



### **Ohio Senate**

Senate Building  
1 Capitol Square  
Columbus, Ohio 43215  
Phone: (614) 466-0626  
Fax: (614) 466-8261  
SD29@ohiosenate.gov

### **Committees:**

General Government and Agency Review-Chair  
Finance  
Health, Human Services and Medicaid  
Ways and Means  
Ohio Retirement Study Council-Chair

### **Kirk Schuring**

State Senator  
29th District

Thank you Chairman Jordan, Vice Chair Hillyer, Ranking Member Crossman and members of the Financial Institutions Committee for the opportunity to provide sponsor testimony for Senate Bill 277.

SB 277 makes changes to Ohio's Pooled Collateral program to ensure that public depositories are in compliance and public deposits are properly collateralized.

By way of background, it is important to note that public deposits are not insured in the same way as private deposits under the Federal Deposit Insurance Corporation. In Ohio, a financial institution that is a public depository can provide security for the repayment of the public deposits in one of two ways. Either by securing the public deposits by each public depositor separately or by spreading the risk by pledging collateral through a pool of public deposits managed by the Treasurer of State known as the Ohio Pooled Collateral Program.

Under the Ohio Pooled Collateral Program, when a financial institution that is a public depository accepts additional public deposits it must pledge additional securities to match the market values of the deposit.

To that end, SB 277 clarifies and gives better guidance to the financial institution to ensure that they are in compliance with the program by giving them two business days to pledge additional securities to the pool in accordance with the amount stipulated by the Treasurer of State. These bright line standards will protect public treasurers and depositors who deal with public depositories and most importantly ensure that the public's money is safe and properly collateralized.

The bill had no opponents in the Senate. It was endorsed by the County Treasurer's Association of Ohio and the Ohio Treasurer of State. It passed by a 33 to 0 margin on the Senate floor.

Thank you again for the opportunity to provide sponsor testimony for Senate Bill 277. At this time, I'll glad to entertain any questions you may have.