

Redbook

LBO Analysis of Executive Budget Proposal

Board of Deposit

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LBO Redbook

Board of Deposit

Quick look...

- The Ohio Board of Deposit (BDP), contained in the Office of the Treasurer of State (TOS), designates financial institutions to function as public depositories, manages contracts with those institutions, and regulates deposits of state moneys.
- BDP employs no staff and receives no GRF funding.
- The BDP budget recommendation is for approximately \$1.7 million per year, and is used to pay bank fees and other costs necessary to maintain the Ohio Regular Bank Account and other public banking needs. A small portion of expenditures pays for personal services provided by TOS.

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| Fund 4M20 ALI 974601, Board of Deposit | | | | | |
| \$921,222 | \$1,253,357 | \$1,246,687 | \$1,688,400 | \$1,688,400 | \$1,688,400 |
| % change | 36.1% | -0.5% | 35.4% | 0.0% | 0.0% |

Agency overview

The State Board of Deposit is composed of three elected officials or designees of these officials: the Treasurer of State (TOS), the Auditor of State, and the Attorney General. The TOS or the TOS’s representative serves as the Board’s chairperson. The TOS is required to designate a TOS departmental employee to serve as the secretary of the Board.

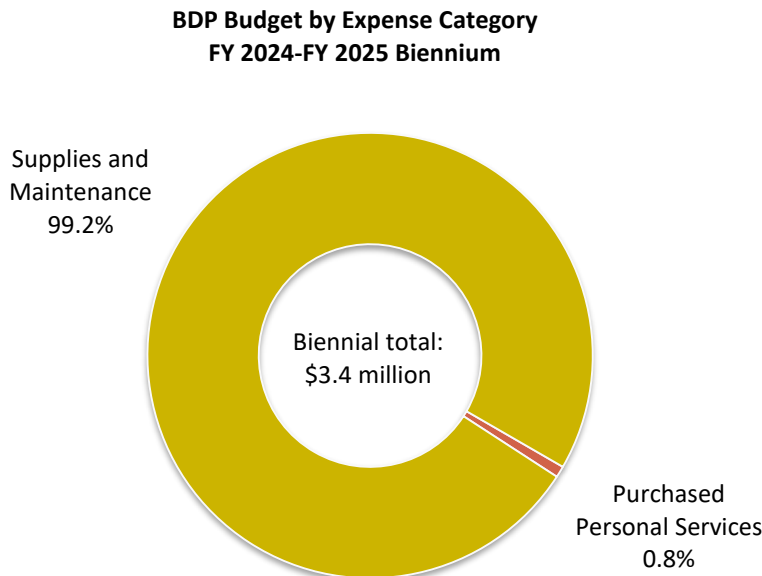
The Board’s major functions are to designate qualified financial institutions and banks to serve as public depositories, to regulate the deposits of state money into these institutions, to approve bank service charges and bank earnings credits, and to confirm the designation and investment of interim moneys of the state.

The Board has no employees, but the staff of the Treasurer of State provides some support for the State Board of Deposit (BDP).

Analysis of FY 2024-FY 2025 budget proposal

The executive proposal is for appropriations of \$1.7 million each year for FY 2024 and FY 2025. The amount each year is the same as the estimated FY 2023 expenses. Over 99% of this funding is to pay for banking charges and fees required for the operation of the Treasurer’s regular bank account and two auxiliary accounts: the Consolidated Check Clearing Account and the Treasurer’s Custodial Contingency Account (these charges and fees are classified as supplies and maintenance in the chart below). A small portion of funding, \$14,000 per fiscal year, is to pay for support services provided by TOS staff.

BDP uses no GRF moneys. Language in the executive budget requires the Director of Budget and Management to make transfers to pay for expenses necessary for the operation of BDP and the state of Ohio Regular Account. Expenditures are made from the Board of Deposit Expense Fund (Fund 4M20), which receives transfers of cash from the Investment Earnings Redistribution Fund (Fund 6080) after certification of the Board's expenses.



Board of Deposit (ALI 974601)

This line item provides for expenses necessary for BDP to operate and covers banking charges and fees accrued through operation of the bank accounts mentioned above. The executive recommendation is \$1.7 million each for FY 2024 and FY 2025, the same operating costs as those anticipated in FY 2023. Funding for this line item comes from transfers from the Investment Earnings Redistribution Fund (Fund 6080).

Each month, the Board's chairperson is required to provide a report on the state of interim moneys invested in public institutions, and a separate report on expenses incurred in maintaining accounts with public depositories. The reports are posted on BDP's website, which is maintained by TOS.

Staff work with financial institutions to encourage participation as public depositories, manage contracts with participants, and ensure contract compliance on behalf of BDP and TOS. As of February 9, 2023, a total of 93 financial institutions throughout the state were designated by the Board as public depositories for state funds.¹

BDP/lb

¹ [A list of depository financial institutions](#) is available on the TOS website (visited February 9, 2023).