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# *INVESTING* in **Ohio's** **FUTURE**

**BUDGET OF THE STATE OF OHIO | FY 2024-2025**

## **BUDGET LANGUAGE GUIDANCE**

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## Introduction

The Governor is required to submit an Executive Budget to the General Assembly four weeks after a new General Assembly is organized, making the deadline to submit the FY 2024-2025 Executive Budget January 31, 2023. To assist in the compilation of the Executive Budget, state agencies are required to file budget requests with the Director of the Office of Budget and Management (OBM).

Many state agencies also submit language requests – suggesting changes to Ohio Revised Code statutes or temporary budget law – as part of the budgeting process. These language requests may be considered for inclusion in one or more of the following budget bills: Main Operating, Transportation, Bureau of Workers' Compensation (BWC), and/or Ohio Industrial Commission (OIC).

This guidance assists agencies in preparing, reviewing, and submitting language items through the OBM Language Portal (Language Portal) for Executive Budget consideration. The Language Portal may be accessed at <http://budgetcenter.obm.ohio.gov/>.

### Deadlines

All language requests must be submitted in the OBM Language Portal **by the following dates:**

- **September 16, 2022** – Group 1: Licensing boards and commissions
- **October 14, 2022** – Group 2: Small to mid-size agencies
- **October 28, 2022** – Group 3: Cabinet agencies and all other executive agencies
- **November 1, 2022** – Group 4: Legislative, judicial, and statewide elected agencies

Please see Appendix B in the FY 2024-2025 Operating Budget Guidance for each agency's specific budget request and language submission due date.

### Strategies for a Successful Language Process

**Conduct a Coordinated Internal Agency Review.** Budget language must be reviewed internally by the agency's legal, legislative, and fiscal/budget staff *before* submission to the Language Portal. Appropriate members from these sections should be involved early to identify and help resolve issues from the beginning of the process. It is also beneficial to discuss language with public policy implications with the appropriate member of the Governor's policy staff.

**Note:** Users are required to confirm that that the agency has completed an Internal Agency Review by checking a box for each item submitted in the Language Portal.

**Write Clear, Concise Summaries.** Each language item should include a budget language summary that is succinct and adequately describes what the item does and why it is needed. These summaries are extremely important as they aid decision-makers in evaluating requests. Additional summary requirements are included in the section titled [Budget Language Summary](#). Please see [Appendix C](#) for budget language summary examples.

**Communicate with Your Agency’s Budget Analyst.** Agencies must work closely with the assigned OBM Budget Analyst because OBM Budget Analysts will be expected to explain items to decision-makers. Additionally, OBM Budget Analysts are the only Language Portal users who can edit or withdraw an item from the portal after submission.

## Language Overview

Budget language requests may do the following:

- Authorize particular expenditures
- Authorize new or changed programs for which appropriations are made
- Prescribe requirements or formulas for expenditures associated with appropriations
- Create new funds
- Provide for the deposit of revenue
- Authorize the award of grants
- Authorize the transfer of cash

**Note:** Please structure each Language Portal request to cover a single issue. While a single language item may seek to amend multiple sections of law, each item should be limited to one overall issue. Language items that address more than one issue will be returned to agencies to separate and resubmit as individual items.

OBM may ask for clarification, additional information, or redrafts from the agency. As part of the drafting process, OBM sends items to the Legislative Service Commission (LSC) for drafting and may have agencies review the LSC drafts. OBM will notify LSC and the agencies if requests are approved for inclusion in one of the budget bills.

**Note:** Submission to LSC for drafting does not guarantee inclusion in a budget bill.

Language issues may also arise following bill introduction, with amendments offered in the House, Senate, or in Conference Committee. Agencies will use the Language Portal to propose amendments throughout the budget process. Specific instructions will be provided as the budget process progresses.

### *Language Requests Must be Budget Related*

Article II, Section 15 of the Ohio Constitution prohibits bills from containing more than one subject. To draft language in compliance with this provision, language requested for inclusion in a budget bill must be budget related. Agencies should pursue non-budget-related language in separate legislation. A request could be budget-related if it is:

- Related to expenditures or revenues.
- Required to avoid costs or penalties.
- Required to obtain federal funds.
- Needed to implement an agency's budget.

### *Budget Language Summary*

A budget language summary must be included with each submission that explains the direct connection between the language request and the agency's budget. The summaries play a critical role in explaining the importance of and the reason for the requests (see examples in [Appendix C](#)). Use the summaries to explain the item's purpose, effect, consequences if not enacted, cost (including implementation costs), and relevant background information, such as prior legislation that included or affected the requested language. These summaries are important as they aid decision-makers in evaluating requests. The summary should be succinct and written for a general, non-expert audience. Summaries should avoid code references, technical terms, unexplained acronyms, and agency or industry-specific jargon.

### *Codified (Permanent) and Uncodified (Temporary) Law*

The budget bills contain two types of budget language: codified and uncodified law.

**Codified (Permanent) Law** is a provision which will remain in effect until repealed or amended by the General Assembly. Permanent law is "codified" in the Ohio Revised Code. If the desire is for the language to remain in effect permanently, it should be drafted as permanent law.

**Uncodified (Temporary) Law** is a provision that is generally not intended to be permanent and therefore not contained in the Revised Code. Examples of temporary law include appropriations, language describing the use of appropriations, and other provisions that are related to budget implementation. Appropriations are made in temporary law because an appropriation cannot be made for a period longer than two years (Article II, Section 22 of the Ohio Constitution).

Most of the temporary law that an agency submits, if any, will be the language that immediately follows the appropriations section for that agency in the current budget bill.<sup>1</sup> This language should be submitted as **a single item with a single budget language summary**. The summary should state whether any section of the language is new, amended, or unchanged from current temporary language included in the existing budget bill and any amendments to that bill.

Please also review the temporary language found in the back of the current budget bill as amended to determine if the language applies directly to your agency. If temporary language does apply, please include it in your submission if the language should be included, included and amended, or excluded from the next budget bill. Your agency's OBM Budget Analyst can assist in determining if any amendments have been made to the language in subsequent bills.

**Note:** Appropriations and most temporary law are generally in effect only until the end of the biennium. If this presents a concern, please contact your OBM Budget Analyst to discuss.

### **Both Permanent and Temporary Law Summary & Considerations**

A language request may include **both** permanent and temporary law components if both components address one topic and are dependent on one another. These requests can be submitted as one item in the portal. Summaries for these items are to follow the same guidance provided for permanent law requests. Additionally, the summary should clearly explain how the two components work together and why both are needed for implementation of the proposal. Please carefully consider effective dates of language provisions when submitting language. The [“Effective Dates and Ohio’s Right to Referendum”](#) section of this guidance, as well as [Appendix A](#), outline dates and other important considerations for submission.

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<sup>1</sup> H.B. 110 of the 134<sup>th</sup> General Assembly for agency appropriations in the main operating budget bill, H.B. 74 for the Transportation budget bill, and H.B. 75 and 76 for the BWC and OIC budget bills, respectively.

## Effective Dates and Ohio's Right to Referendum

Article II, Section 1c of the Ohio Constitution reserves to the citizens of Ohio the power of referendum and states that, “[n]o law passed by the general assembly shall go into effect until ninety days after it shall have been filed by the governor in the office of the secretary of state.” Therefore, unless an exception applies, a provision of law will generally not take effect until the 91<sup>st</sup> day after enacted. **This rule applies to both permanent and temporary provisions of law.** Agencies should keep this rule in mind when drafting and submitting language, being careful not to designate language as immediately effective **unless** the sections of law meet one of the following exceptions to the rule:

- Laws providing for **tax levies**
- **Appropriations** for current expenses of the state government and state institutions
- **Emergency laws** necessary for the immediate preservation of the public peace, health or safety (emergency laws require 2/3 vote of each legislative chamber)

R.C. 1.471 further states that a permanent or temporary section of law in the budget bill is effective immediately, and is not subject to referendum if any of the following apply:

- It is an **appropriation** for current expenses
- It **earmarks** all or a portion of an appropriation for current expenses
- Implementation of the section **depends upon an appropriation** for current expenses that is contained in the bill

If language is immediately effective, then it is not subject to referendum. When drafting, consult with agency legal counsel to determine the appropriate effective date designation. Prior to introduction, OBM will also conduct a review to apply the most appropriate effective dates. The General Assembly will ultimately determine which sections will be effective immediately pursuant to the constitutional limitations and R.C. 1.471.

## OBM Language Portal (<http://budgetcenter.obm.ohio.gov/>)

The OBM Language Portal is the single system for submission of all budget language items. Only designated individuals within each agency are permitted to submit budget language into the Language Portal. If access changes are necessary, please contact your OBM Budget Analyst to request access to the portal.

**The Language Portal does not save drafts.** Please have all information ready before submitting agency language items. See [Appendix A](#) for a list of required information to be included with language submissions. If significant changes are needed, or if an item needs to be withdrawn, please contact your OBM Budget Analyst.

**Attachments.** Agencies must submit a single attachment for each proposed language item. The attachment should include all relevant provisions of Revised Code and/or uncodified law. Attachments must be in PDF format.

## Appendix A: Checklist for Language Portal Request Readiness

Agencies are responsible for submitting language requests in the portal. If your agency has considered and answered **all** the following questions, then the request is ready to be submitted. Remember that drafts cannot be saved, and any language submitted can only be edited or withdrawn by OBM Budget Analysts.

- **Coordinated Internal Agency Review.** Has the agency’s legal, legislative, and fiscal/budget staff all reviewed the language?
- **Budget-Related.** Is the language budget-related (e.g., related to expenditures or revenues; required to avoid costs or penalties; required to obtain federal funding; or necessary to implement the agency’s budget)?
- **Impact.** Has the agency determined the budgetary and operational impact of implementing the language request? Is the proposed cost realistic to achieve the stated goals and objectives? Has the agency considered potential unintended or secondary consequences?
- **Language Summary (1,000-character limit).** Is the language summary written clearly and succinctly? Can the summary be understood by a general audience? Is the summary written in a manner to help the decision-makers understand the need for the language? Is the information appropriate and accurate?
- **Budget Impact (500-character limit).** Is there an impact to the GRF or fee revenues? Consider both the direct and indirect impacts to GRF and fee revenues. Impacts may occur both within your agency’s budget, or possibly another agency’s budget. Provide an estimate of these impacts.
  - If an agency is submitting a language item that will impact fee revenue, then the agency must submit an **Appendix H** (see FY 2024-2025 Operating Budget Guidance) in the agency’s budget request.
  - Language submitted after the budget submission deadline must contain the same information in the “Fee Impact” text box as is in **Appendix H**. If the language item was not contemplated during the completion of the agency budget request and the budget request is in the review phase, the agency must work with your OBM Budget Analyst to update **Appendix H**.
- **Prior Submissions.** Has the agency submitted this language request to be included in any prior legislative bills? If so, please provide the bill number.
- **Language Type.** Is the language request correctly marked as temporary or permanent law? The agency must select either “Temporary,” “Permanent,” or “Both.” Some language submissions may contain both types of law. If this is applicable to your request, please select “Both.”



- **Effective Date.** What is the effective date of this language item? Select 90 Days, Immediately Effective, Mixed or Other. **Note:** only select “Immediately Effective” if the agency has confirmed that the language meets one of the exceptions to referendum pursuant to Article II, Section 1d of the Ohio Constitution as explained in the section of this guidance titled “[Effective Dates and Ohio’s Right to Referendum](#).” Generally, this will be limited to temporary language items. For language items with both permanent and temporary law, the “Mixed” or “Other” designation may be more appropriate if one but not both components meet the exception to referendum.
- **Drafting Conventions.** Does the language request conform to the applicable drafting conventions? See [Appendix B](#) for Common Language Drafting Conventions.
- **Attachment.** Is there an attachment for this language item? There can be only one attachment per language submission. If a language item requires changes in multiple sections of Revised Code, then it is the agency’s responsibility to combine those changes in a single document. The language attachment must be a PDF.

## **Appendix B: Common Language Drafting Conventions**

There are a variety of language provisions that appear in the budget bill including: appropriations, earmarks, deadlines, cash transfers, intrastate transfer vouchers (ISTVs), receipt of new revenue, the creation and abolishment of state funds, and compensation for members of boards, commissions, and other entities. Use this document as your guide and contact your OBM Budget Analyst with any questions.

### **Technical Drafting Requirements**

Language requests must be drafted according to the technical drafting requirements for permanent and temporary law. Language requests should be drafted from the most recent version of the current law, which may include later amendments to the respective budget bill or section of Revised Code. Agencies should have the appropriate legal and/or legislative staff members review all drafts for potential conflicts with existing law or policy.

Technical drafting requirements for permanent and temporary law include the following:

- Current law must appear in regular case
- Strike through the language that should be deleted (EXAMPLE: ~~Delete~~)
- Underline new language (EXAMPLE: New language)

**Note:** For clarity, use the fund name followed by the fund number in parentheses in temporary law provisions, but use only the fund name in the permanent law drafts for new or amended sections of the Revised Code. Additionally, fund names are not capitalized in the Revised Code.

- EXAMPLE (temporary law): Occupational Licensing Regulatory Fund (Fund 4K90)
- EXAMPLE (permanent law): occupational licensing regulatory fund

**Note:** The bill draft will not show temporary language with strikethroughs and underlining (unless the language amends temporary law from a bill that is concurrently effective), but it is essential to use these marks in the submission of temporary law for clarity and to aid in the evaluation and drafting processes.

### Temporary Law Summary & Considerations

Agencies should consider the following when drafting and reviewing temporary language:

- **Update Transfer Information.** Agencies should update years, dates, and dollar amounts in earmarks and transfers.
- **Continuation of earmarks.** Consider whether the earmark is applicable to the ongoing goals and objectives of your agency or if it is a one-time expenditure to a stated recipient.
- **Titles.** All sections and subsections need a title and the title should be capitalized.
- **Back of the Bill.** Typically, agency-specific language should appear in the agency's appropriation section and not in the back of the bill (the section that follows all the agency appropriations). Any decision to put agency-specific language in the back of the bill should be made in consultation with OBM.

If the agency is interested in abolishing funds, please create a second temporary language item by following the directions under "[The Abolishment and Consolidation of Funds](#)" in this appendix. Prior to doing so, please ensure that all activity in the fund has ceased or will cease prior to enactment of the budget bill and that no erroneous general ledger postings have been made to the fund in question. The latter can be verified by reviewing the latest OHGLR015A in FIN.

## Appropriations

Pursuant to R.C. 131.01(F), an appropriation is an authorization by the General Assembly to make expenditures or incur liabilities from the state treasury for a specific purpose. Appropriations may appear as a **line item** with a discrete amount, or as a **language appropriation**, if the amount required for a purpose is uncertain or indefinite.

An **appropriation line item** (ALI) should include a title reflecting how the appropriation will be used. Any appropriation line item (ALI) name changes should not be attempted through temporary language. Please discuss these proposals with your OBM Budget Analyst prior to submitting the agency budget request.

Appropriation amounts do not require the submission of budget language.

**Language appropriations** should be used only when an amount in a line item for a specific purpose is uncertain or indefinite and should be submitted as part of the agency's temporary law language item submittal. Any language appropriation requests will be subject to additional review.

### **EXAMPLE:** Line Items

#### SECTION 281.10. ETH OHIO ETHICS COMMISSION

##### General Revenue Fund

GRF 146321 Operating Expenses	\$ 1,381,556	\$1,381,556
TOTAL GRF General Revenue Fund	\$ 1,381,556	\$1,381,556
Dedicated Purpose Fund Group		
4M60 146601 Operating Support	\$ 641,000	\$ 641,000
TOTAL DPF Dedicated Purpose Fund Group	\$ 641,000	\$ 641,000
TOTAL ALL BUDGET FUND GROUPS	\$ 2,022,556	\$ 2,022,556

### **EXAMPLE:** Language Appropriation

#### SECTION 503.40. RE-ISSUANCE OF VOIDED WARRANTS

In order to provide funds for the reissuance of voided warrants under section 126.37 of the Revised Code, there is hereby appropriated, out of moneys in the state treasury from the fund credited as provided in section 126.37 of the Revised Code, that amount sufficient to pay such warrants when approved by the Office of Budget and Management.

**EXAMPLE:** Line Item and Language Appropriation for the Same Item

...

6720	005601	Continuing Judicial Education	\$ 126,000	\$ 120,000
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...

The Continuing Judicial Education Fund (Fund 6720) shall consist of fees paid by judges and court personnel for attending continuing education courses and other gifts and grants received for the purpose of continuing judicial education. The foregoing appropriation item, 005601, Continuing Judicial Education, shall be used to pay for continuing education courses for judges and court personnel. If it is determined by the Administrative Director of the Supreme Court that additional appropriations are necessary, the amounts are hereby appropriated.

**Note: Appropriation ≠ Cash.** Appropriation and the amount of cash available are not the same. If there is not enough cash to cover the appropriation, then the total appropriation cannot be expended. Also, there may be more cash available than appropriation available. If there is \$1 million in appropriation and \$5 million in cash, then only \$1 million may be spent. Cash availability and projected revenue are considered when developing recommendations.

**Earmarks**

An earmark sets aside a portion of an appropriation for a specific purpose. When drafting language, agencies should consider the amount to expend on the stated purpose: a flat amount, a minimum amount, or a maximum amount. Agencies must ensure that the total amount earmarked does not exceed the amount appropriated in the line item.

**EXAMPLE:** Earmark

OPERATING EXPENSES

Of the foregoing appropriation item 370321, Operating Expenses, *up to* \$50,000 shall be used in each fiscal year for technology upgrades and improvements.

OPERATING EXPENSES

Of the foregoing appropriation item 370321, Operating Expenses, *not more than* \$50,000 shall be used in each fiscal year for technology upgrades and improvements.

In these examples, \$50,000 or less can be used for these purposes.

OPERATING EXPENSES

Of the foregoing appropriation item 370321, Operating Expenses, \$50,000 *shall be* used in each fiscal year for technology upgrades and improvements.

In this example, exactly \$50,000 must be used for these purposes.

## Deadlines

Many times, provisions included in budget bills set required deadlines for agency action. When drafting language, agencies should be mindful of necessary deadlines and should consider whether deadline dates for items such as reports, transfers, or required actions have been reasonably established. Agencies also should consider the consequences if the deadlines are not met.

## Transfers

A transfer results in a decrease in the fund balance of the “sending” fund and a corresponding increase in the fund balance of the “receiving” fund. **Cash transfers are not expenditures and do not impact appropriations, while Intrastate Transfer Vouchers (ISTV) are expenditures and do impact appropriations** (more detail about ISTVs below).

**Note: Transfer Limitations.** R.C. 131.34(A) prohibits the transfer of cash (by ISTV or any other means) between funds or between agencies unless the transfer is for the payment of goods, services, or a service subscription or if it is otherwise authorized by law (most often through language in a budget bill).

There are three basic requirements for cash transfers:

- Authority for the transaction is established in language
- All transfers of cash between funds in the state treasury are made through the OBM Director, though the head of another state agency may initiate the request for transfer
- Cash transfers between custodial funds or between a custodial fund and a state treasury fund involve the State Treasurer

Agencies should consider the following when drafting cash transfer language:

- **Identify who will make the transfer**
  - i.e., the OBM Director or the State Treasurer
- **Specify a date, time frame, or deadline** for making the transfer
  - e.g., “Within thirty days of the effective date of this act, or as soon as possible thereafter”
- **Specify the fund name and number of both the sending and receiving funds**
  - Use the OHGLR052 Agency Daily Cash Balance Report as a reference, as many funds have similar names
  - Language that transfers cash between funds used by different agencies should be placed within the section for the agency that uses or “owns” the receiving fund.
- **State that “cash” is being transferred**
- **Identify the “trigger”** that will begin the transfer process (e.g., A request from the agency’s director)

Transfers typically fall into one of the following categories:

- Transfer of cash with or without also transferring or increasing appropriations
- Transfer by means of an intrastate transfer voucher (ISTV)
- Transfer (of what? Cash/appropriation or both?) to consolidate or abolish funds (which may be related to the termination or consolidation of a state agency or program within a state agency)
- Transfer of cash from a custodial fund to a state fund

Please see additional guidance below in [“Abolishment and Consolidation of Funds”](#) for language proposing a transfer to consolidate or abolish funds. Please also contact the agency’s OBM Budget Analyst for assistance with consolidation language.

**EXAMPLE:** Basic Cash Transfer

Upon request of the State Lottery Commission, the Director of Budget and Management may transfer cash from the State Lottery Fund (Fund 7044) to the Deferred Prizes Trust Fund (Fund 8710) in an amount sufficient to fund deferred prizes.

**Note:** Cash transfers increase the cash balance of a fund, but do not increase appropriation, unless accompanying language authorizes an appropriation increase.

**Intrastate Transfer Voucher (ISTV)**

Cash may be transferred using an intrastate transfer voucher (ISTV), which is generally the procedure used when one agency pays another. Often, language included in a budget bill will provide the authority or requirement for an agency to make a payment through ISTV.

ISTV transactions are initiated by agencies. ISTVs post as disbursements against the appropriations of the paying agencies and as revenue in the receiving agencies’ funds. ISTVs do not transfer appropriation.

**EXAMPLE:** ISTV Transfer

Of the foregoing appropriation item, 322508, Employment First Initiative, the Director of Developmental Disabilities shall transfer, in each fiscal year, to the Opportunities for Ohioans with Disabilities Agency an amount agreed upon by the Director of Developmental Disabilities and the Executive Director of the Opportunities for Ohioans with Disabilities Agency. The transfer shall be made via an intrastate transfer voucher.

## Receipt of New Revenue

When an agency receives a new stream of revenue, the revenue must be deposited into the state treasury to the credit of a fund. If a specific fund is not identified for deposit of the revenue, then pursuant to R.C. 113.09, it must be deposited in the General Revenue Fund. However, if this new revenue is required to support specific agency activities, then it may be appropriate to deposit the revenue into a separate fund. In this case, the language must specify the fund into which the new revenue should be deposited.

A new revenue stream also may be shared by two or more agencies. In this case, consider how each agency's spending will be tracked. Can the revenue be deposited into an existing fund, or should a new fund be created?

## Fund Creation

A fund may be created in one of three ways:

- In the **Revised Code**
  - Create a fund in permanent law if it is intended to exist for more than two years.
- By **Controlling Board action**
  - The Controlling Board may create a fund pursuant to R.C. 131.35 in order to receive unanticipated revenues.
  - Agencies can request adding a Controlling Board-created fund to the Revised Code in the next budget bill.
- In **temporary law**
  - A fund that's purpose is temporary in nature (a two-year period of time) should be created in temporary instead of permanent law.

Fund creation language **must include all** of the following:

- Identification of whether the fund is in the **State Treasury or in the Custody of the Treasurer of State**
  - Nearly all state funds should be in the state treasury.
  - Custodial funds are outside the state treasury and can only be created in the Revised Code.
- Identification of the Fund **Revenue Source(s)**
  - The source of receipts to be deposited in and credited to the fund.
  - Indication whether the fund retains its **interest**. Discuss with your OBM Budget Analyst before submitting.
- **Authorized Use**
  - The authorized uses of cash in the fund and by whom.

**Note:** Creation language for custodial funds must include the following, “[the fund] shall be in the custody of the treasurer of state but shall not be part of the state treasury.”

**EXAMPLE:** Fund creation in the Revised Code

R.C. 4921.xx There is hereby created in the state treasury the federal commercial vehicle transportation systems fund. The fund shall consist of money received from the United States department of transportation's commercial vehicle intelligent transportation systems infrastructure deployment program. The public utilities commission shall use the fund to deploy the Ohio commercial vehicle information systems networks project and to improve safety of motor carrier operations through electronic exchange of data.

**EXAMPLE:** Fund Creation in Temporary Law

SECTION 387.20...MEDICAID LOCAL SALES TAX TRANSITION FUND...There is hereby created in the state treasury the Medicaid Local Sales Tax Transition Fund. The fund shall consist of money transferred to it. The fund shall be used to mitigate the effects of, and assist in the adjustment to, the reduced sales tax revenues of counties and affected transit authorities caused by the repeal of sales tax collected by Medicaid health insuring corporations on health care service transactions.

**Note:** Be sure to underline new temporary language in the submission. Note that temporary language does not appear underlined in the bill; rather, this drafting technique is for purposes of clarity during review.

**Abolishment and Consolidation of Funds**

A fund may be consolidated with another fund or abolished. An obsolete fund should be abolished when it is no longer needed or when it is superseded. Funds are generally abolished in temporary law in conjunction with the repeal or amendment of any permanent law fund creation language and removal of references to the abolished fund.

Agencies should identify any permanent law provisions referencing the fund and draft a language item repealing this language and where necessary redirecting any revenue credited to the fund. Agencies do not need to draft fund abolishment temporary language, OBM will draft all the necessary language. However, OBM requests that agencies create an item consisting of the following information for each fund the agency wishes to close:

- Fund Name and Fund Number
- Creation Authority (Controlling Board Number, Revised Code, or bill number and section of the bill if created in temporary law)
- If there is a balance, where should it be transferred?
- If encumbrances need to be reestablished, which fund and line item should they be reestablished against?
- When should this fund be abolished?
  - This will most likely be 90 days, or a specific date beyond 90 days.
- Additional information
  - Cross references, special circumstances, etc.
  - Related language items (if removing R.C. references to fund)



- Verification that the fund is no longer in use or will not be in use by the effective date of the closure and that the agency has reviewed the OHGLR015A report in FIN for any general ledger entries that would preempt closure.

**Note:** The short title should be “[AGY] Funds to Abolish” and the Summary should state, “Closes the following funds: Example A Fund (xxxx), Example B Fund (yyyy), etc.”. Please use the “Impact on Other Code or Temp Law” field in the Language Portal to list R.C. cross references.

### **Board Compensation**

The budget bill also may include provisions concerning the compensation of members of a board, commission, or other entity. If members of a board, commission, or other entity will be paid or reimbursed for their expenses, agencies should indicate the source from which such expenses are to be paid and the rate of reimbursement.

The OBM travel statute, R.C. 126.31(B), provides that, notwithstanding any other statute to the contrary, the payment of travel expenses for any board or commission member, state employee, state officer, or consultant to a state agency, *whose compensation is paid in whole or in part from state funds, shall be paid at rates set by rule of the OBM Director*. The OBM travel rule setting the rates and terms for reimbursement can be found at Ohio Administrative Code (OAC) 126-1-02. Given this provision, agencies should avoid stating in law that such compensated persons will be reimbursed for their actual and necessary travel expenses as this provision already permits such persons to be reimbursed for travel in accordance with the OBM travel rule.

For more information on the OBM travel rule, visit:

<http://www.ohiosharedservices.ohio.gov/TravelExpense/>

Travel and other expenses of *uncompensated* state board or commission members or volunteers may not be governed by R.C. 126.31 and the OBM travel rule, depending on the enabling statute. If expenses are to be reimbursed, the enabling statute creating an uncompensated board or commission must authorize such reimbursement and should specify the rate of reimbursement for travel and other expenses and the source of payment. Agencies should indicate: whether the board or commission is responsible for the expenses of all members; whether an agency that staffs or supports the entity will pay the expenses; whether an entity is comprised of various state officials; and whether each member’s own agency will pick up its member’s expenses.

## Appendix C: Budget Language Summary Examples

A budget language summary must be included with each language submission. The summaries play a critical role in explaining the importance and reason for the requests. Use the summaries to explain the language item's purpose, effect, consequences if not enacted, cost (including the implementation cost), and relevant background information. The summary should be written for a general, non-expert audience.

The following are provided as examples of effective budget language summaries:

1. Provides Commission authority to promulgate rules regarding the regulation of skill-based amusement machines. Additionally, gives Franklin County Court of Common Pleas jurisdiction over actions taken by the Commission affecting licensees.
2. Modifies the definition of an Institutional Investor as prescribed by the Uniform Securities Act to 1) clarify who is an institutional investor and 2) define the types of entities that a Dealer can sell to as an SEC registrant. Also provides a registration exemption for a Dealer engaged in selling securities to any institutional investor so that the Dealer only has to register with the SEC rather than requiring registration with both the SEC and the state. This will align Ohio with the majority of other states.
3. Extends renewal requirements for Real Estate Broker and Salesperson Licenses for active duty Military members and spouses of active duty Military members. The renewal extension for military members will be equal to the length of active duty and for spouses of military members will be the renewal date following the discharge of the active duty member if the licensee was absent from the state.
4. Maintains the E-Check program contract extension (which expires June 30, 2015) through June 30, 2017, allowing for the continued operation of the program if it is determined necessary to comply with the Clean Air Act. Authorizes DAS to solicit vendors through a competitive bidding process and enter into a contract with a vendor for operation through June 30, 2019. Extends the contract which expires June 30, 2019 for continued operation through June 30, 2021 if necessary, for Ohio to comply with the Clean Air Act.

*Office of Budget and Management  
July 2022*