

Ohio Manufactured Homes Commission

- Created in CY 2004 by S.B. 102 of the 125th General Assembly
- Enacted budget of \$272,500 in FY 2006
- Planned consolidation within the Department of Commerce in FY 2007

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OVERVIEW

Duties and Responsibilities

S.B. 102 of the 125th General Assembly established the Ohio Manufactured Homes Commission (MHC). The Commission received Controlling Board approval to operate under a \$218,330 appropriation in November 2004, well into the second year of the FY 2004-2005 biennium. Its mission is to regulate manufactured housing installers, the installation of manufactured housing, and manufactured housing foundations and support systems. Note that the Department of Health inspects the installation of manufactured housing in manufactured home parks and must determine compliance with the installation, foundation, and base support system standards for manufactured housing located in manufactured home parks. The Commission is also empowered to review the design of and plans for manufactured housing installations, foundations, and support systems and to inspect a sample of homes at a percentage the Commission determines to evaluate the construction and installation of manufactured housing, foundations, and support systems to assure compliance with the adopted standards.

Agency in Brief

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Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2006	2007	2006	2007	
3	\$325,047	\$0	\$0	\$0	Am. Sub. H.B. 66

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2005.

4K9 Fund

The Manufactured Homes Commission is funded by the Occupational and Regulatory Fund (Fund 4K9), which serves as a repository for license fees and other assessments collected by the state's occupational licensing and regulatory boards. A pooled funding source provides agencies the ability to maintain operations during years where licenses are not renewed and revenue is much lower. Yet, it is also quite common for the boards to develop a surplus in the fund to cover unforeseen economic hardships. Overall, the philosophy of the fund is that each board must generate enough revenue to cover its expenses.

Licensing

The Manufactured Homes Commission will renew its licenses on a biennial basis. In August of 2005, the Attorney General informed the Commission that it could not begin performing its licensing or regulatory activities because of the way its enabling legislation is written. The Commission's statute makes it dependent on action by the federal government that was supposed to have taken place already but has not yet occurred (and may not occur for some time). The Commission is currently drafting revisions of its statute so that the Commission can begin performing its duties.

Increased Appropriation through Controlling Board

While the enacted budget appropriates \$272,500 in FY 2006, this amount is not sufficient to cover commission expenses associated with the state mandates of S.B. 102 of the 125th General Assembly (which created the Commission) and the federal mandates of the Manufactured Housing Improvement Act of 2000. A provision in the enacted budget allows the Commission to seek Controlling Board approval in FY 2006 for an increase of \$356,250 in its appropriation. This would give the Commission a FY 2006 operating budget of \$628,750. Due to the difficulties described above, the Commission's fiscal situation is somewhat unclear until the Commission receives an indication of how quickly the General Assembly can act on legislation that would revise its statutes.

Board Consolidation

The enacted budget recommended that 20 independent occupational licensing boards be absorbed into the departments of Health, Commerce, and Public Safety. As such, the enacted budget does not appropriate funding in FY 2007 for the boards and commissions included in the consolidation proposal. The specifics of the consolidation plan will be addressed during FY 2006 by a task force consisting of the agencies acquiring the boards, the Department of Administrative Services, the Office of Budget and Management (OBM), and three individuals selected by the boards included in the consolidation proposal. According to the plan, current staff will be retained through FY 2006 and a hiring freeze and early retirement incentives will be offered to regulatory board staff. These incentives should result in staff reductions. Effective July 1, 2006, all remaining regulatory board staff will be transferred to the relevant agency. Board and commission members for each agency will be retained and continue to serve in the manner in which they were appointed.

Vetoed Provisions

The Governor did not veto any provisions affecting the Manufactured Homes Commission.

ANALYSIS OF THE ENACTED BUDGET

For budget purposes, as detailed below, the Manufactured Homes Commission is considered a single program series agency and its activities are not subdivided into separate programs.

Program Series 1

Operating Expenses

Purpose: To regulate manufactured housing installers, the installation of manufactured housing, and manufactured housing foundations and support systems.

The following table shows the line items that are used to fund the Manufactured Homes Commission as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Services Fund				
4K9	996-609	Operating Expenses	\$272,500	\$0
Total Funding: Manufactured Homes Commission			\$272,500	\$0

Program Description: In accordance with Chapter 4781. of the Revised Code, the Manufactured Homes Commission regulates manufactured housing installers, the installation of manufactured housing, and manufactured housing foundations and support systems. The Commission is also empowered to review the design of and plans for manufactured housing installations, foundations, and support systems and to inspect a sample of homes at a percentage the Commission determines to evaluate the construction and installation of manufactured housing installations, foundations, and support systems to assure compliance with the adopted standards.

Funding Sources: GSF (Fund 4K9); biennial license fees and renewals

Implication of the Enacted Budget: The Manufactured Homes Commission received funding of \$272,500 in FY 2006 and \$0 in FY 2007, as the Board is slated for consolidation within the Department of Commerce. A provision in the enacted budget allows the Commission to seek Controlling Board approval in FY 2006 for an increase of \$356,250 in its appropriation. This would give the Commission a FY 2006 operating budget of \$628,750. Due to operation difficulties, the Commission's fiscal situation is somewhat unclear until the Commission receives an indication of how quickly the General Assembly can act on legislation that would revise its statutes.