

# ROBERT SPRAGUE

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## OHIO TREASURER

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Good morning, Chairman Schaffer, Vice-chair Koehler, Ranking Member Hicks-Hudson, and members of the Senate Agriculture & Natural Resources Committee. My name is Zach Prouty, and I serve as the Director of Policy and Legislative Affairs in the Office of Ohio Treasurer Robert Sprague. Thank you for allowing me to join you today to outline the biennial budget requests for the Commissioners of the Sinking Fund and the State Board of Deposit.

The Sinking Fund is a constitutionally created entity that is responsible for servicing debt for the State of Ohio. The Fund has five commissioners that include the Auditor of State, Secretary of State, Governor, Treasurer of State, and Attorney General. The primary responsibility of the commissioners is to administer debt service payments and expenses directly related to Ohio's general obligation bonds. The proceeds of these bonds have been used for primary and secondary education facilities, higher education facilities, coal research, parks and natural resources capital improvements, conservation projects, local infrastructure projects, highway capital improvements, site development for business, Third Frontier research, and compensation for veterans who served during the Persian Gulf, Afghanistan, and Iraq conflicts. In practice, the duties of the Fund have been delegated to the Treasurer of State and the Ohio Public Facilities Commission for many years. The commission itself has only met once in the last 20 years, and not since 2008.

The sinking fund is requesting \$959 million in FY 26 and \$912 million in FY 27. All monies will be used to make debt service payments.

Additionally, the State Board of Deposit is comprised of the Treasurer of State, Auditor of State, and Attorney General. The Board is responsible for designating qualified financial institutions as state depositories, monitoring state deposits, approving payment of service charges, and providing oversight of state investments. 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 \$1,688,400 for each year of the biennium. This funding will cover expenses related to the operation of the state's regular bank account and certain other state accounts.

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