

Fiscal Note & Local Impact Statement

125th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 100** DATE: **May 6, 2003**

STATUS: **As Introduced** SPONSOR: **Rep. Faber**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **Establishes provisions regarding the possible closing of state institutional facilities for the purpose of expenditure reductions or budget cuts**

State Fiscal Highlights

STATE FUND	FY 2004*	FY 2005*	FUTURE YEARS*
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential one-time minimal increase	Potential one-time minimal increase	Potential one-time minimal annual increase
Other State Funds			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential one-time minimal increase	Potential one-time minimal increase	Potential one-time minimal annual increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2004 is July 1, 2003 – June 30, 2004.

*It is uncertain as to what revenue streams the state would use to cover the potential one-time minimal administrative costs associated with the workings of a State Facilities Closure Commission.

- ***Closing of state institutional facilities.*** The occasional one-time state administrative costs associated with the creation of a State Facilities Closure Commission and the subsequent performance of its duties appear unlikely to exceed minimal. How the affected state entities might cover those one-time costs is uncertain. Presumably, any number of state funding streams, including the General Revenue Fund (GRF), the General Services Fund Group, the Federal Special Revenue Fund Group, and the State Special Revenue Fund Group could, would, or might be expended for the purpose of covering those one-time costs.

Local Fiscal Highlights

- ***Closing of state institutional facilities.*** The bill's procedures for the closing of state institutional facilities in and of themselves should not create any immediate and direct local fiscal effects.

Detailed Fiscal Analysis

In any instance where the Governor intends to close a state institutional facility that was in operation on or after January 1, 2003, for the purpose of expenditure reductions or budget cuts, the bill requires:

- The General Assembly and target state agency be notified.
- Within seven days of the provision of such notice, an 11-member State Facilities Closure Commission be created within seven days after for the purpose of determining which state institutional facility or facilities under the control of the target state agency should be closed.
- The Commission consist of three Senate members, three House members, the Director of Budget and Management (OBM), the Director of the target state agency, two private executives with expertise in facility utilization and one member of a representative association of the employees of the state target agency, all of whom serve without compensation.
- Not later than 30 days after the Governor's notice, the Commission provide to certain parties a report containing its recommendations.
- Upon providing the report, the Commission ceases to exist.
- The Governor follow the recommendation of the Commission unless the Governor determines that a significant change in circumstances

makes the recommendation unworkable.

State fiscal effects

State expenditures

The creation of a State Facilities Closure Commission would in all likelihood produce no more than a minimal one-time increase in state expenditures principally associated with: (1) Commission members performing their duties, and (2) state employees providing staff assistance.

Commission members. The members of the Commission serve without compensation. Although the bill is silent on the matter, it is possible that Commission members could be eligible for and request reimbursement for expenses incurred during the performance of their Commission duties for such items as travel, meals, and lodging.

Staff assistance. Although the bill is silent on the matter, it also seems likely that the Commission would require some technical and support services and that such services would presumably be provided by the state target agency and OBM.

State revenues

State revenues should not be immediately and/or directly affected by the bill's state institutional facilities closure procedures.

Local fiscal effects

These state institutional facilities closure procedures, in and of themselves, should not create any immediate and/or direct local fiscal effects.

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