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Office of Research
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Office

H.B. 413
(with AM1892)
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 413's Bill Analysis](#)

Version: In House Technology and Innovation

Primary Sponsors: Reps. Young and Peterson

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill requires political subdivisions and retirement systems to participate and provide information concerning their revenues and operating budgets to the Treasurer of State (TOS) for inclusion in applicable databases administered by TOS, which could increase TOS's costs by about \$5 million to implement the bill's provisions.
- The bill may increase statewide political subdivisions' costs to comply with the bill's requirements, but any increase in such costs will vary by jurisdiction.

Detailed Analysis

The bill renames the Ohio State and Local Government Expenditure Database in the statute to the Ohio State Government Expenditure Database and modifies which entities must participate in the state database. The database is currently known as the [Ohio Checkbook](#) and it is administered by the Treasurer of State (TOS), in collaboration with the directors of Budget and Management (OBM) and Department of Administrative Services (DAS). The bill also requires TOS to create a separate database, the Ohio Local Government Expenditure Database, for information related to political subdivisions. The bill expands the type of information that must be provided by specified entities to TOS for inclusion in applicable databases.

The bill requires state entities and political subdivisions to provide expenditure and revenue information to TOS for inclusion in the databases at least annually. Additionally, TOS must update the databases at least annually to include the required information provided by the state entities and political subdivisions. Beginning five years after the bill's effective date, the bill shortens the frequencies for providing such information and updating the databases to at least every six months. Currently, most expenditure and revenue information associated with state entities are readily available from the state's information technology system, the Ohio

Administrative Knowledge System (OAKS), which is used by the state to manage its payable and receivable accounts, asset management, payroll, benefits, and financial planning and budgeting.

Under the bill, political subdivisions and the five state retirement systems – the Public Employees Retirement System (PERS), the State Teachers Retirement System (STRS), the Ohio Police and Fire Pension Fund (OP&F), the State Employees Retirement System (SERS), and the State Highway Patrol Retirement System (SHPRS) – must participate and provide certain information to TOS for inclusion in the state and local databases. Currently, participation by the state retirement systems and political subdivisions is not compulsory.

Fiscal effect

The bill's requirements would increase costs incurred by TOS, OBM, and DAS in order to add additional information into the databases. According to a TOS official, the bill's requirement would increase TOS's costs by about \$5 million. Any increase in TOS costs would be paid from GRF line item 090411, Ohio Checkbook, which includes a \$5 million appropriation to pay for creation and maintenance costs for the Ohio Local Government Expenditure Database.

The cost of required participation for political subdivisions (i.e., counties, municipalities, townships, and special districts) is difficult to estimate and would vary by subdivision. Currently, roughly 900 political subdivisions have already participated voluntarily in the current database. These subdivisions may incur some payroll costs stemming from increased workloads to review and process revenue and operating budget data to be included in the local database. Political subdivisions that do not already participate may incur additional costs to configure accounting software such that it is compatible with the local database. For many, if not most, this could be an uncomplicated task. Many political subdivisions use a standardized accounting platform such as the Auditor of State's Uniform Accounting Network that works with the current database. However, those that do not use a standardized accounting platform may find compliance with the bill more costly. In summary, costs for political subdivisions to comply with the bill will vary considerably and it is plausible that the aggregated statewide costs could be significant.

Synopsis of Fiscal Effect Changes

The amendment, AM1892, requires state entities and political subdivisions to provide expenditure and revenue information to the Treasurer of State (TOS) for inclusion in the databases at least annually. The amendment also requires TOS to update the databases to include the required information provided by the state entities and political subdivisions at least annually. Beginning five years after the amendment's effective date, the amendment requires state entities and political subdivisions to provide such information and TOS to update such information into the databases at least every six months. The amendment may not significantly increase the estimated fiscal effect compared to those for the As Introduced version of the bill.