



Ohio Administrative Code Rule 126-2-01 Lack of funds.

Effective: January 6, 2020

(A) As used in this rule:

(1) "Appropriation," "Disbursement," "Expenditure," "Encumbrancing document," "Fund," and "Warrant" have the same meaning as defined in section 131.01 of the Revised Code.

(2) "Lack of funds" has the same meaning as defined in section 124.321 of the Revised Code.

(B) This rule applies to appointing authorities that employ persons whose salary or wage is paid by warrant of the director of budget and management, the director shall determine whether there is a lack of funds within an appointing authority such that employees may be laid off under section 124.321 of the Revised Code.

(C) If an appointing authority determines it is necessary to reduce its workforce pursuant to section 124.321 of the Revised Code, the appointing authority may request the director of budget and management to determine if a lack of funds exists.

(1) The director shall first determine whether an appropriation or fund within an appointing authority has a current or projected deficiency of funding necessary to maintain current, or to sustain projected levels of staffing and operations.

In order to make such a determination, the director shall consider the following:

(a) The expenditures already charged to the appropriation, the encumbrancing documents reserved against the appropriation, and the projected disbursements for the remainder of the fiscal year, including termination or unemployment costs that may be incurred in the event of a layoff.

(b) The adjusted, remaining amount of appropriation in the fiscal year.



(c) If the appropriation is made from a fund other than the general revenue fund, the cash balance of and anticipated revenues in the fund.

(2) If the director determines that the adjusted, remaining amount of appropriation or, if applicable, the fund's cash balance and anticipated revenues are not sufficient to pay for the current expenditures, encumbrancing documents, and projected disbursements identified in paragraph (D)(1)(a) of this rule for the remainder of the fiscal year, the director shall find that the appropriation or fund has a current or projected deficiency of funding.

(1) If the director finds that an appropriation or fund has a current or projected deficiency of funding under paragraph (D) of this rule, the director may analyze all appropriations made to the appointing authority in order to determine whether there is a lack of funds within an appointing authority.

In order to make such a determination, the director shall consider the following:

(a) For each appropriation expenditures already charged to the appropriation, the encumbrancing documents reserved against the appropriation, and the projected disbursements for the remainder of the fiscal year, including termination or unemployment costs that may be incurred in the event of a layoff.

(b) For each appropriation, the adjusted, remaining amount of appropriation in the fiscal year.

(c) If the appropriation is made from a fund other than the general revenue fund, the cash balance of and the anticipated revenues in the fund.

(2) If the director determines that the adjusted, remaining amount of appropriation and anticipated revenues in all funds, inclusive of any transfer of all or part of an appropriation or cash between funds or appropriation items or other appropriate action that is otherwise authorized by law would not correct a current deficiency or avoid a projected deficiency of funding in an appropriation or fund because the adjusted, remaining appropriation and anticipated revenues are not sufficient to pay for the current expenditures, encumbrancing documents, and projected disbursements identified in paragraph (D)(1)(a) of this rule, the director may find that there is a lack of funds within the appointing authority.



(3) In order to make such a determination, the director may also consider whether a transfer of all or part of an appropriation or cash in excess of need between funds or appropriation items or other appropriate action that is otherwise authorized by law would correct a current deficiency or avoid a projected deficiency of funding in an appropriation or fund.

(1) Notwithstanding paragraphs (D) and (E) of this rule, the director may determine that there is a lack of funds within an appointing authority if the director finds that a program within the appointing authority has a current or projected deficiency of funding, necessary to maintain current, or to sustain projected levels of program staffing and operations for the programs funded by the federal government, special revenue accounts, or proprietary accounts.

In order to make such a determination, the director shall consider the following:

(a) For any appropriation made to the appointing authority for the program and any fund which appears to have a deficiency of funding for the program, the adjusted, remaining amount of appropriation in the fiscal year.

(b) The program expenditures already charged to the appropriation, the encumbrancing documents reserved against the appropriation, and the projected disbursements for the remainder of the fiscal year, including termination or unemployment costs that may be incurred in the event of a layoff.

(c) Whether the cash balance and anticipated revenues in the fund supporting the program are sufficient to maintain the current or projected levels of program staffing and operations.

(d) If the director determines that the fund's cash balance and anticipated revenues are not sufficient to maintain the current or projected levels of program staffing and operations, the director may find that the fund has a current, or to sustain projected deficiency of funding. On the basis of such a deficiency, the director may find that there is a lack of funds within an appointing authority.

(2) For purposes of this paragraph, the director shall determine which accounts constitute "special revenue accounts" and "proprietary accounts" as indicated by the prevailing appropriations acts of the general assembly.



(G) For the purposes of paragraphs (E) and (F) of this rule, the director is not required to analyze all appropriations made to the appointing authority. The director is not required to ascertain whether a transfer of all or part of an appropriation or a transfer between funds of all or part of a cash balance in excess of need or other action would correct a current, or to sustain projected deficiency of funding necessary to maintain current or projected levels of program staffing and operations.

(H) Whenever a program receives funding through a grant or similar mechanism, a lack of funds shall be presumed for the positions assigned to and the employees who work under the program if the funding is reduced or withdrawn for any reason.

(I) Notwithstanding the other paragraphs of this rule, the director may determine that there is a lack of funds within an appointing authority if the cash balance of a fund appropriated for both employee compensation and state distributed subsidy or grant payments has a current or projected deficiency in cash for those purposes. In making this determination, the director may consider the legally authorized expenditures of the fund, the intent of the subsidy or grant payments, and the need to continue to make such subsidy or grant payments.

(J) After following the provisions of this rule, the director shall make a determination regarding the status of funds within the appointing authority. If the director finds that there is a lack of funds within an appointing authority, the director shall inform the appointing authority of the amount of the current or projected deficiency of funding necessary to maintain current, or to sustain projected levels of staffing and operations.