

ROBERT SPRAGUE

OHIO TREASURER

Good afternoon, Chairman Claggett, Vice Chair Workman, Ranking Member Mohamed, and members of the Technology and Innovation Committee. My name is Zach Prouty. I serve as the Deputy Chief of Staff for Ohio Treasurer Robert Sprague. I am here today to give proponent testimony on HB 413 specifically, and the Ohio Checkbook generally.

The current Ohio Checkbook is delivered in partnership among the Treasurer's office, the Office of Budget and Management (OBM), and the Department of Administrative Services (DAS). Our partnership began in 2020, after about half a decade of our agencies delivering financial transparency in different and sometimes competing ways.

As a brief background, the Ohio Checkbook was initially launched over a decade ago by the Ohio Treasurer's office. The former platform ultimately included expenditure information of local and state government entities, along with information from our state's public pension systems. Shortly thereafter, OBM launched its own interactive website detailing how the state of Ohio budgets and spends tax dollars. OBM's online Interactive Budget provided a much more robust and complete picture of state finances, as it included data concerning state expenditures, revenues, and appropriations. In addition, its data was updated on a daily basis. The Ohio Checkbook was updated less frequently, as information was requested, sometimes through records requests, and posted on the platform. However, the OBM platform did not contain local government finance data. In many ways, these efforts, especially as they relate to state data, were duplicative and in competition with one another.

In 2020, Treasurer Sprague and Governor DeWine's team, specifically now Senator Jon Husted, led a joint effort between the three agencies to create one unified online transparency platform. This effort streamlined website administration, eliminated duplication, and drastically lowered overall costs to Ohioans. This arrangement was codified in statute in the 2021 budget. Today's Ohio Checkbook interfaces with OBM and the Ohio Administrative Knowledge System (OAKS), allowing state revenue and expenditure information to be uploaded daily.

However, local government expenditure data, which is processed by the Ohio Treasurer's office, works much differently. While the State of Ohio operates through a single accounting system, there is no single accounting system being used across all local government entities throughout Ohio. According to our assessment, local governments that voluntarily participate on the Ohio Checkbook utilize more than 30 different accounting systems. While all of Ohio's local governments are welcome to share their expenditure information on the Ohio Checkbook, the number of local governments that have, at one point or another, displayed data on the site is over 1,100. The number of local governments actively participating is lower, with about 500 political subdivisions providing consistent updates to their data. In addition to local government

expenditure data, our office is responsible for processing expenditure and salary data of Ohio five statewide public pensions and salary data for public schools.

The bill before you would recreate the local side of the Checkbook to make the end result more automated, informative, and ultimately more valuable for the Ohio taxpayers. We estimate that, once the new Checkbook is fully implemented, about 4,000 local governments would be required to participate on an annual basis. That would clearly be a substantial increase in the size and scope of the Checkbook, and that is why we have crafted the language in HB 413 to give TOS all that we need to implement this as efficiently as possible.

Chairman Claggett, Vice Chair Workman, Ranking Member Mohamed, and members of the Technology and Innovation Committee, thank you once again for the opportunity to testify on House Bill 413. I'm happy to answer any questions you might have.

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