

- \$5 million in GRF each fiscal year for 911-401, Emergency Purposes/Contingencies
- \$1.46 million in each fiscal year to offset costs related to three unfunded mandates

Controlling Board

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ROLE

The Controlling Board consists of seven members: six legislators (three from the House of Representatives and three from the Senate) and the Director of Budget and Management, or the director's designee, who serves as the president of the Board. The Board meets every two or three weeks to consider requests for action that are submitted to it by various state agencies. Although the Board has numerous duties, its chief responsibilities are to act on agency requests for 1) waivers of competitive selection for purchasing goods and services, including real estate leases; 2) creation of new state funds and accompanying appropriation authority; 3) increased appropriation authority for existing funds; 4) release of capital funds for construction projects, and 5) acquisition of new real estate.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
N/A	\$11.4 million	\$7.0 million	\$7.4 million	\$7.0 million	Am. Sub. H.B. 95

*The Controlling Board staff consists of the president and the secretary, who are employed by the Office of Budget and Management (OBM) and thus included in OBM's employee count.

OVERVIEW

Unlike other state agencies, the Controlling Board does not spend any of the funds appropriated to it. Instead, the appropriations are transferred to other state agencies, are carried forward to the next fiscal year within the biennium, or are lapsed. In general, Controlling Board appropriations are used to cover costs related to unexpected events such as natural disasters, and to reimburse local governments for the cost of carrying out certain mandates created by state law. A separate appropriation is also available to reimburse county boards of elections for the cost of legal advertisements for statewide ballot issues. Occasionally, funding for planned, one-time occurrences is also appropriated. Previous examples include appropriations for Ohio's Bicentennial celebration in 2003 and additional funding for upgrades to state computer equipment for the year 2000. For the FY 2004-2005 biennium, there are no appropriations for such one-time events.

Total appropriations for FY 2004 are \$11,350,000 and \$6,950,000 in FY 2005. Two factors account for the decrease in appropriations between fiscal years. First, a \$4 million appropriation for line item 911-601, Disaster Services, (Fund 5E2) is made for FY 2004 only. Although no FY 2005 appropriation is made, accompanying temporary law requires that any unencumbered FY 2004 amount be transferred for use in FY 2005. Second, funding for GRF appropriation item 911-441, Ballot Advertising Costs, declines from \$887,500 in FY 2004 to \$487,500 in FY 2005. Although it is not specified in temporary law, the additional FY 2004 amount is slated to cover the anticipated costs of publishing legal announcements

concerning the Governor's \$500,000,000 Third Frontier technology research and commercialization bond program, which is on the statewide ballot in November 2003.

BUDGET ISSUES

As stated earlier, the Controlling Board approves transfers of funds to other state agencies and operates no programs of its own. The following section outlines the intended uses of the FY 2004-2005 biennial appropriations and permanent and temporary law provisions in Section 31 of Am. Sub. H.B. 95 governing the way these funds are to be used.

GRF APPROPRIATIONS FOR EMERGENCY PURPOSES/CONTINGENCIES

The budget act appropriates \$5 million in each fiscal year for GRF appropriation item 911-401, Emergency Purposes/Contingencies. In the past, these appropriations have been used to assist state agencies and political subdivisions in responding to disasters and emergency situations and are released at the discretion of the Controlling Board. Division (E) of section 127.14 of the Revised Code permits the Controlling Board to transfer all or part of these funds to a state agency, while division (H) of section 127.14 of the Revised Code allows for the temporary transfer of these funds. Only state agencies may request such transfers, but these agencies may request funds on behalf of a local government unit.

For the FY 2002-2003 biennium, the funding source for these emergency purposes was a \$5 million cash transfer from the Budget Stabilization Fund to a new Emergency Purposes Fund (Fund 5S4). The ending FY 2003 cash balance in Fund 5S4 was \$3.78 million.

REQUESTS FOR TRANSFERS FROM EMERGENCY PURPOSES FUND (FUND 5S4)

Two separate temporary law provisions outline the purposes for which the remaining moneys in the Emergency Purposes Fund (Fund 5S4) may be used. First, the Department of Public Safety (DHS) may request transfers from Fund 5S4 to any of DHS's GRF accounts to provide emergency assistance funding to political subdivisions recovering from natural disasters or emergencies. This is in addition to any amounts that may be transferred from the Disaster Services Fund (Fund 5E2), another Controlling Board fund established for such purposes. The following section describes temporary law affecting that fund.

Second, subject to the approval of the Director of Budget and Management, the Office of Criminal Justice Services and the Public Defender may also submit requests to tap Fund 5S4 for costs remaining from the disturbance that occurred in 1993 at the Southern Ohio Correctional Facility in Lucasville.

REQUESTS FOR TRANSFERS FROM DISASTER SERVICES FUND (FUND 5E2)

The budget act appropriates \$4,000,000 in funding for line item 911-601, Disaster Services, (Fund 5E2) during FY 2004, and requires the automatic transfer of any remaining amounts in this fund for use in FY 2005. The Department of Public Safety may request cash transfers from Fund 5E2 in order to help political subdivisions cope with the costs of disaster recovery or the expenses associated with emergency situations. In addition to the Department of Public Safety, other state agencies may request cash transfers from Fund 5E2 to offset their program expenses associated with the recovery from tornadoes, storms, and floods, as well as other disasters declared by the Governor.

As the preceding section concerning the Emergency Purposes Fund (Fund 5S4) noted, should any disaster or emergency occur during FY 2005, state agencies would be able to request Controlling Board approval for transfers from both the Disaster Services Fund (Fund 5E2) as well as the Emergency Purposes Fund (Fund 5S4).

MANDATE ASSISTANCE

The FY 2004-2005 biennial budget contains funding of \$1,462,500 in each fiscal year for GRF appropriation item 911-404, Mandate Assistance. Temporary law requires that these appropriations be used by the Office of Criminal Justice Services, the Department of Commerce, and the Department of Education to offer county prosecutors, fire departments, and school districts, financial assistance to cope with the expenses related to “three unfunded state mandates.” Up to \$146,500 in each fiscal year is available to offset local costs related to felony prosecutions of crimes that occur on the grounds of state institutions operated by the Department of Rehabilitation and Correction and the Department of Youth Services. The Department of Commerce may use up to \$731,000 in each fiscal year to provide grants to small villages and townships for firefighter training, equipment, and gear. Finally, the Department of Education may tap up to \$585,000 in each fiscal year to reimburse school districts for in-service training costs related to child abuse detection programs. After these requests have been fulfilled, the Public Defender may request Controlling Board approval to use any remaining funds to offer additional reimbursement to counties for the cost of indigent defense services.

BALLOT ADVERTISING COSTS

The budget act includes funding of \$887,500 in FY 2004 and \$487,500 in FY 2005 for appropriation item 911-441, Ballot Advertising Costs. The Controlling Board may authorize transfers from this GRF line item to the Ballot Board, which in turn will use the funds to reimburse county boards of elections for the cost of providing public notices concerning statewide ballot initiatives. The greater appropriation is needed for FY 2004 because of legal notices advertising for the Governor’s \$500,000,000 Third Frontier technology and research commercialization bond package on the November 2003 ballot. 

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency

FY 2001: *FY 2002:* *FY 2003:* **FY 2004** *% Change* **FY 2005** *% Change*
Appropriations: *Appropriations:* *Appropriations:* *2003 to 2004:* *Appropriations:* *2004 to 2005:*

Report For: Main Operating Appropriations Bill

Version: Enacted

CEB Controlling Board

GRF	911-401	Emergency Purposes/Contingencies	\$ 0	---		\$ 5,000,000	N/A	\$ 5,000,000	0.00%
GRF	911-404	Mandate Assistance	\$ 0	\$ 0	\$ 0	\$ 1,462,500	N/A	\$ 1,462,500	0.00%
GRF	911-441	Ballot Advertising Costs	\$ 0	\$ 0	\$ 0	\$ 887,500	N/A	\$ 487,500	-45.07%
General Revenue Fund Total			\$ 0	\$ 0	\$ 0	\$ 7,350,000	N/A	\$ 6,950,000	-5.44%
5E2	911-601	Disaster Services	\$ 0	\$ 0	\$ 0	\$ 4,000,000	N/A	\$ 0	-100.00%
State Special Revenue Fund Group Total			\$ 0	\$ 0	\$ 0	\$ 4,000,000	N/A	\$ 0	-100.00%
Controlling Board Total			\$ 0	\$ 0	\$ 0	\$ 11,350,000	N/A	\$ 6,950,000	-38.77%