

Greenbook
LSC Analysis of Enacted Budget

Controlling Board

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ATTACHMENT:

Budget Spreadsheet By Line Item

Controlling Board

- \$15 million appropriated for the unexpected

OVERVIEW

Duties and Responsibilities

The Controlling Board consists of the following seven members: the Director of the Office of Budget and Management (OBM) (or the Director's designee), the chairpersons or vice-chairpersons of the Senate and House Finance committees (as determined by the Speaker of the House and the Senate President), a majority member appointed from both the Senate and the House, and a minority member appointed from both the Senate and the House. The Director of OBM (or their designee) serves as the President of the Board.

The Board meets every two or three weeks to consider requests for action that are submitted by various state agencies. It most commonly takes action on matters related to: (1) the waiver of competitive selection for the purchase of goods and services, including real estate leases, (2) the transfer and release of capital appropriations, (3) the transfer of operating appropriations, (4) the increase or establishment of operating appropriations, (5) the creation of a new fund, and (6) the acquisition of real estate.

Appropriation Overview

The table below summarizes the Board's budget by fund group.

Controlling Board Appropriations by Fund Group, FY 2018-FY 2019 (Am. Sub. H.B. 49)					
Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
Internal Service Activity	\$0	\$7,500,000	N/A	\$7,500,000	0.0%
TOTAL	\$0	\$7,500,000	N/A	\$7,500,000	0.0%

*FY 2017 figures represent actual expenditures, which are "\$0," as the use of Controlling Board appropriations are accounted for as "transfers" not "expenditures."

Unlike other state agencies, the Controlling Board does not actually spend any of the appropriations placed under its control. Instead, the appropriations are transferred to other state agencies, carried forward to the next fiscal year, or allowed to lapse back into the available cash balance of the appropriate fund. The Controlling Board's FY 2018-FY 2019 appropriations will be used to cover costs related to unexpected events or situations, such as natural disasters.

Controlling Board Emergency Purposes Fund (Fund 5KM0)

The money credited to the Controlling Board Emergency Purposes Fund (Fund 5KM0) consists of cash transfers from the General Revenue Fund (GRF) and any other money appropriated by the General Assembly. The money in the fund is used by the Controlling Board at the request of a state agency or the Director of OBM for the purpose of providing disaster and emergency aid to state agencies and political subdivisions or for other purposes approved by the Controlling Board. At the close of FY 2017 on June 30, 2017, the fund's cash balance totaled \$30.7 million.

Temporary law provisions in the budget that will affect Fund 5KM0's cash flow over the course of the FY 2018-FY 2019 biennium include the following:

Cash Transfers from Fund 5KM0

- The Director of OBM, on July 1, 2017, or as soon as possible thereafter, is required to transfer \$7,500,000 from Fund 5KM0 to the GRF (Section 512.130).
- The Director of OBM, on July 1, 2017, or as soon as possible thereafter, is required to transfer \$3,500,000 from Fund 5KM0 to the Attorney General Reimbursement Fund (Fund 1060) used by the Office of Attorney General (Section 221.20).
- The Director of OBM, on July 1, 2017, or as soon as possible thereafter, is required to transfer \$500,000 from Fund 5KM0 to the Public Safety – Highway Purposes Fund (Fund 5TM0) used by the Department of Public Safety (Section 610.110).
- The Director of OBM, subject to certain specified circumstances, is required to transfer up to \$500,000 in each fiscal year from Fund 5KM0 to the Emergency Preparation and Response Fund (Fund 5UA0) used by the Department of Health (Section 291.70).
- The Secretary of State is permitted to request the Controlling Board to approve cash transfers from Fund 5KM0 to be used by the Secretary of State: (1) to pay the costs of printing and mailing unsolicited applications for absent voters' ballot for the November 2018 general election, and (2) to pay for the costs of public notices associated with statewide ballot initiatives (Section 395.20).

Also of note is a temporary law provision related to the Controlling Board-approved transfer of \$1.8 million from Fund 5KM0 in FY 2017 for the purpose of financing the Medical Marijuana Control Program start-up costs incurred by the Department of Commerce and the State Board of Pharmacy. At the time of the cash transfer, the stated intent was that, program revenue permitting, Fund 5KM0 would be repaid. The budget instead directs those repayments to the GRF (Section 512.70).

Controlling Board Authority

Unanticipated Revenue (vetoed but overridden¹)

The budget imposes a limitation on the Controlling Board's authority to approve the expenditure of certain federal and nonfederal funds (R.C. 131.35). The provision stipulates that the amount of any expenditure authorized by the Board for a specific or related purpose or item in any fiscal year may not exceed an amount greater than 0.5% of the GRF appropriations for that fiscal year. The federal funds to which the provision applies are those received into any state fund from which transfers may be made by the Controlling Board under continuing law. The nonfederal funds to which the provision applies are those received into any state fund from which transfers may be made by the Controlling Board, as well as the Waterways Safety Fund and the Wildlife Fund.

Purchase of ADP, Computer, and Electronic Services (vetoed)

The Governor vetoed a permanent law provision in the budget that would have required any state agency purchase of automatic data processing (ADP), computer services, electronic publishing services, or electronic information services, or any consulting service related to information technology, the aggregate cost of which would exceed \$50,000 over the succeeding five years, be made by competitive selection and subject to Controlling Board approval (R.C. 125.03).

Agency Procurement of Energy (vetoed)

The Governor vetoed a permanent law provision in the budget that would have required any state agency contract for the procurement of energy, the aggregate cost of which would exceed \$50,000 over the succeeding five years, be made by competitive selection and subject to Controlling Board approval (R.C. 125.03).

Purchase of Advertising by State Governmental Entities

A provision in the budget requires Controlling Board approval of any advertising purchased with public money by an official elected to a statewide office or a member of the General Assembly for the same purpose that, in the aggregate, exceeds \$50,000 during the fiscal year (R.C. 125.051). For this purpose, "advertising" includes advertising in printed or electronic newspapers, journals, or magazines and advertising broadcast over radio and television or placed on the Internet.

¹ This provision was vetoed by the Governor. However, on July 6, 2017, the House voted to override the Governor's veto and on August 22, 2017, the Senate also voted to override the veto. As a result, this provision will become law.

ANALYSIS OF ENACTED BUDGET

The table below shows the lone line item that will be used by the Controlling Board to assist various state agencies and political subdivisions, as well as the enacted funding levels. It is then followed by a narrative describing how each appropriated amount will be used.

Appropriations for the Controlling Board				
Fund		ALI and Name	FY 2018	FY 2019
Internal Service Activity (ISA) Fund Group				
5KM0	911614	Controlling Board Emergency Purposes/Contingencies	\$7,500,000	\$7,500,000
Total Funding: Controlling Board			\$7,500,000	\$7,500,000

Controlling Board Emergency Purposes/Contingencies (ISA line item 911614)

The budget appropriates \$7,500,000 in each of FYs 2018 and 2019 for this line item, which may be used, at the request of a state agency or the Director of OBM, to provide disaster and emergency aid to state agencies and political subdivisions or for other purposes approved by the Controlling Board.² The line item is supported by money appropriated from the Controlling Board Emergency Purposes Fund (Fund 5KM0), which consists of cash transfers from the GRF and any other money appropriated by the General Assembly.

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² These intended uses are specified in R.C. 127.19.

FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
CEB Controlling Board								
5KM0	911614	Controlling Board Emergency Purposes/Contingencies	\$0	\$0	\$ 7,500,000	N/A	\$ 7,500,000	0.00%
Internal Service Activity Fund Group Total			\$0	\$0	\$ 7,500,000	N/A	\$ 7,500,000	0.00%
Controlling Board Total			\$0	\$0	\$ 7,500,000	N/A	\$ 7,500,000	0.00%