



TO: Chairman Douglas Cole
Ohio Constitutional Modernization Commission
Finance, Taxation, and Economic Development Committee

FROM: Seth Metcalf, Deputy Treasurer of State

DATE: April 13, 2017

RE: Constitutional Provision on Reporting of State Debt

Thank you for the opportunity to provide perspective from the Treasurer's office on this subject.

As you know, Article VIII, Section 8 creates the five-member body known as the Commissioners of the Sinking Fund. Sections 9 and 11 delegate reporting functions to the Commissioners, while Section 10 holds the Commissioners of the Sinking Fund accountable for the payment of interest and the redemption of principal of the State's debt.

The Treasurer's office has, for at least the last 47 years, prepared the Commissioners of the Sinking Fund Semi-Annual Report, and distributed it twice a year to the Governor and all members of the General Assembly. As it states in the report's cover letter, the "semi-annual report is designed to provide the State of Ohio's citizens, taxpayers, customers, investors, and creditors with a general overview of the State's general obligation bonds, and to demonstrate accountability for the money the State borrows." The report details general obligation bond activity for the preceding six-month period and provides extensive financial information regarding the State's ten types of outstanding general obligation bonds.

Holding statewide-elected officials accountable in the Constitution for the management, reporting, and payment of the State's debt should continue. Because the Committee has recommended the repeal of Sections 7 through 11 of Article VIII in their entirety, a new provision creating a duty for the Treasurer of State to report on the State's debt would be an appropriate step.