



JOSH MANDEL

STATE TREASURER OF OHIO

Daily Advocate
By Ryan Carpe

DARKE COUNTY – In an effort to maximize their investments in uncertain economic times, local Ohio governments and school districts are utilizing the STAR Plus program, which promises higher yields and a secure investment alternative.

STAR Plus enables Ohio's local governments and school districts the ability to deposit reserve funds into FDIC-approved banks. The reserves are designed to return income based on interest returns for future projects and costs.

According to the Treasurer's Office, Darke County currently has two entities participating in the STAR Plus program. Twin Township has \$600,000 invested in the program, while Arcanum Butler Local School District has \$500,000 invested.

On average, neighboring counties of Darke County invested even more. In Mercer County, the City of Celina invested \$5,000,000, while Parkway Local Schools deposited \$1,200,000 into the program.

In Miami County, Tipp City deposited the largest amount in the region, with \$14,580,225.96 going into the STAR Plus program. Miami East Local School District invested \$2,000,000, the Troy City School District invested \$1,145,909.92 and the Covington Board of Education invested \$500,00. The Sidney School District invested \$2,500,000 into the program.

Ohio Rep. Jim Buchy reported that his 84th District has already invested \$22 in the STAR Plus program.

According to Rep. Buchy, Ohio's 84th District, which covers parts of Mercer, Darke, Auglaize and Shelby counties, has a disproportionately higher rate of participation in STAR Plus from its villages, cities and schools.

He attributes that fact to wise local investors who are quick to take advantage of the beneficial program.

"We just have good people managing our cities, our local governments and our schools," Rep. Buchy said.

Rep. Buchy noted that the interest rates weren't particularly high, but when investing large amounts the return would still make a



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difference.

The State Treasurer's office describes the STAR Plus as "a safe and secure investment option for government subdivisions such as schools, cities, counties, townships, libraries, and other public entities which provides weekly liquidity and a competitive yield."

The program developed as the State Treasurer's Office heard concerns from taxpayers and local government fiscal officers involving the low rate of return on the traditional local government investing program.

The Treasurer's Office performed an evaluation of the existing STAR Ohio program, which had been around since 1985, and developed a way to increase the rate of return while maintaining the safety and security of those tax dollars.

Originally local governments were allowed to deposit cash into banks, but the legislation adopted in House Bill 209 made it possible for those deposits to earn interest. HB 209 was passed by a bi-partisan Ohio Legislature on Dec. 6, 2011, signifying wide support from the state government.

The STAR Plus Program was launched in June 2012 and now boasts local governments and school districts of varying sizes investing their tax dollars through the program.

"The success of this program is (evidenced) by 320 Ohio government subdivisions choosing to open STAR Plus accounts and investing \$1,005,697,042 in less than a year. This includes 125 schools, 45 cities, 34 libraries, 31 townships, and 11 counties, amongst other government entities," said State Treasurer Josh Mandel.

Three weeks ago, Mandel announced that STAR Plus had surpassed \$1 billion in local government investments.

Mandel emphasized the importance of local governments receiving a higher yield on their investments so that they could secure more resources to fund childhood education, senior citizens services and local law enforcement and emergency response departments.

"The fact that local government fiscal officers have chosen to invest over a billion dollars in less than a year to the program is (encouraging) and a good service to the tax payers," said Mandel.



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The new program is also backed by the Community Bankers Association of Ohio (CBAO), who supports the effort to improve local investment opportunities.

“Community banks can benefit from the program’s goal of redirecting deposits to Ohio community banks. Community banks have a long and proven track record of making capital available to small business customers which stimulates local economies,” said Robert L. Palmer, CBAO President and Chief Executive Director in a released statement.

And while the program has already accrued wide support in the year since its inception, the Treasurer’s Office expects further participation in the months to come.

“We’re hopeful that more Ohio communities participate because I believe its a good thing when Ohio tax dollars stay in local Ohio communities,” said Mandel.

For more information about the STAR Plus program, readers can visit its official website at starohioplus.com/.