

Manufactured Homes Commission

- Projected revenue of \$450,000 per fiscal year from fees
- Funding of \$418,122 in FY 2008 and \$434,671 for FY 2009

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OVERVIEW

Duties and Responsibilities

The mission of the Manufactured Homes Commission is to protect the safety, health, and property of the public throughout Ohio through the establishment and enforcement of uniform manufactured home installation standards. To this end, the Commission is tasked with the following: training and licensing manufactured housing installers, training and certifying manufactured home inspection agencies, training building departments and their personnel, training Department of Health designees, approving quality course sponsors, and administering a responsive and rational dispute resolution program.

Agency in Brief

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Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
4	\$418,122	\$434,671	\$0	\$0	Am. Sub. H.B. 119

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

Summary of FYs 2008 - 2009 Budget Issues

Enforcement Challenges

The Commission's challenges related to starting up operations in the prior biennium will transition into enforcement challenges for the FY 2008 - 2009 biennium. For instance, the Commission anticipates over 5,000 new and used manufactured homes will be installed or reinstalled in Ohio each fiscal year. Commission rules require a minimum of three inspections per home. However, in some areas of the state no inspections have ever been performed on manufactured homes and there is currently no certified local inspection agency. Therefore, the Commission's main challenge will be ensuring that uniform standards are upheld.

The Commission will also be tasked with monitoring third party inspection agencies as they perform inspections and report on their permitting and inspection work. The Commission is using the e-Licensing software that many other occupational licensing and regulatory boards use to manage licensee information for licensing only. While the Commission intends to have online renewal capability by the end of CY 2007, the e-Licensing software is not well suited for its needs for an inspection and investigation database. The Commission is seeking qualified bidders to develop such a database consisting of information from investigations and inspections and hopes to have the project completed by CY 2009.

Based on Ohio industry experience, the Commission anticipates a minimum of 100 complaints per year in the upcoming biennium to handle through the agency's dispute resolution process. Corresponding to the number of complaints the Commission will receive will be costs for hearings, hearing officers, and court reporters. The Commission states that investigations will be critical in its first few years to ensure uniformity of interpretation and enforcement throughout the state.

Revenue Generation

The Commission will be primarily supported through home inspection seal revenue. These seals carry a per-home fee of \$75 for home installation inspection and dispute resolution programs. The Commission will also receive revenue from an estimated 250 to 400 installers paying a \$150 license fee renewed biennially, an estimated 15 certified third party inspection agencies paying a \$300 fee renewed triennially, an estimated 175 certified inspectors paying a \$30 fee renewed triennially, and other training and continuing education fees. Overall, the Commission projects revenue of approximately \$450,000 per fiscal year. Some revenue is anticipated to be cyclical. Home installations and placements largely take place during the spring, summer, and fall, resulting in less revenue for the Commission in winter months. Furthermore, revenue from home seals may vary from year to year as the housing market fluctuates.

ANALYSIS OF THE BUDGET

Single Program Series

Operating Expenses

Purpose: Regulates 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 funding levels for the FY 2008 - 2009 biennium by fiscal year.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund Group				
4K9	996-609	Operating Expenses	\$418,122	\$434,671
General Services Fund Group Subtotal			\$418,122	\$434,671
Total Funding: Manufactured Homes Commission			\$418,122	\$434,671

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. Further, they are also required 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 determine compliance with the adopted standards.

Funding Source: GSF Fund 4K9 – home inspection fees and fees from licensed installers

Implication of the Budget: The budget appropriates \$418,122 in FY 2008 and \$434,671 for FY 2009, which fully funds the Commission's activities. These amounts enable the Commission to begin full operations.

FY 2008 - 2009 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>	<i>FY 2005:</i>	<i>FY 2006:</i>	<i>FY 2007 Adj. Appropriations:</i>	<i>FY 2008 Appropriations:</i>	<i>% Change 2007 to 2008:</i>	<i>FY 2009 Appropriations:</i>	<i>% Change 2008 to 2009:</i>
Report For: Main Operating Appropriations Bill		Version: Enacted					
MHC Manufactured Homes Commission							
4K9 996-609 Operating Expenses	\$ 67,542	\$ 226,164	\$ 412,000	\$ 418,122	1.49%	\$ 434,671	3.96%
General Services Fund Group Total	\$ 67,542	\$ 226,164	\$ 412,000	\$ 418,122	1.49%	\$ 434,671	3.96%
Manufactured Homes Commission Total	\$ 67,542	\$ 226,164	\$ 412,000	\$ 418,122	1.49%	\$ 434,671	3.96%