

# ROBERT SPRAGUE

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OHIO TREASURER

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Chairman Blessing, Ranking Member Smith, and members of the Senate Ways & Means Committee, thank you for providing me the opportunity to offer proponent testimony on Senate Bill 74

Also referred to as “Treasury Modernization” legislation, Senate Bill 74 is the latest in a series of efforts undertaken by the Ohio Treasurer’s office to modernize and streamline operations.

Since taking office in 2019, Treasurer Sprague has implemented a variety of reforms that have reduced duplication, aligned office processes with today’s banking environment, and reimagined long-standing programs to better serve Ohioans.

Previous reforms have included forging a partnership with the DeWine-Husted Administration to merge the Ohio Checkbook with the Office of Budget and Management’s Interactive Budget to form the revamped OhioCheckbook.gov, which created a singular online portal for residents to see how public dollars are being managed and spent. Additionally, Treasurer Sprague closed the Treasurer’s office’s physical cashier’s window in the State Office Tower to reflect the prevalence of modern, electronic banking and developed new applications for the processing of certain payments by state agencies, helping the office to better serve its government partners.

Sponsored by Senator Theresa Gavarone, Senate Bill 74 builds on that work by making a series of updates to Ohio Revised Code to better reflect the modern landscape of public finance. In total, the legislation would repeal 27 outdated and unnecessary sections of Revised Code from law.

Changes include:

- repealing a 50-plus year-old section of code that created a fund that was never utilized;
- amending sections of code addressing electronic tax payments to account for the existence of the Ohio Business Gateway;
- updating sections of law regarding investment terminology, debt management, and banking relationships that have not been revised for decades; and
- amending code to achieve statutory consistency regarding matters of pledged collateral across state agencies.

These modernization measures, as well as other provisions contained in the bill, have been thoroughly vetted with all impacted state agencies and local entities with no indication of opposition.

As part of this modernization effort, we are also proposing to revise the statutes governing the office's linked deposit program to achieve uniformity across the various product offerings and align with current operations. Linked deposits are an investment tool used by the office whereby a certificate of deposit (CD) is placed at a qualifying financial institution at a below-market rate under the condition that the interest forgone by the state is passed along to an eligible Ohio borrower.

While the concept is simple, over the years, as new programs were established and others went dormant, the corresponding revised code sections were never harmonized. We are proposing to repeal all revised code sections impacting the Treasurer's linked deposit programs and replace them with a clean and streamlined version that retains the office's existing authority to operate currently active programs.

In all, Senate Bill 74 contains common-sense, good government reforms that will move the Ohio Treasurer's office and its operations further into the 21<sup>st</sup> century.

Again, Mr. Chairman and members of the committee, thank you for affording me the opportunity to speak on the merits of Senate Bill 74 and the many ways this legislation builds on the reform work that has occurred over the past four years. I am happy to answer any questions you may have.

Thank you,

Zach Prouty  
Director of Policy & Legislative Affairs