

ROBERT SPRAGUE

OHIO TREASURER

Commissioners of the Sinking Fund and State Board of Deposit Budget Testimony
Marj Kruse, Deputy Treasurer for Ohio Treasurer Robert Sprague
Tuesday, April 30, 2019

Good morning Chairman Schuring, Vice-chair Rulli, Ranking Member Yuko, and members of the Senate Finance General Government and Agency Review Subcommittee. My name is Marj Kruse and I serve as Deputy Treasurer in the Office of the Ohio Treasurer of State. Thank you for allowing me to outline the biennial budget requests for the Board of Commissioners of the Sinking Fund and the State Board of Deposit on behalf of Treasurer Robert Sprague.

The five state-wide officeholders serve as the Board of Commissioners of the Sinking Fund: the Auditor of State, the Secretary of State, the Governor, the Treasurer of State, and the Attorney General. The primary responsibility of the Commissioners of the Sinking Fund is to administer debt service payments and expenses directly related to Ohio's general obligation bonds. These bonds have been issued for ten purposes: primary and secondary education facilities, higher education facilities, highway capital improvements, parks and natural resources capital improvements, conservation projects, local infrastructure projects, coal research and development, site development for business, Third Frontier research and development projects, and compensation for veterans who served during the Persian Gulf, Afghanistan, and Iraq conflicts. The Board is requesting \$2.64 billion over the biennium, a ten percent increase from FY 2018-19 expenditures. All monies will be used to make debt service payments in accordance with the established debt repayment schedules. A semi-annual report of the Sinking Fund's activities is provided to the Governor and the General Assembly. The report contains detailed descriptions of the bonds and their associated debt service funds, including various schedules showing issuances, maturities, scheduled repayments of principal and interest, and other information.

The State Board of Deposit is comprised of the Treasurer of State, the Auditor of State, and the Attorney General. The Board is responsible for designating qualified financial institutions as state depositories, monitoring state deposits, providing oversight of state investments, and approving payment of service charges. The Board of Deposit employs no staff and receives no GRF funding. The Board is funded by the Investment Earnings Redistribution Fund (Fund 6080). The Board is requesting \$1,876,000 for each year of the biennium. This funding will cover banking and custody expenses, as well as expenses related to the operation of the state's regular bank account and certain other state accounts.

Again, Mr. Chairman and members of the subcommittee, thank you for inviting me to be here today. I am happy to answer any questions you may have.