or entity employs in each of its places of business in Ohio; and the percentage of the requested purchase to be completed by employees of the potential supplier, subcontractor, or entity located in Ohio.<sup>7</sup>

The term "agency" is not defined by the bill or by existing law applicable to the bill. But for purposes of Title I, "state agency" is a defined term that means every organized body, office, or agency established by the laws of the state for the exercise of any function of state government, excluding the nonprofit corporation commonly known as JobsOhio.<sup>8</sup> Perhaps the bill is intended to apply to "state agencies."

Additionally, the bill requires an agency, prior to submitting to the Controlling Board a request for approval to make a purchase, to contact any entity headquartered in Ohio that the agency approached related to the proposed purchase or to whom the agency sent a request for proposals but who did not respond to the request and ascertain why the entity did not respond. The agency must then include this information as part of its request to the Board to approve the making of the purchase.<sup>9</sup>

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<sup>7</sup> R.C. 127.163.

<sup>8</sup> R.C. 1.60, not in the bill.

<sup>9</sup> R.C. 127.164.



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## HISTORY

ACTION	DATE
Introduced	11-05-13
Reported, S. Finance	11-20-13
Passed Senate (23-10)	11-20-13

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