



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 645
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 645's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Rep. Dovilla

Local Impact Statement Procedure Required: No

Francis Bediako, Economist

Highlights

- The bill's requirement may increase administrative costs to the Office of Budget and Management (OBM) and other state agencies.
- The bill has no direct fiscal effect on local governments.

Detailed Analysis

Zero-based budgeting requirement

The bill requires the Governor's budget submission to be prepared using zero-based budgeting once every ten years, beginning with the budget submitted to the General Assembly that convenes in 2027.

The bill requires the Office of Budget and Management (OBM) to incorporate zero-based budgeting into the instructions and forms it distributes to state agencies during the applicable budget cycle. During those years, agencies must prepare their biennial budget request using zero-based budgeting principles.

New zero-based budgeting section

The bill defines zero-based budgeting as a method that starts at zero and requires justification for "all requested or proposed appropriations based on the purposes of the expenditures without reference to the prior year appropriations." The bill directs OBM and state agencies to use this method every ten years.

Fiscal effect

The bill does not directly change state revenues or appropriations. Typically, the state uses an incremental budget approach, where agencies begin with their prior-year appropriations

and request adjustments. In contrast, zero-based budgeting requires agencies to build their budgets from scratch, providing justification for each program and expenditure. This method is more resource intensive but may provide a more detailed review of agency operations. Thus, requiring OBM and state agencies to prepare a zero-based budget may increase OBM's and other state agencies' administrative workload during budgeting cycles. These costs are assumed to be manageable within existing staffing and resources. The bill has no direct fiscal effect on local governments.