

As Introduced

132nd General Assembly

Regular Session

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H. B. No. 262

Representatives Butler, Romanchuk

**Cosponsors: Representatives Becker, Dean, Goodman, Henne, Hood, Johnson,
Retherford, Riedel, Sprague, Stein, Thompson, Wiggam**

A BILL

To amend section 126.02 and to enact sections 1
101.61, 103.31, 103.32, 103.33, 103.34, 103.35, 2
103.36, 103.37, and 103.38 of the Revised Code 3
to provide for the preparation of a state 4
biennial budget independent of that submitted by 5
the Governor and to authorize the Legislative 6
Service Commission, upon the request of the 7
Speaker of the House of Representatives or the 8
President of the Senate, to arrange for an 9
independent actuarial review of a proposed bill, 10
specified analyses of economic policy 11
initiatives and state benchmarking data, and a 12
study of the state's long-range financial 13
outlook. 14

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 126.02 be amended and sections 15
101.61, 103.31, 103.32, 103.33, 103.34, 103.35, 103.36, 103.37, 16
and 103.38 of the Revised Code be enacted to read as follows: 17

Sec. 101.61. The chairperson of the house finance 18

committee or the chairperson of the senate finance committee, 19
upon receipt of the information certified by the director of 20
budget and management under section 126.02 of the Revised Code 21
and the budget request of each state agency, may instruct the 22
legislative service commission on the preparation of a main 23
operating appropriations bill independent of the state budget 24
submitted by the governor under section 107.03 of the Revised 25
Code. 26

Sec. 103.31. The speaker of the house of representatives 27
or the president of the senate may, at any time, request the 28
director of the legislative service commission to arrange for 29
the performance of an independent actuarial review of any 30
proposed bill. Subject to section 103.37 of the Revised Code, 31
the director may, in making this arrangement, retain one or more 32
private actuaries on a consulting basis. Any actuary retained 33
shall be a member in good standing of the American academy of 34
actuaries. 35

Sec. 103.32. (A) The speaker of the house of 36
representatives or the president of the senate may, at any time, 37
request the director of the legislative service commission to 38
arrange for either of the following: 39

(1) A dynamic forecast and analysis of any tax proposal or 40
other economic policy initiative; 41

(2) A compilation of benchmarking data that compares this 42
state to other states with respect to key business and fiscal 43
metrics. 44

(B) Subject to section 103.37 of the Revised Code, the 45
director may retain tax analysts, economists, and other finance 46
or business professionals on a consulting basis to assist the 47

commission in the completion of any request received under 48
division (A) of this section. 49

Sec. 103.33. The speaker of the house of representatives 50
or the president of the senate may, at any time, request the 51
director of the legislative service commission to arrange for a 52
study of the long-range financial outlook of the state in 53
accordance with sections 103.34 and 103.35 of the Revised Code 54
for the purpose of providing impartial, accurate information to 55
assist the general assembly in establishing the state's biennial 56
budget. Subject to section 103.37 of the Revised Code, the 57
director may, in making this arrangement, retain certified 58
public accountants, certified financial analysts, economists, 59
and banking professionals on a consulting basis. 60

Sec. 103.34. A study of the long-range financial outlook 61
of the state shall, at a minimum, include all of the following: 62

(A) A review of the current fiscal position of the state, 63
including the state debt and debt service, and the establishment 64
of a method for a long-range financial projection at the state 65
level in order to help maintain the state's financial stability 66
between fiscal years and avoid future budget problems; 67

(B) The integration of baseline projections of the budget 68
requirements of the major programs comprising the state's budget 69
with revenue estimates for the state based on current law; 70

(C) Economic forecasts for the state; 71

(D) A review of the demographics of the state; 72

(E) The collection of information from state agencies 73
about their financial status and projections for the next four 74
fiscal years. 75

Sec. 103.35. (A) Upon completion of the review and 76
analysis required under section 103.34 of the Revised Code, 77
those conducting the study shall issue a long-range financial 78
outlook report. The report shall include, but shall not be 79
limited to, the following information: 80

(1) Projections of future financial needs of the state for 81
the next four fiscal years; 82

(2) Projections of future resources of the state; 83

(3) Actual revenues for the previous three fiscal years 84
and revenue estimates for the next four fiscal years; 85

(4) A review of both revenue estimates and projections for 86
the budget requirements and expenditures of major state-funded 87
programs; 88

(5) Per agency workload estimates for state agencies. 89

(B) The legislative service commission shall submit the 90
report to the general assembly. 91

Sec. 103.36. The legislative service commission may 92
request any department, division, institution, board, authority, 93
bureau, or other instrumentality or officer of the state, a 94
county, a municipal corporation, a township, a school district, 95
or other governmental entity of the state to provide any 96
information the commission requires for purposes of an actuarial 97
review conducted under section 103.31 of the Revised Code, a 98
forecast and analysis performed under division (A) (1) of section 99
103.32 of the Revised Code, the state benchmarking data compiled 100
pursuant to division (A) (2) of section 103.32 of the Revised 101
Code, or a study of the long-range financial outlook of the 102
state conducted under sections 103.33 to 103.35 of the Revised 103
Code. The commission shall specify the manner of compliance, and 104

the period of time for compliance, in its request. 105

An instrumentality, officer, or entity shall comply with a 106
request within the period of time specified in the request. 107

Sec. 103.37. The state shall not enter into a contract 108
with any consultant under section 103.31, 103.32, or 103.33 of 109
the Revised Code unless the director of the legislative service 110
commission makes a written determination prior to entering into 111
the contract or within a reasonable time after entering into the 112
contract that utilizing such a consultant is both cost-effective 113
and in the public interest. Any written determination shall 114
include findings as to whether there exist sufficient and 115
appropriate technical and financial resources within the 116
legislative service commission to handle the matter involved. 117

A copy of each such contract between the state and a 118
consultant shall be posted on the commission's web site and 119
shall remain posted on the web site for the duration of the 120
contract. 121

Sec. 103.38. Not later than the first day of September of 122
each year, the director of the legislative service commission 123
shall submit a report to the commission regarding the use in the 124
preceding fiscal year of consultants to assist the commission in 125
the completion of any request received under section 103.31, 126
103.32, or 103.33 of the Revised Code, if such consultants were 127
used. 128

Sec. 126.02. The director of budget and management shall 129
prepare and submit to the governor, biennially, not later than 130
the first day of January preceding the convening of the general 131
assembly, state budget estimates of revenues and expenditures 132
for each state fund and budget estimates for each state agency, 133

except such estimates as are required under section 126.022 of 134
the Revised Code. The budget estimates for each state agency for 135
which direct appropriations are proposed shall include the 136
following details: 137

(A) Estimates of the operating budget; 138

(B) Estimates of the subsidy appropriations necessary, 139
delineated by a distinct subsidy program; 140

(C) Estimates for special purposes, delineated by a 141
distinct special purpose program; 142

(D) Estimates of appropriations necessary from each fund 143
in reasonable detail to allow for adequate planning and 144
oversight of programs and activities. 145

In the preparation of state revenue and expenditure 146
estimates, the director of budget and management shall, not 147
later than the fifteenth day of September in the year preceding 148
the first regular session of the general assembly, distribute to 149
all affected state agencies the forms necessary for the 150
preparation of budget requests, which shall be in the form 151
prescribed by the director in consultation with the legislative 152
service commission to procure information concerning the 153
revenues and expenditures for the preceding and current 154
bienniums, an estimate of the revenues and expenditures of the 155
current fiscal year, and an estimate of the revenues and 156
proposed expenditures for the respective agencies for the two 157
succeeding fiscal years for which appropriations have to be 158
made. Each such agency shall, not later than the first day of 159
November, file with the director its estimate of revenues and 160
proposed expenditures for the succeeding biennium. 161

~~Each such agency shall, not later than the first day of~~ 162

~~December and, at the same time,~~ file with the chairperson of the 163
finance committees of the senate and house of representatives 164
and the legislative service commission a duplicate copy of such 165
budget request. 166

The budget request shall be accompanied by a statement in 167
writing giving facts and explanation of reasons for the items 168
requested. The director and the legislative service commission 169
may make further inquiry and investigation as to any item 170
desired. The director may approve, disapprove, or alter the 171
requests, excepting those for the legislative and judicial 172
branches of the state. The requests as revised by the director 173
constitute the state budget estimates of revenues and 174
expenditures which the director is required to submit to the 175
governor. 176

Not later than the thirty-first day of December of each 177
even-numbered year or, if in the following year a new governor 178
is inaugurated, the thirty-first day of January of that 179
inauguration year, the director shall certify to the chairperson 180
of the finance committees of the senate and house of 181
representatives and the legislative service commission the 182
estimated beginning cash balance of the general revenue fund for 183
the next fiscal year, the estimated expenditure levels for all 184
general revenue fund and nongeneral revenue fund appropriation 185
items for the current fiscal year, and the estimated baseline 186
nontax revenues to the general revenue fund for the following 187
two fiscal years, that will be used in preparing the state 188
budget presented to the governor. 189

The director shall determine a method to incorporate the 190
principles of zero-based budgeting into the forms prescribed in 191
this section. 192

Section 2. That existing section 126.02 of the Revised Code is hereby repealed. 193
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