

ROBERT SPRAGUE

OHIO TREASURER

**FY 2026-2027 State Operating Budget
House Finance Committee
Ohio Treasurer Robert Sprague
Tuesday, February 11, 2025**

Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for providing me the opportunity to discuss the work of the Treasurer's office, as well as our current budget request for the upcoming biennium.

As the state's banker and chief investment officer, the Treasurer's office manages state revenue, provides for its investment, and serves as the custodian of public financial assets. The office also issues bonds on behalf of the state and ensures timely payment of principal and interest. The state treasury is approximately \$25 billion, with \$1.5 billion in investment earnings over the biennium so far. Our STAR Ohio investment pool serves over 2,000 local government entities, with \$23 billion under management and over \$700 million in interest earnings distributed to participants thus far in FY 25.

My office also provides administrative support and manages the budget requests for both the Board of Deposit and the Commissioners of the Sinking Fund. The Board of Deposit designates the depositories for the public moneys of the state and implements the Uniform Depository Act as it applies to the state. The Board's funding pays for expenses related to the operation of the state's regular bank account, auxiliary accounts, and certain other state accounts. Board members include the Treasurer of State, the Auditor of State, and the Attorney General. The Commissioners of the Sinking Fund is a constitutionally created, but statutorily defunct entity that facilitated payment of debt service. Its functions have been absorbed by both TOS and the Ohio Public Facilities Commission. The only remaining "duty" of the Commissioners is the preparation and distribution of a semi-annual report on the State's General Obligation debt; that report is prepared by the Debt Management department in the Treasurer's office.

Standing before you today, I can assure you that we have executed these duties with an unwavering commitment to service and stewardship. Additionally, the Treasurer's office administers a variety of programs designed to support families, businesses, and local governments across the Buckeye State.

For Fiscal Years 2026 and 2027, the Treasurer's office is respectfully requesting a reduction of approximately 51% in GRF funding from its Fiscal Year 2025 appropriation.

Our mission is to be trusted stewards of Ohio's Treasury, wise investors in Ohio's future, and bold innovators committed to improving people's lives. Because of prudent budget management, improved operational efficiencies, and forward-thinking program implementation, the Treasurer's office can reduce GRF funding, while continuing to provide first-rate service to state agency partners, local governments, and residents across our state.

Two years ago, my office pursued legislation, ultimately enacted through the last operating budget, that made significant revisions to our various code sections. The “Treasury Modernization” legislation amended or repealed over 100 outdated code sections, and now the office is able to operate much more efficiently as a result. Since then, we have identified about 15 other revisions that we hope to introduce in legislation soon.

Now in its ninth year, STABLE Account continues to be the nation’s premier ABLE program, offering savings and investment accounts for people living with disabilities. At the end of 2024, STABLE Account had more than 44,000 accounts, totaling over \$526 million in assets under management. Furthermore, STABLE Account has partnered with more than 25 public and private employers to offer a payroll direct deposit option for employees living with disabilities and their families. I am also pleased to announce that for the first time since program inception, we will be pursuing a package of STABLE enhancements as standalone legislation to make an already valuable program even better. One provision will be to fully fund any account maintenance fees for Ohio STABLE Account holders. Once enacted, this change would defray any and all costs for participating in STABLE Account for this population.

Another way the Treasurer’s office supports our local government partners is through its Center for Public Investment Management (CPIM). CPIM offers financial educational programs for country treasurers and other local fiscal officers on topics like investment, cash management, debt issuance, ethics, and how to prepare for economic development opportunities as they arise.

Now I’d like to briefly touch on a few more of the Treasurer’s office initiatives that were only made possible with the support of our legislative partners.

Launched in January of 2024, in collaboration with the Governor’s Office and the Department of Taxation, the Ohio Homebuyer Plus program creates specialized, tax-advantaged savings accounts to assist Ohioans on their homebuying journey. The program’s popularity has grown rapidly in the first year, and at the end of 2024 there were more than 18,000 accounts across 60+ financial institutions. In December 2024, you all passed SB 257, which extended program eligibility to active-duty military service members stationed in Ohio, offering these benefits to the men and women serving our country. To purchase a home in Ohio is to invest in Ohio, and the Treasurer’s office is doing its part to help make the dream of homeownership a reality for more Ohioans.

Switching gears to another program in the Treasurer’s Office, the long standing Ag-LINK program continues to thrive. Reform work conducted in 2022 allowed increased flexibility and expanded program eligibility. The changes have resulted in back-to-back-to back record-setting years for Ag-LINK. In 2024, Ag-LINK helped nearly 4,000 Ohio farmers save nearly \$20 million in interest costs. We take great pride in our ability to step up to the plate and find new ways to help our farmers save precious dollars, which is why last month we announced special Ag-LINK enhancements for farmers living in Ohio counties most impacted by last summer’s drought. These enhancements allow for larger dollar borrowings, a longer loan duration, and an even

greater interest rate reduction. I look forward to seeing how these enhancements help our farmers in the coming months.

With your past support, the ResultsOHIO program partnered with the Foundation for Appalachian Ohio, Vision To Learn, Ohio Optometric Foundation, University of Cincinnati Evaluation Services Center, and 23 school districts to serve thousands of students through the use of mobile vision clinics. The first completed ResultsOHIO project was deemed successful according to pre-determined metrics. 3,974 students received eye exams, 915 students were referred to other providers for serious eye conditions, and 3,418 students received eyeglasses. Due to continued interest in the ResultsOHIO model by Ohio-based organizations and philanthropic funders, there may be new opportunities to consider potential projects in the future.

These are just a few examples of how we've worked together over the past six years to make a difference in the lives of Ohioans. I'm confident this list will only continue to grow and I look forward to finding ways the Treasurer's office can help you achieve your goals and best serve your constituents.

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