

Air Quality Development Authority

- A new program series, Governor's Energy Advisor is added; this advisor is to coordinate state energy programs and play a leadership role in energy efficiency and conservation

Isabel Louis, Economist

OVERVIEW

Duties and Responsibilities

The Ohio Air Quality Development Authority (OAQDA) is a non-regulatory state government agency that was established in 1970 in response to environmental mandates handed down by the federal government in the first Clean Air Act. A seven-member board governs the Authority. The Governor appoints five of the members and the remaining two members are the directors of the Ohio Department of Health and the Ohio Environmental Protection Agency. The Authority assists Ohio businesses, government agencies, and not-for-profit agencies and individuals in complying with air quality regulations by providing technical and financial assistance. Since July 2003 the OAQDA is also the home agency for the Ohio Coal Development Office (OCDO), which provides grants to support research and development of clean coal technology.

OAQDA is now authorized to use commodity contracts to help Ohio-based companies take advantage of federal tax laws that encourage the capture of waste heat for the production of electricity. OAQDA will use these contracts for assisting such companies in the acquisition or construction of air quality facilities.

Agency in Brief

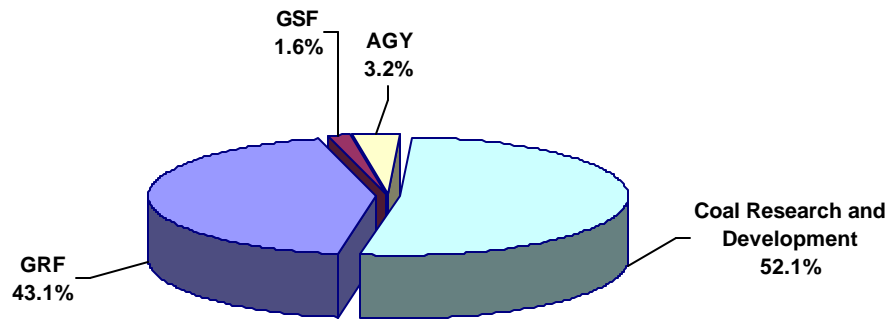
Agency In Brief					
Number of Employees*	Total Appropriations - All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
13	\$18.72 million	\$19.72 million	\$7.80 million	\$8.78 million	Am. Sub. H. B. 119

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2007.

Appropriations

The budget appropriates total funding of \$18.72 million in FY 2008. This is a 15.5% decrease from the adjusted appropriation level for FY 2007. The appropriation for FY 2009 is \$19.72 million. This is a 5.3% increase over FY 2008.

Total Budget by Fund Group - FYs 2008-2009



ANALYSIS OF THE BUDGET

Program Series

1: Air Quality Development Authority

Purpose: This program series combines financing, technical assistance, and research and development support to encourage investment resulting in better air quality and to make environmental protection and economic development mutually compatible and beneficial. There are three components to Program Series 1: namely, 1.01 Project Development and Financing, 1.02 Clean Air Resource Center, and 1.03 Ohio Coal Development Office (OCDO).

The following table shows the line items that are used to fund this program series, as well as the budget funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	898-401	FutureGen Assistance	\$0	\$0
GRF	898-402	Coal Development Office	\$565,097	\$589,092
GRF	898-901	Coal R&D General Obligation Debt Service	\$7,232,400	\$8,192,500
General Revenue Fund Subtotal			\$7,797,497	\$8,781,592
Agency Fund Group				
570	898-601	Operating Expenses	\$255,000	\$264,000
4Z9	898-602	Small Business Ombudsman	\$287,146	\$294,290
5A0	898-603	Small Business Assistance	\$71,087	\$71,087
Agency Fund Group Subtotal			\$613,233	\$629,377
Coal Research & Development Fund				
046	898-604	Coal Research & Development	\$10,000,000	\$10,000,000
Coal Research & Development Fund Subtotal			\$10,000,000	\$10,000,000
Total Funding: Air Quality Development Authority			\$18,717,730	\$19,717,969

This analysis focuses on the following specific programs within the agency:

- **Program 1.01: Project Development and Financing**
- **Program 1.02: Clean Air Resource Center**
- **Program 1.03: Ohio Coal Development Office**

Project Development and Financing

Program Description: Project Development and Financing supports the primary activities of the OAQDA. The primary focus is providing financing assistance through the issuance of bonds for investment in: air pollution control, air pollution prevention, energy efficiency and conservation, and ethanol and other biofuel production projects.

Funding Source: Administrative fees generated from the issuance of bonds

Implication of the Budget: The budget will provide enough funding to support the Project Development and Financing program's primary activities.

Clean Air Resource Center

Program Description: The Clean Air Resource Center fulfills the federal requirement to provide specific assistance to small businesses that must comply with the Clean Air Act of 1990. The program provides information to small businesses and helps them determine if they must comply with Clean Air Act requirements, and what they must do to be in compliance. The program also assists in determining how to finance any changes that must be made in order to comply with regulations.

Funding Source: Transfers of Title V permit fees from the Ohio Environmental Protection Agency (OEPA)

Implication of the Budget: The budget provides adequate funding to support the activities of the Clean Air Resource Center. If additional funding is needed for the Small Business Assistance Program it may be requested through the Controlling Board.

Ohio Coal Development Office

Program Description: The Ohio Coal Development Office co-funds the development and implementation of technologies that can use Ohio's high-sulfur coal reserves in an economical and environmentally sound manner. The Office oversees ongoing grants providing technical, administrative, and management assistance. The Office monitors the progress of these projects to ensure that funding is being properly used and substantial progress is being made. The Office also supports the Ohio Coal Research Consortium, a network of Ohio universities conducting research in the clean coal technologies.

Funding Source: General Revenue Fund and Ohio Coal Research and Development GO bonds

Implication of the Budget: The budget will allow the Ohio Coal Development Office to fund the activities of the Coal Research and Development program.

Program Series**2: Governor's Energy Advisor**

Purpose: This new program series was created to develop a coordinated and comprehensive state energy strategy. There are two components to Program Series 2: namely, 2.01 Coordination of State Agency Energy Programs, and 2.02 Energy Leadership by Example.

The following table shows the line items that are used to fund the Governor's Energy Advisor, as well as the budget funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
5EG	898-608	Energy Strategy Development	\$307,000	\$307,000
General Services Fund Subtotal			\$307,000	\$307,000
Total Funding: Governor's Energy Advisor			\$307,000	\$307,000

This analysis focuses on the following specific programs within the Governor's Energy Advisor program series:

- **Program 2.01: Coordination of State Agency Energy Programs**
- **Program 2.02: Energy Leadership by Example**

Coordination of State Agency Energy Programs

Program Description: The program is to work with delegated personnel from each state agency to identify, categorize, and coordinate all programs that have an impact on state energy policy.

Funding Source: General Services Fund Group

Implication of the Budget: The budget will provide funding to identify programs with an impact on energy issues, to develop a state energy strategy, and to work with stakeholders across the state to guarantee that interests are understood and considered.

Energy Leadership by Example

Program Description: The program is to work with delegated personnel from each state agency to achieve targeted reductions in energy consumption and to develop a parallel program in state institutions of higher education.

Funding Source: General Services Fund Group

Implication of the Budget: The budget will lead to developing a common measurement tool to ensure that state agencies compute and track energy consumption in a consistent manner.

FY 2008 - 2009 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

FY 2005: FY 2007 Adj. FY 2008 % Change FY 2009 % Change
 FY 2006: Appropriations: Appropriations: 2007 to 2008: Appropriations: 2008 to 2009:

Report For: Main Operating Appropriations Bill

Version: Enacted

AIR Air Quality Development Authority

Agency	Line Item	Description	FY 2005	FY 2006	FY 2007 Adj.	FY 2008	% Change	FY 2009	% Change
GRF	898-401	Future Gen Assistance	----	----	\$ 1,000,000	----	N/A	----	N/A
GRF	898-402	Coal Development Office	\$ 470,758	\$ 560,030	\$ 573,814	\$ 565,097	-1.52%	\$ 589,092	4.25%
GRF	898-901	Coal R & D General Obligation Debt Service	\$ 9,046,075	\$ 7,035,492	\$ 8,980,800	\$ 7,232,400	-19.47%	\$ 8,192,500	13.27%
General Revenue Fund Total			\$ 9,516,833	\$ 7,595,522	\$ 10,554,614	\$ 7,797,497	-26.12%	\$ 8,781,592	12.62%
5EG	898-608	Energy Strategy Development	----	----	----	\$ 307,000	N/A	\$ 307,000	0.00%
General Services Fund Group Total			----	----	----	\$ 307,000	N/A	\$ 307,000	0.00%
4Z9	898-602	Small Business Ombudsman	\$ 188,144	\$ 200,216	\$ 264,196	\$ 287,146	8.69%	\$ 294,290	2.49%
570	898-601	Operating Expenses	\$ 214,851	\$ 231,145	\$ 263,693	\$ 255,000	-3.30%	\$ 264,000	3.53%
5A0	898-603	Small Business Assistance	\$ 47,459	\$ 12,568	\$ 71,087	\$ 71,087	0.00%	\$ 71,087	0.00%
Agency Fund Group Total			\$ 450,454	\$ 443,928	\$ 598,976	\$ 613,233	2.38%	\$ 629,377	2.63%
046	898-604	Coal Research and Development Fund	\$ 4,072,448	\$ 4,182,174	\$ 10,000,000	\$ 10,000,000	0.00%	\$ 10,000,000	0.00%
Coal Research/Development Fund Total			\$ 4,072,448	\$ 4,182,174	\$ 10,000,000	\$ 10,000,000	0.00%	\$ 10,000,000	0.00%
Air Quality Development Authority Total			\$ 14,039,734	\$ 12,221,624	\$ 21,153,590	\$ 18,717,730	-11.52%	\$ 19,717,969	5.34%