

Public Works Commission

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- Implementation of program years 21 and 22 of the SCIP program
- Implementation of program year 4 of the Clean Ohio Program
- Current service and staffing levels will be maintained over the biennium

OVERVIEW

Duties and Responsibilities

The Public Works Commission (PWC) administers the State Capital Improvement Program (SCIP) and the Local Transportation Improvement Program (LTIP). These programs provide grants and loans to local governments for infrastructure projects. The SCIP receives funding from infrastructure bonds and the LTIP receives funding from one cent of the motor fuel tax. PWC also administers a portion of the Clean Ohio Conservation Program (COCP). Currently, the Commission provides funding for a staff of 12.

The main appropriations bill contains the *debt service* appropriations for the SCIP and the COCP, as well as *operating* dollars for the COCP. The capital re-appropriations bill and the capital bill contain the *capital* dollars for the SCIP. The transportation budget bill, Am. Sub. H.B. 67 of the 127th General Assembly, contains the *operating* dollars for the LTIP and the SCIP as well as the *capital* dollars for the LTIP. That bill funds PWC at approximately \$69 million (from one cent of the gas tax) in each fiscal year with the majority of funding going to the LTIP program. The LTIP provides direct grants to local political subdivisions on a per capita basis to assist in the costs associated with local road and bridge projects.

Agency in Brief

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
12	\$192.66 million	\$208.77 million	\$192.36 million	\$208.47 million	Am. Sub. H.B. 67 Am. Sub H.B. 119

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

Summary of FY 2008 - 2009 Appropriations

PWC's appropriations in the main budget act are \$192,662,337 in FY 2008 and \$208,787,009 in FY 2009, a total of \$401,449,346 for the biennium. Of this total, 91% is for SCIP debt service payments, while 8.6% is for Clean Ohio debt service and Clean Ohio operating expenses. Compared to last biennium, the Commission's total funding is 10% more than FY 2006 - 2007 appropriations. Overall, the appropriation levels will allow PWC to maintain current service and staffing levels, while also focusing on coordinating a better project selection process and regional cooperation, as well as encouraging repair and replacement of existing infrastructure rather than expansion.

Budget by Fund Group

The majority of the Public Works Commission's funding in the main operating bill comes from the GRF. These dollars are used to service the debt and financing costs for conservation projects funded under the COCP as well as infrastructure projects funded under the SCIP.

Table 2. FYs 2008-2009 Budget by Fund Group

Fund Group	FY 2008	% of Total Budget	FY 2009	% of Total Budget	Biennium Total
General Revenue Fund	\$192.36 million	99.8%	\$208.47million	99.8%	\$400.83 million
Clean Ohio Conservation Fund	\$301,537	<1%	\$311,509	<1%	\$613,046
TOTAL	\$192.66 million	100%	\$208.77 million	100%	\$401.43 million

ANALYSIS OF THE BUDGET

Program Series

Aid to Local Government Improvements

Purpose: This program series provides grants and loans to address Ohio's local public infrastructure needs.

The following table shows the line items that are used to fund the Aid to Local Government Improvements program series, as well as the funding levels for FYs 2008 - 2009.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	150-904	Conservation General Obligation Debt Service	\$14,847,200	\$19,779,200
GRF	150-907	State Capital Improvements General Obligation Debt Service	\$177,513,600	\$188,696,300
General Revenue Fund Subtotal			\$192,360,800	208,475,500
Clean Ohio Conservation Fund				
056	150-403	Clean Ohio Operating Expenses	\$301,537	\$311,509
Clean Ohio Conservation Fund Subtotal			\$301,537	\$311,509
Total Funding: Aid to Local Government Improvements			\$192,662,337	\$208,787,009

The Aid to Local Government Improvements program series includes the following:

- **Program 1.01: State Capital Improvement Program (SCIP)**
- **Program 1.03: Clean Ohio Conservation Program (COCP)**

Recall that Program 1.02, the Local Transportation Improvement Program, is appropriated in Am. Sub. H.B. 67, the FY 2008 - 2009 transportation funding act, and explains why it does not appear here.

Program 1.01: State Capital Improvement Program (SCIP)

Program Description: SCIP uses infrastructure bond proceeds to provide grants and loans to local governments for improvement of their infrastructure systems. Bond issuing authority is provided in Section 2p, Article VIII of the Ohio Constitution. Each year approximately \$120-\$150 million in bonds are issued to provide the grants and loans. Eligible projects include improvements to roads, bridges, culverts, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal systems. The SCIP also has two subprograms, the Small Government Program, which sets aside \$12 million each fiscal year for villages and townships less than 5,000 in population, and the Emergency Assistance Program, which provides \$2.5 million for infrastructure emergencies.

Funding Source: GRF used for debt service

Implication of the Budget: The appropriations for this program will allow debt service payments to continue as scheduled and allow PWC to implement program years 21 and 22 of the SCIP.

Program 1.03: Clean Ohio Conservation Program

Program Description: The Clean Ohio Conservation Program (COCP) was created by Am. Sub. H.B. 3 of the 124th General Assembly. This program provides grants for brownfields revitalization projects and open space acquisition. The COCP has two funds: the Clean Ohio Revitalization Fund (which is administered by the Department of Development and the Ohio Environmental Protection Agency) and the Clean Ohio Conservation Fund (which is administered by the Public Works Commission). Grant funding is from bond sales, of which 75% is used for open space acquisition, 12.5% for agricultural easements, and 12.5% for recreational trail construction. One bond is usually issued in a calendar year and the funds are disbursed over a two-year program. The COCP provides cash payments to various property owners to acquire and provide access improvements to open space and enhance riparian corridors. The program primarily services local governments in Ohio, nonprofit organizations, and consultants and contractors hired to perform work on approved projects.

Funding Source: GRF and investment income. The GRF supports the program's debt service payments and bond investment income pays for the program's operating expenses.

Implication of the Budget: The budget will allow debt service payments for Clean Ohio bonds to continue as scheduled and will allow current service and staffing levels to be maintained. Appropriations for Clean Ohio operating expenses will be used for application review/approval and project agreement processing.

FY 2008 - 2009 Final Appropriation Amounts

All Fund Group

<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						
<i>PWC Public Works Commission</i>									
GRF	150-904	Conservation General Obligation Debt Service	\$ 9,150,021	\$ 7,897,420	\$ 17,168,800	\$ 14,847,200	-13.52%	\$ 19,779,200	33.22%
GRF	150-907	State Capital Improvements General Obligation Debt Service	\$ 148,273,922	\$ 152,595,038	\$ 172,145,100	\$ 177,513,600	3.12%	\$ 188,696,300	6.30%
General Revenue Fund Total			\$ 157,423,944	\$ 160,492,458	\$ 189,313,900	\$ 192,360,800	1.61%	\$ 208,475,500	8.38%
056	150-403	Clean Ohio Operating Expenses	\$ 247,573	\$ 233,576	\$ 375,436	\$ 301,537	-19.68%	\$ 311,509	3.31%
Clean Ohio Conservation Fund Total			\$ 247,573	\$ 233,576	\$ 375,436	\$ 301,537	-19.68%	\$ 311,509	3.31%
Public Works Commission Total			\$ 157,671,517	\$ 160,726,035	\$ 189,689,336	\$ 192,662,337	1.57%	\$ 208,787,009	8.37%

FY 2008 - 2009 Final Appropriation Amounts

All Fund Group

<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: Transportation Budget			Version: Enacted						
PWC Public Works Commission									
038	150-321	SCIP-Operating Expenses	\$ 778,891	\$ 754,224	\$ 1,058,273	\$ 879,237	-16.92%	\$ 918,912	4.51%
Local Infrastructure Improvement Fund Group Total			\$ 778,891	\$ 754,224	\$ 1,058,273	\$ 879,237	-16.92%	\$ 918,912	4.51%
052	150-402	LTIP-Operating	\$ 255,658	\$ 241,837	\$ 401,494	\$ 291,537	-27.39%	\$ 306,178	5.02%
052	150-701	Local Transportation Improvement Program	\$ 65,336,260	---	\$ 68,877,801	\$ 67,500,000	-2.00%	\$ 67,500,000	0.00%
Local Transportation Improvement Program Fund Gr			\$ 65,591,918	\$ 241,837	\$ 69,279,295	\$ 67,791,537	-2.15%	\$ 67,806,178	0.02%
Public Works Commission Total			\$ 66,370,809	\$ 996,061	\$ 70,337,568	\$ 68,670,774	-2.37%	\$ 68,725,090	0.08%