



OHIO LEGISLATIVE SERVICE COMMISSION

Edward M. Millane

Fiscal Note & Local Impact Statement

Bill: H.B. 320 of the 132nd G.A.

Status: As Introduced

Sponsor: Reps. Hagan and Roegner

Local Impact Statement Procedure Required: No

Subject: Establishes the Long-range Financial Outlook Council

State & Local Fiscal Highlights

- The bill establishes the Long-range Financial Outlook Council, which is to receive staff assistance from the Legislative Service Commission (LSC). While the current economists and budget analysts of LSC will be able to provide various services to the Council, the agency will likely need to hire one economist as a result of the bill. The salary and benefits for an entry-level economist ranges from \$70,490 to \$73,150. Additional personnel may need to be hired depending on the requirements of the Council.
- Council members serve without compensation but are to be reimbursed for actual and necessary expenses incurred while performing their duties. The cost of these reimbursements will depend on the number and duration of the Council's meetings.
- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill establishes the Long-range Financial Outlook Council to conduct regular reviews of the current fiscal position of Ohio, to establish a method for a long-range financial projection at the state level in order to help maintain the state's financial stability, to study a variety of other financial issues, and to issue an annual long-range financial outlook report. Under the bill, the Council is required to issue its first report to the General Assembly and to the public no later than September 1, 2018. Thereafter, it must issue a report every year by September 1.

The bill requires the Legislative Service Commission (LSC) to conduct research and provide staff and technical assistance to support the Council. LSC currently employs 26 economists and budget analysts to provide fiscal and budgetary analyses to the General Assembly. These existing staff will be able to provide certain services to the Council. However, due to the nature of the work of the Council, LSC will likely need to hire one additional economist to serve the Council. An entry-level economist receives a salary of approximately \$53,000 to \$55,000 per year. Assuming benefit costs of 33%, the

total cost is between \$70,490 ($\$53,000 \times 1.33$) and \$73,150 ($\$55,000 \times 1.33$). Depending on the requirements of the Council, additional personnel may need to be hired.

Council members serve without compensation but are to be reimbursed for actual and necessary expenses incurred while performing their duties. Annual costs for reimbursing members will depend on the number and duration of Council meetings and the distance which members must travel.

This bill also requires other agencies, and in particular, the Office of Budget and Management, to cooperate with the Council and provide requested information to LSC or to the Council. These agencies may incur a minimal increase in administrative costs due to this cooperation.

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