



Ohio Legislative Service Commission

Jason Phillips

Fiscal Note & Local Impact Statement

Bill: S.B. 185 of the 128th G.A. **Date:** January 27, 2010
Status: As Reported by Senate Finance & Financial Institutions **Sponsor:** Sen. Jones

Local Impact Statement Procedure Required: No — No local cost

Contents: Modifies the law concerning transfers of cash from non-General Revenue Funds to the General Revenue Fund

State Fiscal Highlights

- The bill prohibits the Director of Budget and Management from making cash transfers from non-GRF funds that include receipts from donations to the GRF. There are currently six such funds with a combined cash balance of approximately \$11.3 million that would no longer be available for transfer under the bill.
- In addition to codifying a quarterly reporting requirement concerning the amount of proposed cash transfers from non-GRF funds to the GRF, the bill requires a 90-day delay before these transfers may occur. This would reduce the Office of Budget and Management's flexibility in determining the cash transfers to be made.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Background

Recent budget acts have included the authority for the Director of Budget and Management to transfer cash from non-GRF funds that are not constitutionally restricted to the GRF. While transfers for the FY 2008-FY 2009 biennium were limited to a total of \$120 million, H.B. 1 of the 128th General Assembly, the main operating budget act for FY 2010-FY 2011, allows transfers of cash in an amount to ensure a balanced GRF budget. The H.B. 1 budget plan calls for rotary fund transfers to the GRF of \$139.3 million in FY 2010 and \$174.3 million in FY 2011, for a biennium total of \$313.6 million, though these figures are subject to change over the course of the biennium. H.B. 1 also requires the Director of Budget and Management to prepare quarterly estimates identifying funds from which cash transfers are to be made and the anticipated amount of those cash transfers.

Changes made by the bill

The bill prohibits transfers from funds that include the proceeds from cash donations. There are six such funds in the state treasury with a combined cash balance of approximately \$11.3 million as of January 27, 2010. The table below lists, by agency, the funds that receive revenue from charitable donations and shows their respective current fund balances.

Charitable Donation Rotary Funds			
Agency	Fund		Fund Balance
Capitol Square Review and Advisory Board	4G50	Capitol Square Renovation Gift Fund	\$8,101
Department of Health	4V60	Save Our Sight Fund	\$2,806,323
	5D60	Second Chance Trust Fund	\$2,253,269
Department of Job and Family Services	5DB0	Military Injury Relief Fund	\$723,647
Department of Natural Resources	5220	Natural Areas and Preserves Fund	\$3,298,935
	8170	Nongame & Endangered Wildlife Fund	\$2,232,505

This bill codifies the H.B. 1 requirement that the Office of Budget and Management (OBM) prepare quarterly estimates of cash transfers from non-GRF funds to the GRF and adds that the estimates be sent to the Governor, legislative leadership, and the media. Before making any transfers of cash from non-GRF funds to the GRF, the bill requires the Director of OBM to wait at least 90 days after the anticipated transfers have been indicated in a quarterly transfer estimate. This 90-day delay would reduce OBM's flexibility in determining the overall amount of cash transfers to be made.