

Testimony Of
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Ohio Senate Government Oversight and Reform Committee
Office of Budget & Management's Executive Budget Proposal
Fiscal Years 2026 and 2027

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Chair Manchester, Vice Chair Brenner, Ranking Member Weinstein, and members of the Ohio Senate Government Oversight and Reform Committee, I am pleased to have this opportunity to discuss the Office of Budget and Management's agency budget for the FY 2026-2027 biennium. OBM administers and manages the state's financial operations, consistent with state and federal law. As the state's chief financial officer, I am continually focused on improving state government to encourage effective and efficient management of our resources on behalf of the citizens of Ohio. My staff and I are proud to be a strategic and innovative fiscal and management partner to all state agencies, boards, and commissions.

OBM's mission includes developing and implementing agency budgets; administering the state accounting system; and processing, monitoring, and reporting on all state financial transactions. This includes regular reporting on the conditions of the state economy and financial information to the Governor, General Assembly, and federal government, and providing financial management services to agencies and entities at all levels of state government.

We provide policy analysis and fiscal research to the Governor and state agencies, safeguarding the proper and responsible use of state dollars and assets. In addition to facilitating and implementing state budgets, OBM produces the state's annual financial reports, administers the state's bond portfolio, and oversees the statewide internal audit program. We assist local governments and our state agency partners with grant funding and administer funds to reduce bureaucracy and provide impact to programs and people. As a central service agency, OBM supports our customers by effectively implementing a shared services program, by reengineering business processes, and by providing outreach and training.

LEADING BY EXAMPLE

OBM strives to lead by example, demonstrating that transparency and data-driven decision-making safeguard public dollars and help us operate efficiently and effectively. Delivering results, OBM:

- Provides complete budget transparency by making all receipts and payments available daily, in a searchable format on the state's [Ohio Checkbook](#) website. A decade of Ohio financial data is entirely open and accessible to the general public.
- Makes available the detailed financial statements which are also published online, including our new [Popular Annual Financial Report](#) so citizens know how their tax dollars are spent and can ask questions about spending decisions.
- Ensures accuracy in financial transactions using data analytics in collaboration with InnovateOhio. This work has identified more than \$9.5 million in duplicate payments since the tool was implemented in 2019, and OBM worked with agencies to recoup the funds.
- Delivers the best value in financing state infrastructure by achieving AAA ratings from the top three credit rating agencies for the first time in history. This saves Ohio taxpayers millions every year by reducing our interest rates when we issue bonds, and saves money for local school districts who receive improved credit ratings by participating in our credit enhancement program.
- Saved billions of dollars for Ohio taxpayers by reducing state debt. In FY 2023-2024, the capital budget bill authorized OBM to transfer available cash from the GRF to support projects instead of issuing long-term debt. The savings achieved from using cash will save taxpayers \$1.3 billion in interest costs over the next 20 years. At the same time, Ohio paid off existing debt. By the end of calendar year 2024, the total outstanding debt had fallen by \$3 billion, or 30 percent. As a measure of debt per capita – and adjusting for inflation – Ohioans are paying less now on a per person basis towards state GRF-supported bonds than at any point in the past four and a half decades.
- In addition to the money saved by reducing debt, OBM recently saved Ohio taxpayers \$57 million by refinancing Higher Education bonds.

EFFICIENCY IN ACTION

OBM strives to do the right things the right way and being efficient is always the right way. We collaborated both internally within our agency and externally with our partners to accomplish many efficiencies:

- Late last year, OBM modernized state payment card processes to reduce agency processing time, maintain a sound audit trail, and ensure transparency and accountability for all public funds. Reducing unnecessary steps and providing agencies with user-friendly tools allows them to focus more time on their core missions to serve Ohioans.
- OBM recently updated our central repository for counties and local governments to find information about electronic payments they receive from the state. This resource helps our local governments quickly identify and account for the myriad of different payments they receive electronically from the state to ensure our public dollars go where they were intended to and put to use as quickly as possible.
- We worked with the Treasurer of State to quickly identify forged warrants and address claims more efficiently. Forgery occurs when someone other than the payee cashes a check without the payee's consent. The new approach eliminates forms and speeds up fund recovery efforts.
- Preventing fraud and securing data entrusted to the state is paramount to OBM. By maintaining our supplier database and removing inactive accounts, we add layers of protection against fraud and ensure we have the most up-to-date information to make payments to entities doing business with the state.

The budget, as proposed, will allow OBM to continue to responsibly steward state tax dollars and deliver results to the citizens of Ohio.

OBM'S EXECUTIVE BUDGET

OBM's budget for agency operations totals \$32.2 million in fiscal year 2026 and \$33.7 million in fiscal year 2027.

Our **General Revenue Fund** budget totals \$4.4 million in FY 2026 and \$4.8 million in FY 2027. GRF expenditures comprise 13.7 percent of the total OBM budget.

Interagency Funds account for 86 percent of OBM's operating budget. This funding supports the review, analysis, and reporting of the state's financial activities, internal audit functions, and the centralized accounting and financial operations offered through

our financial support services. In FY 2025, as a result of sound fiscal management, OBM was able to reduce the payroll checkoff charge by 10% for state agencies and will continue with this reduced rate into FY 2026.

GUBERNATORIAL TRANSITION

You will note in the second year of the upcoming biennium that OBM's GRF budget includes a line item for gubernatorial transition costs. We know in the next biennium that Ohio will elect and inaugurate a new Governor. The Ohio Revised Code requires OBM to pay staffing, office rent, and other transition costs the Governor-elect will incur in the weeks of preparation from election to inauguration. OBM's budget includes this line item each time there is a new Governor.

CONCLUSION

As outlined today, OBM delivers results. We are focused on continuous improvements to find and implement operational efficiencies, save taxpayer dollars, support local governments, and achieve Governor DeWine's goal of executing a conservative budget that is structurally balanced.

I appreciate the opportunity to appear before you today, and I am happy to answer any questions that you have.

OBM Budget Request

Agency	Fund Group	Fund Code	ALI	Estimate FY 2025	Recommendation FY 2026	% Variance FY 2026 - FY 2025	Recommendation FY 2027	% Variance FY 2027 - FY 2026
OBM	DPF	5AY1	042509 One Time Strategic Community Investments	717,800,000	0	(100.0)%	0	-
OBM	DPF	5CV3	042510 Hospital Provider Relief Payment	5,453,600	0	(100.0)%	0	-
OBM	DPF	5CV3	042627 Ohio Ambulance Transportation	13,049,944	0	(100.0)%	0	-
			DPF Total	736,303,544	-	(100.0)%	-	-
OBM	FID	5EH0	042604 Forgery Recovery	265,000	30,000	(88.7)%	30,000	0.0%
			FID Total	265,000	30,000	(88.7)%	30,000	0.0%
OBM	GRF	GRF	042321 Operating Expenses	4,592,000	4,400,000	(4.2) %	4,592,000	4.4%
OBM	GRF	GRF	042435 Gubernatorial Transition	0	0	-	250,000	-
			GRF Total	4,592,000	4,400,000	(4.2)%	4,842,000	10.0%
OBM	ISA	1050	042603 Financial Management	26,219,399	27,744,976	5.8%	28,843,309	4.0%
			ISA Total	26,219,399	27,744,976	5.8%	28,843,309	4.0%
			OBM Total	767,379,943	32,174,976	(95.8)%	33,715,309	4.8%