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136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Dovilla

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SUMMARY

- Establishes zero-based budgeting requirements for the Office of Budget and Management (OBM) Director and state agencies beginning with the 137th General Assembly (2027-2028) and every ten years after that year.

DETAILED ANALYSIS

Zero-based budgeting

The bill establishes zero-based budgeting requirements for the OBM Director and state agencies. Zero-based budgeting is a method of calculating a budget that starts at zero and justifies all requested or proposed appropriations based on the purposes of the expenditures without reference to the prior year appropriations.

Beginning with the 137th General Assembly session (2027-2028), and every ten years thereafter, when preparing for the operating budgets for the subsequent fiscal biennium:

1. Each agency must prepare its revenue and expenditure estimates using zero-based budgeting principles.¹
2. The OBM Director must provide agencies with budget request forms that require estimates based on zero-based budgeting and prepare and submit budget estimates to the Governor using zero-based budgeting.
3. The Governor's budget submission to the General Assembly must be based on zero-based budget principles.²

¹ R.C.126.025.

² R.C. 107.03.

The zero-based budgeting requirements apply to all the operating budgets, which are: main operating, transportation, Bureau of Workers Compensation, and Industrial Commission.

Background

Under current law, OBM, in the middle of each even-numbered year, initiates the operating budget process for the subsequent biennium. It submits to agencies receiving appropriated funds “budget guidance,” the detailed instructions on the process and formats they are to follow in preparing their budget requests. As part of this guidance, OBM asks a series of questions regarding the state funds that support the agency’s duties and responsibilities. In addition, current law requires OBM to incorporate principles of zero-based budgeting into the guidance for each agency.

After completing its instructions, each agency must submit its budget request to OBM. OBM and each agency discuss the agency’s needs. Following these discussions and meetings with the Governor’s Office, OBM publishes the executive budget recommendations. Finally, each agency must, prior to December 1 of that year, file with the chairperson of the finance committees of the Senate and House of Representatives the agency’s budget request.³

HISTORY

Action	Date
Introduced	01-12-26

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³ R.C. 107.03, 126.02, 126.13, and 126.27.