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136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Schaffer

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SUMMARY

- Requires the Director of Budget and Management to establish and administer a centralized reporting system for financial status reports regarding public money provided through a grant or loan program, or through an economic development program, a workforce development program, or a public assistance program.
- Requires a state agency to inform a recipient of public money of the requirements of the bill and provide project information to the Director of Budget and Management.
- Requires a recipient of public money to provide the awarding state agency with access to the recipient's facilities.

DETAILED ANALYSIS

Centralized reporting system for public funds

The bill requires that the Director of Budget and Management establish and administer a centralized reporting system to assist the state in oversight of public funds, in evaluation of the effectiveness of grant and loan programs, and the value of state contracts. The system must be operational not later than one year after the bill's effective date. The centralized reporting system must include information regarding public money that has been provided to a recipient through a grant or loan program, or through a contract when the contract is entered in furtherance of an economic development program, workforce development program, or public assistance program.¹

¹ R.C. 126.17(B).

Under the bill, a recipient (see “**Definitions**” below) must annually provide a report to the Director of Budget and Management with respect to each advance of public money that is received on or after the date that is one year after the bill’s effective date.

The annual report is due not later than February 1, and must provide all of the following:

1. An accounting of the expenditure of public money by a recipient, which must separately identify any amount expended by vendor and items purchased to directly benefit the public, and the amount of indirect costs;
2. A project progress report;
3. Confirmation that the recipient is in compliance with any applicable laws or regulations.²

Definitions

The following definitions apply to the provisions of the bill:

“Direct cost” means a cost that can be identified specifically with a particular final cost objective or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

“Indirect cost” means a cost that is not readily identified with a particular project, function or activity, but is necessary for the general operation of the organization, and a cost not directly identified with a single, final cost objective, but identified with two or more final cost objectives or an intermediate cost objective.

“Public money” means any money received, collected by, or due a public official under color of office, as well as any money collected by any individual on behalf of a public office or as a purported representative or agent of the public office.³

“Recipient” means a nongovernmental entity that receives public money from the state in the form of a grant, loan, or loan guarantee, or a contract with the state or a state agency when the contract is entered in furtherance of an economic development program, workforce development program, or public assistance program. “Recipient” does not include an individual who receives state assistance that is not related to the individual’s business.⁴

State agency obligations

The bill requires a state agency to inform a recipient of the requirements of the bill, and to provide the name and contact information of each recipient, the amount of public money advanced to the recipient, and other project-identifying information to the Director of Budget and Management.⁵

² R.C. 126.15(C).

³ R.C. 117.01, not in the bill. Note: Revenues or receipts from JobsOhio’s operation of the sale of spirituous liquor is exempt from the definition of “public money” in the bill.

⁴ R.C. 126.17(A).

⁵ R.C. 126.17(D).

Inspections

The bill requires that a recipient provide the awarding state agency or its designee with access to the recipient’s facilities during normal business hours for purposes of conducting a compliance review.⁶

Penalties for noncompliance

Under the bill, a person who knowingly fails to file the required report is guilty of a minor misdemeanor. Any person who knowingly provides falsified information in the required report must be fined \$150 on the first offense and \$1,000 on each subsequent offense.⁷

HISTORY

Action	Date
Introduced	03-04-26

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⁶ R.C. 126.17(E).

⁷ R.C. 126.17(F) and (G).