LSC Greenbook

Analysis of the Enacted Budget

Department of Commerce

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Legislative Service Commission

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Department of Commerce

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OVERVIEW

Agency Overview

The Department of Commerce (COM) is one of the state's principal regulatory entities with responsibilities in a variety of areas, including financial institutions, securities, liquor control, real estate, unclaimed funds, industrial compliance, fire safety and prevention, wage and hour law enforcement, and video service. The Department operates with the use of little General Revenue Fund (GRF) moneys, funding most programs by assessing fees and charges on the industries that it regulates. Additionally, COM regularly transfers profits and excess cash balances from several of these programs to the GRF and other state agencies. Each of the Department's seven operating divisions is charged with carrying out specific sections of the Ohio Revised Code and an eighth division, the Division of Administration, provides leadership, direction, and support to the operating divisions. Each division is organized into specific program, administrative, and support sections and has its own operating funds. As of the end of FY 2009, the Department had a headcount of approximately 760 full-time employees (FTEs) and approximately 135 part-time and intermittent employees.

Appropriation Overview

Table 1. Appropriations by Fund Group, FY 2010-FY 2011

Fund Group	FY 2009 Expenditures	FY 2010	% change, FY 2009-2010	FY 2011	% change, FY 2010-2011
General Revenue	$2,018,587	$1,492,677	(26.1%)	$0	(100.0%)
General Services	$76,998,277	$98,887,868	28.4%	$98,946,493	0.6%
Federal Special Revenue	$1,955,808	$2,063,734	5.5%	$2,075,499	0.6%
State Special Revenue	$66,250,849	$74,728,168	12.8%	$75,248,717	0.7%
Liquor Control	$518,910,944	$542,467,026	4.5%	$575,519,423	6.1%
Revenue Distribution	$14,038,463	$14,100,000	0.4%	$14,100,000	0.0%
Volunteer Firefighters Dep.	$236,875	$300,000	26.7%	$300,000	0.0%
TOTAL	**$680,409,403**	**$734,039,473**	**7.9%**	**$766,190,132**	**4.4%**

*FY 2009 figures represent actual expenditures.

H.B. 1 provides the Department with FY 2010 appropriations of $734.0 million, an increase of 7.9% over FY 2009 spending of $680.4 million. FY 2011 appropriations are $766.2 million, or 4.4%, above FY 2010 appropriations. Less than one-tenth of one percent of the Department's budget comes from the GRF. In contrast, appropriations from the Liquor Control Fund Group comprise nearly 75.0% of the agency's budget. Most of the rest of the agency's funding comes from the General Services Fund Group (13.2%), which funds the Department's unclaimed funds and administrative programs, and the State Special Revenue Fund Group (10.0%), which are funds supported by fee revenue that finance many of the Department's divisions. The Revenue Distribution Fund, which contains the local share of funding generated by liquor permit fees, and the Volunteer Firefighters' Dependents Fund make up the remaining 1.9% of the Department's appropriations.

Budget by Functional Category

As noted above, funding for the Liquor Control category, which provides for the purchase of spirituous liquor merchandise and pays for debt service on economic development and Clean Ohio Revitalization bonds backed by liquor profits, makes up over three-quarters of the agency's budget. Funding for Unclaimed Funds accounts for the next largest portion (approximately 11.0%) of the Department's funding. The remaining amount, about 12.0% of the funding is devoted to other regulatory functions. The appropriations for each of the Department's areas are shown in Table 2 below.

Table 2. FY 2010-FY 2011 Budget by Functional Category (in millions)

Functional Category	FY 2010	FY 2011	Biennium Total	% Total of Budget
Liquor Control	$556.6	$589.6	$1,146.2	76.4%
Unclaimed Funds	$84.9	$84.9	$169.8	11.3%
Industrial Compliance and Labor	$27.4	$26.9	$54.3	3.6%
Financial Institutions	$25.8	$25.3	$51.1	3.4%
State Fire Marshal	$20.9	$21.0	$41.9	2.8%
Administration	$13.7	$13.7	$27.4	1.8%
Real Estate and Professional Licensing	$4.7	$4.7	$9.4	0.6%
Total	**$734.0**	**$766.2**	**$1,500.2**	**100%**

Note: Amounts may not add to total due to rounding.

Major Features of the Budget

Operational Changes

Merger of Divisions of Industrial Compliance and Labor and Worker Safety

H.B. 1 combines the Division of Industrial Compliance, which is responsible for building code development, inspection, plan review, licensing, and permit services related to the commercial and residential construction industry, with the Division of

Labor and Worker Safety, which enforces Ohio's wage laws. The combined division will be renamed the Division of Labor, and the Industrial Compliance Operating Fund (Fund 5560) will be renamed the Labor Operating Fund. The merger is expected to provide operating efficiencies for the Department and better administrative support for the wage enforcement activities. The staff of the Division of Labor and Worker Safety will be transferred to the Department's Reynoldsburg location at a cost of about $200,000. The Division of Labor and Worker Safety, to be renamed the Bureau of Worker Protection, will continue to be funded through the GRF in FY 2010, but receives no GRF appropriations for FY 2011.

S.A.F.E. Act Implementation and Other Mortgage Industry-Related Changes

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("the S.A.F.E. Act") was signed into law in July 2008. This law establishes a Nationwide Mortgage Licensing System and Registry (NMLS&R) for the residential mortgage industry in order to increase uniformity, reduce regulatory burdens, enhance consumer protection, and reduce fraud.

To comply with the S.A.F.E. Act, H.B. 1 requires the licensure of loan originators who are employed by or associated with mortgage lenders under the Mortgage Loan Law or mortgage brokers under the Mortgage Brokers Law and specifies an application fee and annual renewal fee of $150 and any other fee required by the NMLS&R. Other changes include requiring loan originators to furnish certain information to the NMLS&R, including fingerprints for a criminal background check and their personal history and experience, and to obtain a unique identifier from the NMLS&R. The bill also establishes standards for license issuance, including prelicensing instruction, obtaining a specified score on a written test, obtaining and maintaining a surety bond, completing continuing education, and submitting reports to the NMLS&R.

In addition to the changes to implement the S.A.F.E. Act, the bill also includes numerous revisions to the laws governing registered mortgage lenders, mortgage brokers, and real estate appraisers.

Consolidation of Fiscal Staff

The FY 2010-FY 2011 budget reflects a restructuring of the fiscal operations of the Department. Previously, each of the Department's divisions contained separate fiscal staff. During the FY 2008-FY 2009 biennium, Commerce merged them into a combined Fiscal Section within the Department's Division of Administration. A total of 31 FTEs have been transferred while three fiscal officer positions were eliminated. This resulted in a substantial increase in the Division of Administration's operating line item (800620, Division of Administration) from adjusted appropriations of $4.7 million in FY 2009 to $7.4 million in appropriations for FY 2010 and $7.6 million for FY 2011. On the other hand, operating expenses for individual divisions will decline corresponding to the number of positions each division transferred.

Cash Transfers and Fee Changes

Unclaimed Funds and State Fire Marshal Fund Transfers to the GRF

The budget dramatically increases the amount of unclaimed funds that are transferred to the GRF, from nearly $30 million each year of the FY 2008-FY 2009 biennium to $250 million in FY 2010 and $135 million in FY 2011 to aid in the balancing of the state's GRF budget. The budget also contains several other transfers of unclaimed funds to the Department of Development for various purposes.

In addition, H.B. 1 includes a permanent law provision allowing the Director of Budget and Management, at any time and upon determining that the money in the State Fire Marshal's Fund (Fund 5460) exceeds the amount necessary to defray ongoing operating expenses in a fiscal year, to transfer the excess to the GRF. This is a change from H.B. 119 of the 127th General Assembly, the operating budget act for FY 2008-FY 2009, which contained an uncodified provision that authorized the transfer of up to $11.5 million to the GRF from Fund 5460 over that biennium.

Unclaimed Funds Administrative Fee Eliminated

A provision in H.B. 1 eliminates the requirement that the Director of Commerce retain in the Unclaimed Funds Trust Fund (Fund 5043) 5% of the total amount of unclaimed funds payable to a claimant as a fee for administering the funds. This may result in the loss of several million dollars per year in retained funds, depending on claims paid.

Video Service Provider Fee

Under the new state video service authorization system created by S.B. 117 of the 127th General Assembly, which became effective in late September 2007, applicants pay the Department of Commerce a $2,000 fee to apply for and a $100 fee to amend each authorization. These fees are deposited in the Video Service Authorization Fund (Fund 5X60) and are in addition to the fees video service providers pay directly to municipalities and townships. This fund has received approximately $86,000 in fee revenue, an amount insufficient to sustain the program. For FY 2009, the program operated out of the Division of Administration Fund (Fund 1630) with FY 2009 funding of $336,800, including payroll and office expenses for 3.5 FTEs, as approved by the Controlling Board. However, this created a situation in which the assessments paid by other divisions within the Department, and thus the industries that those divisions regulate, were funding the video service regulation program.

To rectify this, the budget includes permanent law authorizing an assessment on video service providers, which would be limited to the lesser of $450,000 per fiscal year or the actual, current fiscal year administrative costs to carry out the video service authorization program. The revenue from this assessment will be deposited into the program's main operating fund, Fund 1630. A portion of the cash in Fund 5X60 (about $35,000 per year) will be used as a supplemental source of funding.

Fee Increases

The budget increases various fees on the securities industry, mortgage brokers and loan officers, boiler inspections and operators, elevator inspections and certificates of operations, and real estate professionals. These adjustments are summarized in the table below. Generally, the fee increases are aimed at shoring up cash balances in various funds of the Department, to more adequately meet the costs incurred by the Department in providing various services, such as elevator inspections, or to provide additional funds to ensure that adequate regulation is provided, as is the case for the Division of Securities.

Table 3: Department of Commerce Fee Increases

Fee	Former Amount	New Amount
Mortgage Banker Exemption from Mortgage Brokers Law (new)	N/A	$350
Credit Union Service Org. Exemption from Mortgage Brokers Law (new)	N/A	$350
Mortgage Broker Registration Application & Renewal	$350	$500
Loan Officer License Application and Renewal	$100	$150
Securities Dealer License Issuance and Renewal	$100	$200
Investment Advisor License Issuance and Renewal	$50	$100
Investment Advisor Notice Filing Fee	$50	$100
Securities Salesperson License Issuance and Renewal	$50	$60
Securities Dealer License Transfer Fee (per salesperson license)	$10	$15
Investment Advisor License Transfer Fee (per investment advisor license)	$10	$15
Annual Boiler Inspection	$45	$50
Biennial Boiler Inspection	$90	$100
Triennial Boiler Inspection	$135	$150
Quinquennial Boiler Inspection	$225	$250
Boiler and Pressure Vessel Inspector Examination Application	$50	$150
Boiler Installation/Modification/Repair Permit Application	$50	$100
Steam Engineer, High/Low Pressure Boiler Operator License Application	$50	$75
Steam Engineer, High/Low Pressure Boiler Operator License Renewal	$35	$50
Elevator Inspection Not Completed Due to No Fault of the Inspector	$20	$120
Elevator Re-inspection	$125 + $5/floor	$120 + $10/floor
Elevator Certificate of Operation (Six-month inspection)	$200 + $10/floor	$220 + $12/floor
Real Estate Broker License Application	$69	$100
Real Estate Broker License Renewal	$49	$60
Real Estate Salesperson License Application	$49	$60
Real Estate Salesperson License Renewal	$39	$45
Real Estate Salesperson License Reactivation or Transfer	$20	$25
Real Estate Branch Office License	$8	$15

Vetoed Provisions

Director's Authority to Act in the Absence of DFI Superintendent

The Governor partially vetoed a provision that permits a deputy superintendent or, in the case when both the Superintendent and a deputy superintendent are not available, the Director of Commerce to perform the functions of the Superintendent of Financial Institutions, for a limited time, if the Superintendent provides written authorization. As a result of the veto, only the Director of Commerce is able to perform the Superintendent's functions in the absence of the Superintendent, and no written authorization is required.

Alcohol Consumption at State Facilities

Also vetoed was a provision requiring the serving or consumption of beer or intoxicating liquor in a state facility used by visiting foreign military units for training to be done according to the policies and procedures agreed upon by the commanding officers of the foreign military units, the Adjutant General, and the United States Department of Defense liaisons or their designated representatives to the foreign military units.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the funding for each appropriation item in the Department of Commerce's budget. The line items are grouped into seven major categories, which largely follow the Department's divisional structure. For each category, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation. If the appropriation is earmarked, the earmarks are listed and described. The seven categories used in this analysis are as follows:

1. Liquor Control;
2. Unclaimed Funds;
3. Industrial Compliance and Labor;
4. Financial Institutions;
5. State Fire Marshal;
6. Administration; and
7. Real Estate and Professional Licensing.

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget act.

Categorization of COM's Appropriation Line Items for Analysis of the Enacted Budget				
Fund	**ALI and Name**		**Category**	
General Revenue Fund				
GRF	800410	Labor and Worker Safety	3:	Industrial Compliance and Labor
General Services Fund Group				
1630	800620	Division of Administration	6:	Administration
1630	800637	Information Technology	6:	Administration
5430	800602	Unclaimed Funds – Operating	2:	Unclaimed Funds
5430	800625	Unclaimed Funds – Claims	2:	Unclaimed Funds
5F10	800635	Small Government Fire Departments	5:	State Fire Marshal
Federal Special Revenue Fund Group				
3480	800622	Underground Storage Tanks	5:	State Fire Marshal
3480	800624	Leaking Underground Storage Tanks	5:	State Fire Marshal

Categorization of COM's Appropriation Line Items for Analysis of the Enacted Budget				
Fund	**ALI and Name**		**Category**	
State Special Revenue Fund Group				
4B20	800631	Real Estate Appraiser Recovery	7:	Real Estate and Professional Licensing
4H90	800608	Cemeteries	7:	Real Estate and Professional Licensing
4X20	800619	Financial Institutions	4:	Financial Institutions
5440	800612	Banks	4:	Financial Institutions
5450	800613	Savings Institutions	4:	Financial Institutions
5460	800610	Fire Marshal	4:	State Fire Marshal
5460	800639	Fire Department Grants	4:	State Fire Marshal
5470	800603	Real Estate Education/Research	7:	Real Estate and Professional Licensing
5480	800611	Real Estate Recovery	7:	Real Estate and Professional Licensing
5490	800614	Real Estate	7:	Real Estate and Professional Licensing
5500	800617	Securities	4:	Financial Institutions
5520	800604	Credit Union	4:	Financial Institutions
5530	800607	Consumer Finance	4:	Financial Institutions
5560	800615	Industrial Compliance	3:	Industrial Compliance and Labor
5FW0	800616	Financial Literacy Education	4:	Financial Institutions
5GK0	800609	Securities Investor Education/Enforcement	4:	Financial Institutions
5K70	800621	Penalty Enforcement	3:	Industrial Compliance and Labor
5X60	800623	Video Service	6:	Administration
6530	800629	UST Registration/Permit Fee	4:	State Fire Marshal
6A40	800630	Real Estate Appraiser – Operating	7:	Real Estate and Professional Licensing
Liquor Control Fund Group				
7043	800601	Merchandising	1:	Liquor Control
7043	800627	Liquor Control Operating	1:	Liquor Control
7043	800633	Development Assistance Debt Service	1:	Liquor Control
7043	800636	Revitalization Debt Service	1:	Liquor Control
Volunteer Firefighters' Dependents Fund				
7085	800985	Volunteer Firefighters' Dependents Fund	4:	State Fire Marshal
Revenue Distribution Fund Group				
7066	800966	Undivided Liquor Permits	1:	Liquor Control

Category 1: Liquor Control

This category of appropriations funds the control of the manufacture, distribution, and sale of all alcoholic beverages in Ohio. The Division of Liquor Control is the state's sole purchaser and distributor of spirituous liquor, defined as intoxicating liquor containing more than 21% alcohol by volume. These line items also pay the debt service on economic development and Clean Ohio Revitalization bonds and provide for the distribution of liquor permit fee revenue.

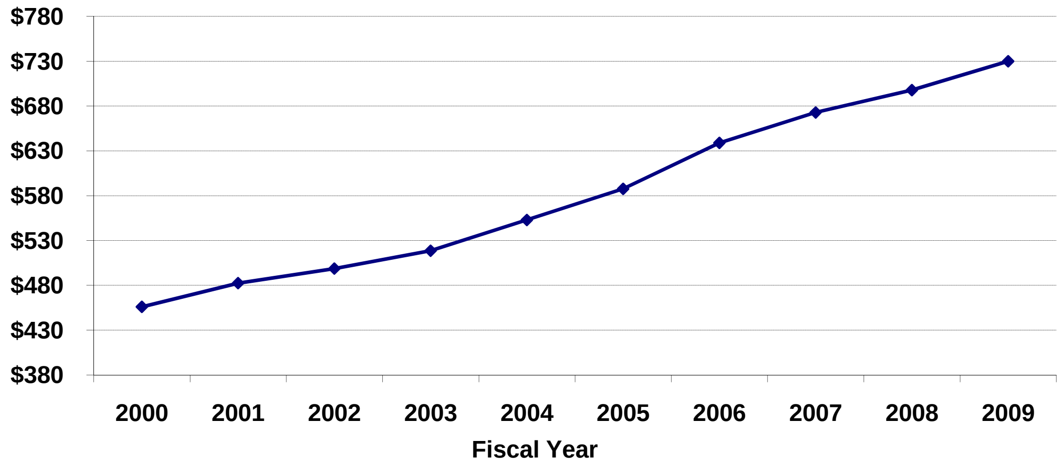
Appropriations for Liquor Control				
Fund	ALI and Name		FY 2010	FY 2011
Liquor Control Fund Group				
7043	800601	Merchandising	$472,492,696	$488,434,277
7043	800627	Liquor Control Operating	$13,776,430	$14,313,346
7043	800633	Development Assistance Debt Service	$40,565,100	$52,412,800
7043	800636	Revitalization Debt Service	$15,632,800	$20,359,000
		Liquor Control Fund Group Subtotal	***$542,467,026***	***$575,519,423***
Revenue Distribution Fund Group				
7066	800966	Undivided Liquor Permits	$14,100,000	$14,100,000
		Revenue Distribution Fund Group Subtotal	***$14,100,000***	***$14,100,000***
Total Funding: Liquor Control			**$556,567,026**	**$589,619,423**

Merchandising (800601)

This line item pays for Division of Liquor Control (DOLC) liquor purchases, commissions paid to agency stores at rates of 6% of sales for retail establishments and 4% of sales for wholesale operations, and shipping costs. The budget appropriates $472.5 million for this purpose in FY 2010, an increase of $8.5 million, or 1.8%, compared to FY 2009 adjusted appropriations of $464.0 million. However, actual FY 2009 spending from this line item totaled $460.8 million, or 2.5% less than the FY 2010 appropriation. FY 2011 appropriations are $488.4 million, or 3.4%, more than the FY 2010 amount. The increase in appropriation reflects the increased costs of the liquor sold and increased demand for these products. In addition, the budget act contains temporary law that increases the appropriation for this line item should liquor sales exceed original estimates.

FY 2009 net liquor sales totaled $729.9 million, with sales projected to reach $748.3 million in FY 2010 and $772.4 million in FY 2011. This follows a trend over the past ten years, as Chart 1 below illustrates. During this period, the average annual growth rate has been 5.6%.

Chart 1: Net Liquor Sales (in millions), FY 2000-FY 2009



The net operating profit for FY 2009 was $224.2 million, or 30.7% of net liquor sales. Liquor sales revenue is used by DOLC to fund its operations while the profits pay for several other state programs, including (1) the Department of Public Safety's Liquor Enforcement Division, (2) a Department of Alcohol and Drug Addiction Services (ODADAS) alcohol treatment program, (3) the Department of Health's alcohol and drug testing program, and (4) the operating expenses of the Liquor Control Commission. Excess liquor profits are deposited in the GRF. Table 4 below lists the amounts apportioned to each program in FY 2009, based upon DOLC financial statements.

Table 4: Liquor Sales Revenue Distribution, FY 2009 (in millions)

Program/Fund	Amount
Excess Profits to the GRF	$163.0
Retirement of Economic Development and Clean Ohio Bonds	$45.3
Liquor Gallonage Tax to the GRF	$35.9
State Sales Tax to the GRF	$33.9
Dept. of Public Safety Liquor Enforcement Division	$10.1
Gallonage Tax to Cuyahoga County for Gateway Stadium Project	$5.1
Dept. of Alcohol & Drug Addiction Services Alcohol Treatment Program	$4.2
Department of Health Alcohol and Drug Testing Program	$1.2
Liquor Control Commission	$0.7
Total	**$299.4**

Excess liquor profits are expected to contribute $143.0 million and $136.3 million to the GRF in FY 2010 and FY 2011, respectively. These amounts are lower than the FY 2009 amount of $163.0 million, due primarily to Ohio's economic stimulus package passed during the 127th General Assembly, which increased the debt supported by spirituous liquor sales revenue.

Liquor Control Operating (800627)

This line item funds the operating expenses of DOLC as well as the expenses needed to oversee the 442 contract liquor agency stores and carry out the liquor permit licensing and compliance program. Overall, the budget provides $13.8 million for this line item in FY 2010, a 7.6% increase over FY 2009 spending of $12.8 million, and $14.3 million in FY 2011, which is 3.9% higher than FY 2010 appropriations. The programs funded with this appropriation item are summarized below.

Liquor Permitting and Compliance

The Liquor Permit Licensing Program administers the state's liquor permitting and compliance system. The program reviews applications for permits to sell, manufacture, or distribute alcoholic beverages. The decision to grant or deny a permit is based on various factors including the wet or dry status of the location, the number of permits allowed in a geographic area based on population density and the amount of existing permits or "quotas," prior compliance record by the applicant, and findings of the Division's investigations. There are approximately 25,000 permitted manufacturers, distributors, and retailers of alcoholic beverages in the state, all of which must renew their permit(s) on an annual basis. The program also oversees compliance in the manufacture and distribution of beer, wine, and low-proof mixed beverages.

Sunday Liquor Sales. A provision in H.B. 1 allows Sunday liquor sales between 11 a.m. and midnight for areas where local option elections on Sunday sales have previously permitted sales between 1 p.m. and midnight. The provision allows voters to hold an election to revert the time of commencement of sales to 1 p.m. under certain conditions.

Revitalization District Liquor Permits. H.B. 1 authorizes a D-5l liquor permit (issued to certain retail food establishments or food service operations in a revitalization district) to be issued in a municipal corporation or township in which the number of D-5 permits issued equals or exceeds (as opposed to only exceeds, as under former law) the number of those permits that may be issued in that municipal corporation or township under the population quota restrictions established by law, resulting in a potential increase in the number of D-5l permits issued.

Community Entertainment District Liquor Permits. H.B. 1 also expands the eligibility for a D-6 liquor permit, which allows Sunday sales of liquor between certain hours to specified liquor permit holders (rather than only a D-5j liquor permit holder, which is issued to retail food establishments or food service operations in a community entertainment district), for a premises that is located in a community entertainment district that was authorized by a municipal corporation between October 1 and October 15, 2005.

Liquor Control Program Administration

Liquor Control Program administration provides administrative support, communications, and information technology services and pays for equipment costs, building rent and utilities, workers' compensation costs, and divisional assessments.

Liquor Agency Operations

The Liquor Agency Operations Program regulates the sale of spirituous liquor through 442 private businesses, known as contract liquor agencies, which serve as the Division's sales agents. Agents are paid a commission based on sales while the state retains ownership of the inventory. This line item pays for the payroll and supplies for liquor agency auditing; bank fees for the Division's account for spirituous liquor sales, merchandise packaging supplies, and other miscellaneous expenses for liquor agency stores; and payroll and supplies related to liquor agency operations accounting, information management, and support services.

Debt Service Payments (800633 and 800636)

These line items provide debt service payments on bonds issued under the authority of Ohio Revised Code Chapters 151. and 166. to support various economic development and environmental clean-up initiatives that are appropriated in the Department of Development.

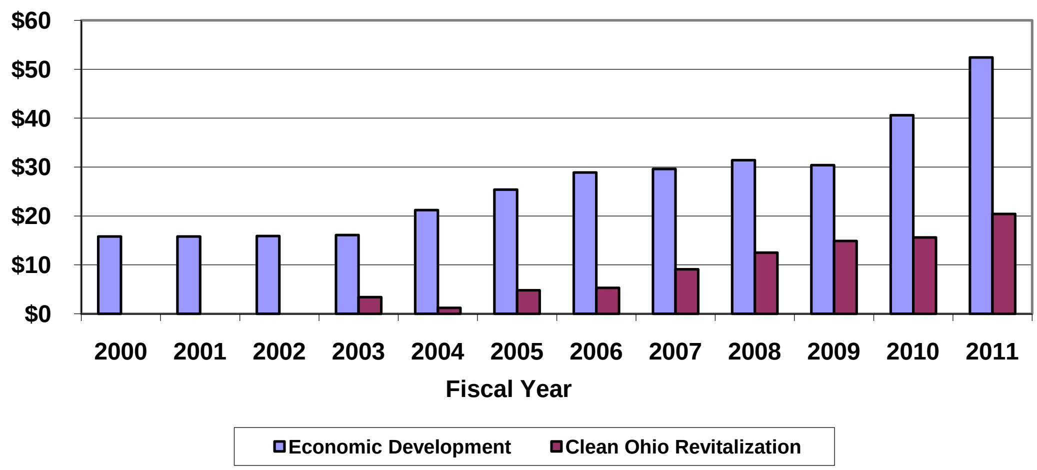
Factors affecting these debt service payments include two recent economic stimulus initiatives. H.B. 554 of the 127th General Assembly, the Jobs Stimulus Bill, provided new and expanded incentives for economic development and job creation. Among other provisions, the act expands the list of activities qualified for funding using the proceeds from bonds issued by the Treasurer of State under Chapter 166. of the Revised Code to include certain logistics and distribution projects and provides loans and grants for purposes of paying allowable costs of eligible advanced energy projects. A total of $184 million is intended for these projects over the next several fiscal years. The bonds issued to support the new spending for these projects are paid off by a portion of the profits generated by the sale of spirituous liquor.

Coinciding with H.B. 554, State Issue 2, approved by voters in November 2008, renewed the $400 million Clean Ohio bond program. Of this amount, the $200 million Clean Ohio Revitalization component is also backed by the profits generated by the sale of spirituous liquor. This program supports the assessment and remediation of polluted properties to spur redevelopment. Combined with the logistics and distribution and advanced energy incentive funding in H.B. 554 and subsequent appropriations bills, the total debt supported by liquor profits from these measures is $384 million.

The debt service, which will be paid out of the Department of Commerce's Liquor Control Fund (Fund 7043), will reduce the amounts available for transfer to the GRF. In FY 2009, $30.4 million in liquor profits was used to retire economic development bonds and $14.9 million to retire Clean Ohio revitalization bonds. The budget provides debt service appropriations for the economic development loan programs at $40.6 million in FY 2010 and $52.4 million in FY 2011. Clean Ohio Revitalization debt service appropriations have been set at $15.6 million in FY 2010 and $20.4 million in FY 2011.

The costs of debt service are controlled by the bond market and managed by OBM and the Treasurer's Office. Chart 2 below illustrates the liquor profit-backed debt service costs of these programs since FY 2000 as well as appropriations for FY 2010 and FY 2011.

Chart 2: Liquor-Backed Debt Service Payments (in millions), FY 2000-FY 2011



Undivided Liquor Permits (800966)

This line item provides the appropriations necessary to pay liquor permit fee refunds as well as distribute the appropriate amount of liquor permit fee revenue to the local taxing district where the permit was issued. The Undivided Liquor Permit Fund (Fund 7066) holds liquor permit fee receipts until they are dispensed to the GRF, ODADAS's Statewide Treatment and Prevention Fund (Fund 4750), or the local taxing districts. The budget provides $14.1 million in each fiscal year for this line item, in line with FY 2009 adjusted appropriations and spending for these purposes.

The proceeds of the liquor permit fee is divided between the GRF (45%), local taxing districts for liquor law enforcement (35%), and ODADAS to fund treatment and education efforts statewide (20%). In FY 2009, the Division collected $37.4 million in liquor permit fee revenue, the distribution of which resulted in $16.8 million going to the GRF, $13.1 million to the local taxing districts, and $7.5 million to ODADAS.

Category 2: Unclaimed Funds

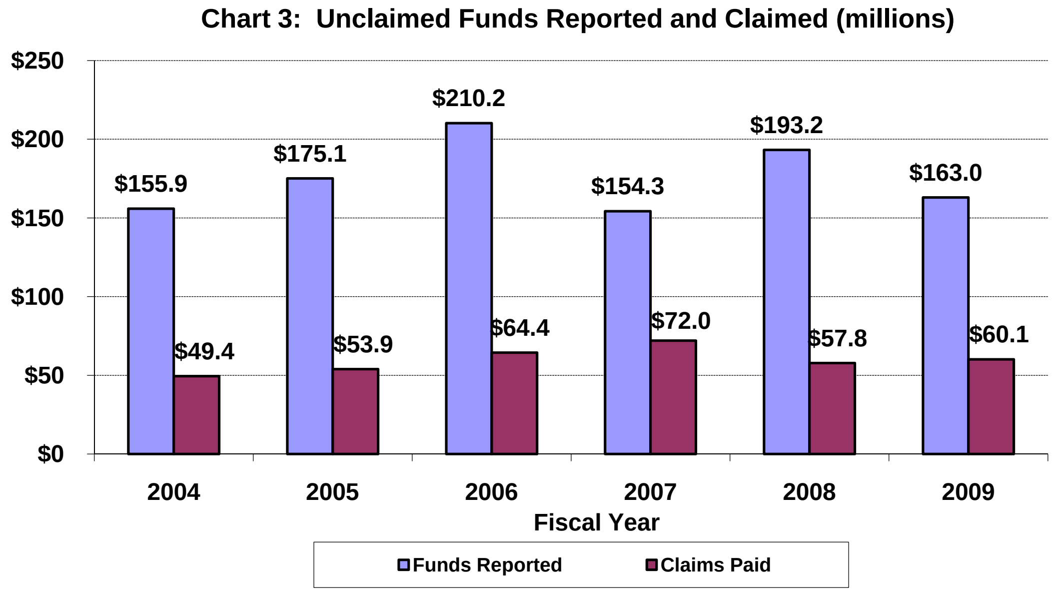
This category of appropriations provides for the safekeeping and return of moneys designated as "unclaimed." In the meantime, a portion of reported unclaimed funds supports the operations of other state programs.

Appropriations for Unclaimed Funds				
Fund	ALI and Name		FY 2010	FY 2011
General Services Fund Group				
5430	800625	Unclaimed Funds – Claims	$75,000,000	$75,000,000
5430	800602	Unclaimed Funds – Operating	$9,948,085	$9,948,085
		General Services Fund Group Subtotal	***$84,948,085***	***$84,948,085***
Total Funding: Unclaimed Funds			**$84,948,085**	**$84,948,085**

Unclaimed Funds – Claims (800625)

This line item pays claims from unclaimed funds reported pursuant to Chapter 169. of the Revised Code. The Unclaimed Funds Program is responsible for the safekeeping and return of moneys designated as "unclaimed" due to death, inadvertence, or forgetfulness. State law requires that these funds be reported to the state for safekeeping after the owners have left the funds unclaimed for a period of time, typically five years. The state acts as a custodian for the funds until the rightful owners or their heirs claim them. Common sources of unclaimed funds include dormant checking and savings accounts, insurance proceeds, unclaimed wages and employment benefits, uncashed checks and money orders, undelivered stock and dividends, forgotten rent or utility deposits, and intangible contents of safe deposit boxes. The program relies on funds from the unclaimed funds custodial account under the Treasurer of State to offset the expenses of the Division and pay claims. Until recently, the Division also retained a 5% administrative fee assessed to each claimed account to fund administrative activities. That fee was eliminated by H.B. 1.

Until the rightful owner is located, unclaimed funds support economic development throughout Ohio. The Ohio Department of Development and the Ohio Housing Finance Agency use these resources to guarantee and fund low and moderate-income housing programs. Unclaimed funds also guarantee performance bonds for the Minority Business Bonding Fund. In FY 2009, the program collected $163.0 million in reported funds and paid $60.1 million in claims to current or former Ohio residents. Overall, the Division holds approximately 4.5 million unclaimed funds accounts worth over $1.2 billion. Chart 3 below summarizes the unclaimed funds reported and claims paid from FY 2004 to FY 2009.



The budget appropriates $75 million in each fiscal year to pay unclaimed funds claims, flat funding it at FY 2009 appropriation levels. If additional amounts are necessary to pay claims, the budget includes language appropriating the additional amounts. In addition, the budget transfers $250 million in FY 2010 and $135 million in FY 2011 of unclaimed funds to the GRF to aid in the balancing of the state's GRF budget.

A recent court decision has important implications for the unclaimed funds program. In April 2009, the Ohio Supreme Court overturned as unconstitutional a provision of state law declaring that interest earned by the state on unclaimed funds is not payable to claimants, the result being that the Division will now be required to pay interest on qualifying unclaimed funds claims deposited with the state on or after July 26, 1991, the date when the state stopped paying interest on accounts. In August 2009, the Franklin County Court of Common Pleas ruled that 6% interest is due to such claimants, based on the interest rate in place at the time the law was changed in 1991.

Unclaimed Funds – Operating (800602)

This line item pays the administrative expenses of the Division, comprised of administrative, claims processing, compliance, and accountability sections. The budget appropriates $9.9 million in each fiscal year to fund these activities. These amounts are 23.6% higher than FY 2009 adjusted appropriations of $8.0 million, and 64.3% higher than actual FY 2009 spending of $6.1 million. The reason why FY 2009 spending was significantly lower than appropriations for the period was because payments to outside unclaimed funds auditors were less than planned. Originally, the Department intended to use the additional funds granted for FY 2010-FY 2011 to conduct a greater level of fixed-fee contract audits in order to increase the amount of unclaimed funds reported to the Division. However, the Department has since jettisoned these plans due to a lack of results by current fixed-fee audit contractors and will perform this function in-house.

Category 3: Industrial Compliance and Labor

This category of appropriations funds the building code development, inspection, plan review, licensing, and permit services related to the commercial and residential construction industry. Because of the merger of the Division of Industrial Compliance (DIC) and the Division of Labor and Worker Safety (LAWS), LAWS's appropriations related to the enforcement of wage and hour laws are included in this category.

Appropriations for Industrial Compliance and Labor				
Fund		**ALI and Name**	**FY 2010**	**FY 2011**
General Revenue Fund				
GRF	800410	Labor and Worker Safety	$1,492,677	$0
		General Revenue Fund Subtotal	***$1,492,677***	***$0***
State Special Revenue Fund Group				
5560	800615	Industrial Compliance	$25,753,662	$26,713,417
5K70	800621	Penalty Enforcement	$150,000	$150,000
		State Special Revenue Fund Group Subtotal	***$25,903,662***	***$26,863,417***
Total Funding: Industrial Compliance and Labor			**$27,396,339**	**$26,863,417**

Industrial Compliance (800615)

This line item funds building code development, inspection, plan review, licensing, and permit services related to the commercial and residential construction industry. Overall, the budget provides $25.8 million for this line item in FY 2010, a 5.3% decrease from FY 2009 adjusted appropriations of $27.2 million for this purpose. The FY 2009 adjusted appropriation includes a $1.6 million increase approved by the Controlling Board in September 2008 to fund a new inspection and licensing software platform for DIC. That software replaced a system that was over 12 years old and carried an expensive maintenance contract. Actual spending for FY 2009 amounted to $24.0 million.

FY 2011 appropriations are $26.7 million, or 3.7%, higher than FY 2010. Much of this increase is related to meeting increased fringe benefit costs as well as maintenance costs related to the Division's Database X software, scheduled to be fully implemented by the end of CY 2009. The programs funded with this appropriation item are summarized below.

Operations and Maintenance

The Operations and Maintenance Program is responsible for the regulation and oversight of critical systems, including boilers, elevators, and escalators. The program also performs inspections of bedding and upholstered furniture, licenses and certifies steam engineers and boiler operators, and conducts ski lift inspections and roller rink registrations. This program provides for the inspection of over 14,200 boilers, 51,000 elevators and escalators, and 6,700 pieces of bedding and upholstered furniture articles. The program is funded by fees on bedding items and registration, bedding laboratory analysis, elevator inspection and certification, boiler certification and inspection, and other such fees for steam engineers, historical boilers, roller rinks, and ski lifts. The budget includes various fee increases in the operations and maintenance area.

Building Code Compliance

The Building Code Compliance Program, through the Bureau of Construction Compliance, inspects construction plans for all state buildings, commercial buildings, and residential buildings of four or more units not falling under the jurisdiction of a local certified building department to ensure that the structural design, electrical, and plumbing systems meet standards established by the Ohio Building Code. The program is responsible for inspecting buildings, plumbing, electrical wiring, pressure vessels, and pressure piping throughout the state. The Bureau reviews nearly 5,000 sets of architectural plans and provides over 40,000 electrical, structural, and plumbing inspections. The program is funded by revenue from various fees, such as those for plan examination, pressure piping, and plumbing permits and inspections. Revenue from plans examination, the main source of funding for the Bureau, has been declining as more local governments around the state establish certified building departments.

Division Program Administration

Program administration oversees the general management and direction of the DIC activities on a daily basis. The program is also responsible for the planning and future direction of the Division. The program provides DIC with administrative support through legal counsel, inspector dispatching operations and communications, automated computer programs for task management, and reporting and performance management. The program is funded with an administrative charge based on cumulative annual payroll assessed to all boards and sections within the Division.

Building Code

The Building Code Program supports the Board of Building Standards (BBS), which formulates, adopts, and amends rules governing building construction and maintenance via the Building, Mechanical, Plumbing, Elevator, Boiler, and Pressure Piping codes to ensure building safety. BBS also certifies local building code enforcement departments and houses the Industrialized Unit Section, which regulates factory-built construction components (except for those regulated by the federal Department of Housing and Urban Development).

This program also supports the Board of Building Appeals, which reviews appeals of orders issued by the Department's Bureau of Construction Compliance or a certified city or county building department. The Board of Building Appeals may reverse or modify an order of the enforcing agency (DIC, State Fire Marshal, or the applicable local certified building department) if it is found contrary to a fair interpretation or application of the governing regulations. The program oversees 3,300 certified building department personnel, design professionals, and contractors and reviews more than 660 appeals annually. BBS receives funding through a portion of the boiler certificate, elevator certificate, and plan review application fees as well as a surcharge on the fee for certified building departments, among other sources. The Board of Building Appeals receives funding through a $200 fee for each building appeal filed.

Board of Building Standards Membership. The budget act includes a provision that increases the membership of BBS from 11 to 15. All of the new members will be appointed by the Governor. Two of the new members must be general contractors who have recognized ability in the construction of residential buildings (to be chosen from a list of ten names the Ohio Home Builders Association submits to the governor). One of the new members must be a person with recognized ability and experience in the use of advanced and renewable energy in the construction of commercial and residential buildings and the other new member must be a person with recognized ability and experience in the use of energy conservation in the construction of commercial and residential buildings.

Residential Construction Advisory Committee Operations. Under current law, the Residential Construction Advisory Committee (RCAC) is charged with recommending to BBS a building code for residential buildings and advising and assisting BBS in a number of other ways regarding the state residential building code. H.B. 1 contains a number of modifications to the law governing RCAC and BBS, which are briefly described below.

The budget adds that RCAC may provide BBS with any rule RCAC recommends to update or amend the residential building code (including a rule received by petition). Upon receipt of a proposed rule from RCAC, the budget allows BBS to reject or accept that rule. If BBS does not accept or reject the rule within 90 days after receiving it from RCAC, the proposed rule must be incorporated into the residential building code. The budget act also permits, instead of requires as in former law, RCAC to model the recommended residential building code on a residential building code issued by a national model code organization.

In regard to RCAC recommendations relating to the residential building code, certification of building officials who enforce the state residential building code, and the interpretation of the residential building code, H.B. 1 requires RCAC to provide BBS with a written report of its findings for each of several required considerations under continuing law, such as the impact that the state residential building code may have upon the health, safety, and welfare of the public; the economic reasonableness of the residential building code; the technical feasibility of the residential building code, and the financial impact that the residential building code may have on the public's ability to purchase affordable housing.

Ohio Construction Industry Licensing Board

The Ohio Construction Industry Licensing Board provides for the testing, licensing, and continuing education of electrical; heating, ventilation, and air conditioning (HVAC); hydronic; plumbing; and refrigeration commercial construction contractors. The program issues over 19,000 licenses to individuals in the above trades. The Board is funded by license examination, issuance and renewal fees as well as various continuing education course approval and training provider fees.

Labor and Worker Safety (800410)

This line item, the Department's only GRF appropriation, supports the Division of Labor and Worker Safety (LAWS), which consists of the Wage and Hour Bureau. The Wage and Hour Bureau enforces the minimum wage, prevailing wage, and minor labor laws, investigates complaints, and, upon making determinations, collects back wages and penalties owed to workers. The Division will be renamed the Bureau of Worker Protection under the merger of LAWS with DIC.

The budget appropriates $1.5 million in FY 2010 for this program, which is 26.1% less than FY 2009 spending of $2.0 million. The budget appropriates nothing for this line item in FY 2011. These amounts will require the Bureau of Worker Protection to find additional funding in order to maintain operations.

Penalty Enforcement (800621)

In tandem with appropriation item 800410, Labor and Worker Safety, this line item is used for the enforcement of the prevailing wage law. It is funded with statutory penalties assessed against companies that have violated the prevailing wage law, which are deposited into the Penalty Enforcement Fund (Fund 5K70). The budget appropriates $150,000 in each fiscal year for this line item, an 11.1% increase from FY 2009 adjusted appropriations of $135,000. Actual FY 2009 spending from this line item was $123,276. Fund 5K70 collected revenue of $248,000 in FY 2008 and $163,000 in FY 2009, resulting in an unencumbered cash balance of approximately $428,000 at the end of FY 2009.

Category 4: Financial Institutions

This category of appropriations provides oversight of state-chartered banks, credit unions, and savings institutions as well as securities, securities professionals, and various consumer finance organizations through the Division of Financial Institutions (DFI) and the Division of Securities. These line items fund programs that ensure the overall safety and soundness of these institutions and individuals and provide education regarding home mortgage lending practices to reduce the number of consumers falling victim to abusive lending practices.

Appropriations for Financial Institutions				
Fund	ALI and Name		FY 2010	FY 2011
State Special Revenue Fund Group				
5440	800612	Banks	$6,703,253	$6,753,254
5530	800607	Consumer Finance	$5,367,260	$5,148,702
5500	800617	Securities	$4,761,545	$4,411,545
5520	800604	Credit Unions	$3,627,390	$3,627,390
5450	800613	Savings Institutions	$2,286,615	$2,307,019
4X20	800619	Financial Institutions	$2,233,031	$2,221,395
5GK0	800609	Securities Investor Education/Enforcement	$485,000	$485,000
5FW0	800616	Financial Literacy Education	$350,000	$350,000
Total Funding: Financial Institutions			**$25,814,094**	**$25,304,305**

Banks (800612)

This line item funds the regulation of state-chartered banks, trust companies, and money transmitters. H.B. 1 provides funding of $6.7 million for this line item for FY 2010, flat funding it at FY 2009 appropriations. FY 2009 actual spending from this line item amounted to $5.6 million. The FY 2011 amount is slightly higher than FY 2010 at $6.75 million, with the increase of $50,000 to help provide funding for on-site examination travel expenses for the Money Transmitters Program. The vast majority of funding in this line item, about $5.9 million per year, is programmed toward bank regulation while the balance, about $800,000 per year, funds the regulation of money transmitters. Overall, the budget act provides for a continuation of FY 2008-FY 2009 service levels.

Banks

The Banks Program supervises 97 state-chartered commercial banks with over $81.5 billion in assets. The section does not have jurisdiction over federal thrifts or national banks. The program reviews and approves new bank charters, mergers, branch ventures, and other activities. Applicants for bank charters must meet minimum capital and other business requirements. They must also receive approval for deposit insurance.

The program determines the safety and soundness of each bank and monitors institution adherence to applicable laws and regulations. Examinations vary in frequency from six months to two years and are dependent on each institution's size and/or overall condition. Examiners use a standard rating system (CAMELS) to determine capital adequacy, asset quality, management effectiveness, earnings levels and quality, liquidity, and sensitivity to market risk.

The program is primarily funded by an annual assessment charged to state-chartered banks based on total assets as of the end of the prior calendar year. The assessment rate applied to financial institutions, like banks, is an important factor in a bank's decision to be regulated by the state or the federal government. The Department reports that, in the past, the assessment fees of the Bank Program were lower than their federal counterparts, providing some incentive for banks to seek a state charter. However, recent increases in the state assessment rate to compensate for a declining amount of assets under supervision have provided less of an advantage. Application, examination and investigation fees paid by banks also help fund the program. These fees are deposited into the Banks Fund (Fund 5440). Overall receipts were $7.0 million in FY 2009, including application and license fees paid by money transmitters, which are discussed below.

Money Transmitters

The Money Transmitters Program provides for the licensing, supervision, and regulation of the approximately 50 money transmitters operating within the state. H.B. 454 of the 127th General Assembly revised the statutes relating to money transmitters in an effort to allow the Department to better supervise foreign and domestic money transmitters. This law replaced the separate licenses for domestic and foreign money transmitters with a single money transmitter license for any person who receives money or its equivalent for transmission from a person located in Ohio. The program's funding is derived from annual license fees and investigation fees for new money transmitter licenses.

Consumer Finance (800607)

This line item pays the costs associated with regulating the consumer finance industry. Entities regulated include check cashing services, short-term lenders, small loan lenders, credit service organizations, insurance premium finance companies, mortgage brokers, loan officers, pawnbrokers, precious metals dealers, and mortgage lenders. The Consumer Finance section performs examinations of these licensees to ensure compliance with statutory requirements and consumer protection.

Overall, the budget appropriates $5.4 million for this line item in FY 2010, a 7.5% decline from FY 2009 appropriations. Actual FY 2009 spending was $4.7 million. FY 2011 appropriations are $5.1 million, 4.1% less than FY 2010. The funding levels, though declining from prior year appropriations, will allow current service levels to be maintained as the licensee base overseen by this program has declined significantly due to various pieces of legislation in recent years.

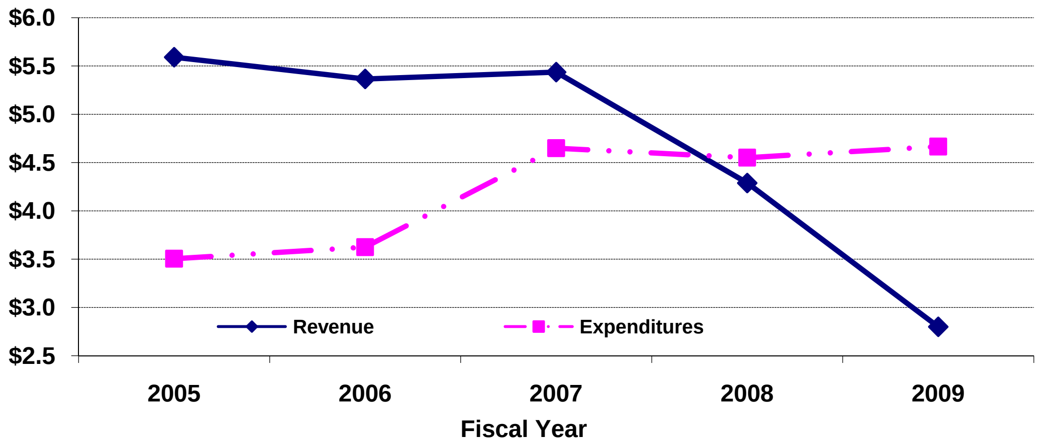
Initially, the decline occurred in the ranks of licensed mortgage brokers, loan officers, and mortgage lenders, likely due to the increased licensing requirements enacted in S.B. 185 of the 127th General Assembly and the downturn in housing markets. License activity has continued to fall due to the recent legislation limiting the interest rate that may be charged on payday loans. Table 5 below shows the number of active licenses by license type as of the end of the last four fiscal years.

Table 5: Consumer Finance Licensure Activity

License Type	FY 2006	FY 2007	FY 2008	FY 2009
Check Casher	1,535	1,671	1,680	995
Check Casher Lender	1,412	1,571	1,577	0
Credit Service Organization	10	5	15	20
Insurance Premium Finance Company	55	54	48	54
Mortgage Broker	2,155	1,735	1,156	739
Loan Officer	7,902	7,634	4,337	3,098
Pawnbroker	157	162	166	284
Precious Metal Dealer	22	18	23	41
Mortgage Lender	2,797	1,903	1,175	1,421
Small Loan Company	50	47	11	553
Short Term Loan Company	0	0	0	2
Total	**16,095**	**14,800**	**10,188**	**7,207**

As a result, revenue to the Consumer Finance Fund (Fund 5530), consisting of license fees on the various consumer finance, nondepository institutions and professions listed above, has also fallen off sharply. As the chart below illustrates, falling revenue, combined with increased expenditures to combat predatory lending and to improve the section's licensing abilities, resulted in spending outpacing revenue in FY 2008 and FY 2009.

Chart 4: Consumer Finance Fund Revenues and Expenditures (millions)



The fund's declining revenues have resulted in a reduction in the staffing of the Consumer Finance section, which has fallen from 38 in October 2007 to 24 (with four openings that are intended to be filled) in August 2009. These staffing reductions have been achieved through attrition and an early retirement incentive program. To shore up revenue in Fund 5530, the budget includes fee increases on mortgage brokers and loan officers, two of the larger licensee categories. Greater license activity may also result from law changes in the federal S.A.F.E. Act and mortgage industry-related state statutes.

A small portion of the line item ($257,574 in FY 2010 and $304,854 in FY 2011) funds the Office of Consumer Affairs, which informs Ohioans on how to protect themselves in the mortgage lending process, receives complaints and forwards possible lending law violations for prosecution, and refers borrowers to organizations that may be able to assist victims of predatory mortgage practices.

S.A.F.E. Act and Other Mortgage Industry Law Changes. As part of the federal Housing and Economic Recovery Act of 2008, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("the S.A.F.E. Act") was signed into law in July 2008. The S.A.F.E. Act encourages the states, through the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, to establish a Nationwide Mortgage Licensing System and Registry (NMLS&R) for the residential mortgage industry in order to increase uniformity, reduce regulatory burdens, enhance consumer protection, and reduce fraud.

To comply with the S.A.F.E. Act, H.B. 1 requires the licensure of loan originators who are employed by or associated with registered mortgage lenders under the Mortgage Loan Law or registered mortgage brokers under the Mortgage Brokers Law and specifies an application fee and annual renewal fee of $150 and any other fee required by the NMLS&R. Loan originators are defined as individuals who for compensation or gain, or in anticipation of compensation or gain, do any of the following: (a) take or offer to take a residential mortgage loan application, (b) assist or offer to assist a buyer in obtaining or applying to obtain a residential mortgage loan by, among other things, advising on loan terms, including rates, fees, and other costs, (c) offer or negotiate terms of a residential mortgage loan, or (d) issue or offer to issue a commitment for a residential mortgage loan to a buyer. Clerical or purely administrative staff, real estate brokers, persons acting solely as loan processors or underwriters, certain licensed attorneys, and others are exempt from licensure.

Other changes include requiring loan originators to furnish certain information to the NMLS&R, including fingerprints for a criminal background check and their personal history and experience, and to obtain a unique identifier from the NMLS&R. The bill also establishes standards for license issuance, including pre-licensing instruction, obtaining a specified score on a written test, obtaining and maintaining a surety bond, completing continuing education, and submitting reports to the NMLS&R. In addition to the changes to implement the S.A.F.E. Act, H.B. 1 also includes numerous revisions to the laws governing registered mortgage lenders, mortgage brokers, and real estate appraisers.

Securities (800617)

This line item funds the Division of Securities, which licenses securities professionals who sell securities and provide advice about investing in securities, regulates the sale of securities in Ohio, promotes investor education, and pursues administrative sanctions against those persons and entities violating the securities laws in Ohio and makes referrals for criminal prosecution. In FY 2008, the Division of Securities reviewed over 8,100 securities registration and exemption filings and licensed over 165,000 securities professionals and investment officers. The budget appropriates $4.8 million for this line item for FY 2010, an increase of $350,000, or 6.4%, over FY 2009 appropriations of $4.5 million. The increase funds an application assessment study to research, evaluate, and replace the Division's existing File Maker Pro software. Actual spending from this line item in FY 2009 was $4.2 million. FY 2011 appropriations are $4.5 million, 7.4% lower than those for FY 2010.

The Division is funded by license application and renewal fees for various securities industry professionals and from securities registration and exemption filings. These fees amounted to $14.8 million in FY 2009. The Division expects to collect fees each year of the FY 2010-FY 2011 biennium in excess of the total funds required to operate the Division. The cash in excess of that needed to defray Division expenses is transferred to the GRF. In FY 2009, the GRF transfer was $12.0 million. The budget includes various fee increases on the securities industry in an effort to address the needs of the Division to adequately oversee the securities market. These increases are noted in Table 3 on page 5 of the Overview.

Credit Unions (800604)

The Credit Unions Program monitors the financial safety and soundness of Ohio's state-chartered credit unions. The supervision and regulation of state-chartered credit unions includes on-site field examinations, off-site surveillance and monitoring, and coordination of supervisory activities with the appropriate federal agency, the National Credit Union Administration. The program supervises and regulates 182 state-chartered credit unions with total aggregated assets of $10.7 billion. The program is funded by a semiannual assessment on the gross assets of credit unions, which generated $3.3 million in FY 2009. The budget appropriates $3.6 million in each year for this line item, flat funding it in relation to FY 2009 appropriations. FY 2009 spending was $2.6 million.

DFI is in competition for credit union charters as these institutions have the option to be regulated either by the state or by the federal government. An industry trend of mergers and acquisitions has reduced the number of credit unions and put further pressure on assessment revenue. However, total assets under supervision have increased, as has the complexity of these institutions' operations.

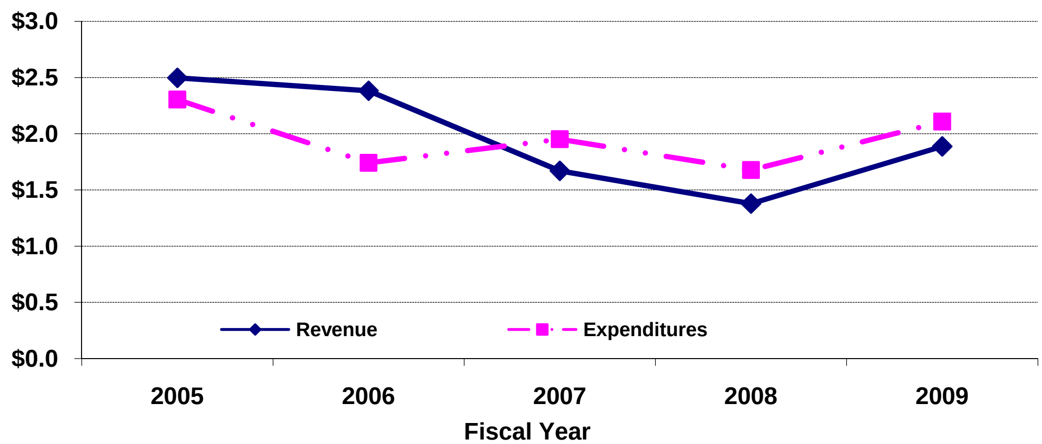
Credit Union Compliance with the S.A.F.E. Act. A provision in H.B. 1 requires each credit union, the subsidiaries of the credit union, and the loan originators employed by the credit union, to comply with the S.A.F.E. Act and register with the Nationwide Mortgage Licensing System & Registry. The bill provides that compliance by a credit union insured by a credit union share guaranty corporation, the subsidiaries of the credit union, and the loan originators employed by the credit union, is to be determined by rules adopted by the Superintendent of Financial Institutions.

Savings Institutions (800613)

The Savings Institutions Program is responsible for the supervision and regulation of 26 state-chartered savings and loan associations and 24 state-chartered savings banks with combined assets of approximately $9.7 billion. The program ensures the safety and soundness of these institutions and compliance with the law through regular examinations and monitoring along with coordination and enforcement of supervisory actions. The program is funded by annual assessments on the regulated institutions based on total assets of savings banks and savings and loans and the cost of regulation. These assessments generated $1.9 million in FY 2009. The budget appropriates $2.3 million each fiscal year for this line item, in line with FY 2009 appropriations. Actual FY 2009 spending was $2.1 million.

As Chart 5 below shows, revenue to the Savings Institutions Fund (Fund 5450) fell for several fiscal years before increasing again in FY 2009. In contrast, expenditures have outpaced those revenues in each of the last three fiscal years. The general decline in revenue is likely due to the reduction in the overall number of charters and assets under state supervision, given the trend of industry mergers, acquisitions, and consolidation. In order to trim expenses, beginning in the FY 2006-FY 2007 biennium, DFI has shared personnel between the Banks and Savings Institution programs.

Chart 5: Savings Institutions Fund Revenues and Expenditures (millions)



Financial Institutions (800619)

This line item provides funding for centralized administrative support to the Division of Financial Institutions' various sections, which include Banks, Credit Unions, Savings Institutions, and Consumer Finance. The executive staff, facilities management, front desk operations, and centralized records retention and administration are all funded out of this line item. The funding source for this line item, the Financial Institutions Fund (Fund 4X20), receives revenue from quarterly assessments on the Banks Fund (Fund 5440), the Savings Institutions Fund (Fund 5450), the Credit Unions Fund (Fund 5520), and the Consumer Finance Fund (Fund 5530). Quarterly assessments are prorated among these operating funds based on the budgeted headcount for each fund and weighted to include the Division's total headcount. The budget appropriates approximately $2.2 million in each fiscal year, an 11.5% decrease from FY 2009 appropriations of $2.5 million. FY 2009 spending was $1.5 million. Note that the consolidation of fiscal processes into the Division of Administration, described on page 3 of the Overview, has resulted in the transfer of four FTEs out of the program.

Securities Investor Education/Enforcement (800609)

This new line item will be used to pay the expenses of the Division of Securities relating to education and enforcement of the securities law. The budget funds the line item through transfers of up to $485,000 per fiscal year from the Division of Securities Fund (Fund 5500) and any moneys received in settlement of violations of the Securities Law.

Financial Literacy Education (800616)

This new line item, appropriated at $350,000 in each fiscal year, will be used to support various adult financial literacy education programs. At least half of the programs must be presented by or made available at public community colleges or state institutions of higher education throughout the state. These activities and the status of the fund must be summarized in an annual report. The programs are to be funded through an initial transfer of 5% of the cash balance of the Consumer Finance Fund (Fund 5530), which occurred in June 2009 and amounted to approximately $474,000. In addition to this one-time transfer, the bill provides an ongoing revenue source: 5% of all charges, penalties and forfeitures received by Fund 5530. This amount is to be transferred on at least a quarterly basis.

Category 5: State Fire Marshal

The appropriations in this category fund the operations of the Office of the State Fire Marshal (SFM), which provides protection to the citizens of Ohio from the dangers of fire and explosions and protects the environment from releases of petroleum from underground storage tanks. The SFM analyzes fire-related criminal evidence, enforces the Ohio Fire Code, investigates the cause and origin of fires and explosions, regulates underground storage tanks, trains firefighters, and provides fire safety education to businesses, industry, and the public.

Appropriations for the Office of the State Fire Marshal				
Fund	**ALI and Name**		**FY 2010**	**FY 2011**
General Services Fund Group				
5F10	800635	Small Government Fire Departments	$300,000	$300,000
		General Services Fund Group Subtotal	***$300,000***	***$300,000***
Federal Special Revenue Fund Group				
3480	800624	Leaking Underground Storage Tanks	$1,477,606	$1,489,717
3480	800622	Underground Storage Tanks	$586,128	$585,782
		Federal Special Revenue Fund Group Subtotal	***$2,063,734***	***$2,075,499***
State Special Revenue Fund Group				
5460	800610	Fire Marshal	$15,118,673	$15,191,721
5460	800639	Fire Department Grants	$1,695,198	$1,698,802
6530	800629	UST Registration/Permit Fee	$1,433,189	$1,431,831
		State Special Revenue Fund Group Subtotal	***$18,247,060***	***$18,322,354***
Volunteer Firefighters' Dependents Fund Group				
7085	800985	Volunteer Firefighters' Dependents Fund	$300,000	$300,000
		Volunteer Firefighters' Dependents Fund Group Subtotal	***$300,000***	***$300,000***
Total Funding: State Fire Marshal			**$20,910,794**	**$20,997,853**

Small Government Fire Departments (800635)

This line item is used to fund the Small Government Fire Department Services Revolving Loan Program, which makes no interest loans to small governments for up to 95% of the cost of firefighter equipment or the construction or renovation of fire department buildings. The Small Government Fire Departments Fund (Fund 5F10) is replenished by loan repayments, which amounted to approximately $120,500 in FY 2009. The budget flat funds the program at FY 2009 levels with an appropriation of $300,000 in each fiscal year. FY 2009 spending was $585,000, though approximately half of this amount represents FY 2008 funds spent during FY 2009.

Underground Storage Tanks (800622, 800624, and 800629)

These line items fund the Bureau of Underground Storage Tank Regulations (BUSTR), which regulates the installation, operation, maintenance, and removal of underground storage tank (UST) systems as well as the investigation and cleanup of petroleum products released from UST systems into the environment. BUSTR regulates approximately 23,000 registered UST systems. The Bureau employs ten field inspectors.

Appropriation item 800622, Underground Storage Tanks, provides the federal funds used for the regulation of underground storage tanks, including the permitting of tank installation, removal, upgrade, or major repair. Federal funding for this program requires a 25% state match. The budget provides $586,128 in FY 2010, which is 8.7% lower than FY 2009 spending of $641,949 but 5.0% higher than FY 2009 adjusted appropriations of $558,098 (the FY 2009 spending amount includes some funds originating in FY 2008). The FY 2011 appropriation is $585,782, a slight decrease when compared to FY 2010 appropriations.

Appropriation item 800624, Leaking Underground Storage Tanks, provides the federal funds necessary to evaluate and clean up leaking underground storage tanks containing petroleum. Federal funding for this program requires a 10% state match. The appropriation for this line item is approximately $1.5 million each fiscal year, amounts that are about 12.5% higher than FY 2009 spending of $1.3 million, but 20.1% lower than FY 2009 appropriations of approximately $1.9 million for this purpose.

Appropriation item 800629, UST Registration/Permit Fee, also provides funding for underground storage tank regulation, but it is supported by annual tank registration fees and permits. This line item provides the state matching funds required for BUSTR's federal funding. The budget appropriates approximately $1.4 million in each fiscal year, an 11.5% increase from FY 2009 spending of $1.3 million and a 2.3% decrease from FY 2009 appropriations of about $1.5 million. The fees supporting this line item generated $1.4 million in FY 2008 and $1.3 million in FY 2009.

Fire Marshal (800610)

This line item provides the funds for the administration of the Office of the State Fire Marshal (SFM) and many of its programs. The State Fire Marshal's Fund (Fund 5460) is the division's primary operating fund. This fund receives revenue from a 0.75% surcharge on fire insurance premiums; 20% of retaliatory (or "reciprocity") taxes on out-of-state insurance companies; fees from fireworks licenses, inspections, and course approval; and federal and state grants. These revenue sources totaled $25.1 million in FY 2008 and $23.8 million in FY 2009. However, in addition to the programs below, this fund supported transfers to the GRF and other funds totaling almost $13 million over the FY 2008-FY 2009 biennium, capital spending, and fire department grants.

For this line item, the budget provides funding of $15.1 million in FY 2010, a 7.1% increase over FY 2009 spending of $14.1 million. FY 2011 funding is slightly higher, at $15.2 million. The programs funded with this appropriation item are summarized below.

Program Administration

This program provides for the administration of SFM and its eight operating bureaus. The program funds the personnel and supplies and maintenance costs associated with administrative and facility operations staff and the Explosive and Pyrotechnics unit. The Explosives and Pyrotechnics unit provides training and annual licensing for Ohio's fire and law enforcement communities, shippers, manufacturers, and retailers.

Code Enforcement

The Code Enforcement Program performs fire safety inspections at hotels, motels, hospitals, schools, nursing homes, new construction, and other buildings and events. It also enforces the Ohio Fire Code at fireworks facilities, manufacturers, and exhibitions and conducts plan review and inspections for flammable and combustible liquor storage tanks not regulated by the Bureau of Underground Storage Tank Regulations or the local fire department. The program conducts approximately 9,500 fire safety inspections and 5,500 reinspections annually.

Ohio Fire Academy

The Ohio Fire Academy conducts fire-related training courses for more than 15,000 emergency responders annually. The program also funds replacement of vehicles and specialized firefighting equipment. Training, which is conducted at the Academy facilities and on-site throughout the state, includes firefighting, anti-terrorism response, and urban search and rescue. The Academy maintains national accreditation for the various levels of firefighter training.

Investigations

The Investigations Program is responsible for investigating the cause, origin, and circumstances of fires, explosives, and fireworks incidents in Ohio. It is also responsible for the prosecution of persons believed to be guilty of arson or a similar crime. This program provides these services to any fire department or law enforcement agency in the state, as many small municipalities and townships do not have trained arson investigators to conduct such highly specialized investigations. In addition to routine investigations, the Fire and Explosion Investigation Bureau (FEIB) has three accelerant detection canine teams to assist in recovering evidence at arson crime scenes and operates the Major Incident Response Vehicle (MIRV), which has sensitive and specialized communications equipment to be used in any type of disaster or fire, arson, or bombing incident. The program conducts approximately 1,000 fire and explosion investigations annually with a staff of 27 people.

Allocations for this program will allow the FEIB to replace vehicles at their recommended replacement intervals and provide funding for an additional arson investigator for Auglaize County. This additional position will reduce overall travel and overtime costs by more appropriately spreading the FEIB's resources across the state.

Fire Prevention

The Fire Prevention Program creates fire safety publications and conducts fire safety education outreach at schools, senior centers, health care facilities, and other locations as requested. The program compiles and analyzes statistical data collected through the Ohio Fire Information Reporting System regarding the nature and causes of fires. The Fire Prevention Program also operates the Public Fire Safety Decal Program for volunteer firefighters, provides fire safety courses for health care facility certification, smoke alarms to high-risk families, support for special public recognition events, support of fire safety fairs, and trains local fire department personnel.

Forensic Lab

The Forensic Lab Program provides scientific examination of ignitable liquids, fire debris, explosives, latent fingerprints, and general examination of any physical evidence involved in a suspected arson, fire explosive incident, or hazardous situation. The laboratory issues a written report including findings and opinions as to the nature of the situation. Laboratory examiners may be asked to testify in court about laboratory findings.

Testing and Registration

The Testing and Registration Bureau licenses a number of entities in accordance with statutory requirements. Among the entities licensed are companies and individuals in the fire protection industry; hotels and motels; flame effect and fireworks exhibitors; fireworks manufacturers, wholesalers, and shippers; underground storage tanks and those who install and inspect those tanks.

Fire Department Grants (800639)

This line item is used to provide grants to local fire departments to offset the cost of training and equipment. The budget appropriates about $1.7 million in each fiscal year for this purpose, a 2.9% decrease from FY 2009 spending of $1.7 million (which includes funds originating in FY 2008). However, the FY 2010-FY 2011 amounts are an increase of 2.9% over FY 2009 adjusted appropriations of $1.6 million, which is attributable to the inclusion of funding to support 50% of the grant administrator's salary (previously, the salary of the administrator was paid for out of appropriation item 800610, Fire Marshal). While the grant aspect of the program is flat-funded at FY 2009 appropriations of $1.6 million, the budget expands the entities and purposes for which grant funding is available compared to prior biennia. The grant program is described briefly below.

Volunteer fire departments; fire departments, joint fire districts, or local governments responsible for fire departments that serve one or more small municipalities or small townships; and local units of government responsible for the provision of fire protection services for small municipalities or small townships are eligible for the grants, which must be used to (1) purchase firefighting or rescue equipment or gear or similar items, (2) provide full or partial reimbursement for the documented costs of firefighter training, or (3) at the discretion of the State Fire Marshal, cover fire department costs for providing fire protection services in that grant recipient's jurisdiction.

Grants for firefighting or rescue equipment or gear or for the provision of fire protection services are limited to $15,000 per fiscal year unless an eligible entity serves a jurisdiction in which the Governor declared a natural disaster during the preceding or current fiscal year in which the grant was awarded. In those cases, grants are limited to $25,000 per fiscal year. Grants for reimbursement of firefighter training costs are limited to $15,000 per fiscal year. Eligible entities may receive grants for both purposes. For each fiscal year, the State Fire Marshal will determine the total amounts to be allocated for each eligible purpose.

Volunteer Firefighters' Dependents Fund (800985)

This line item is used to pay certain benefits to (1) volunteer firefighters that have been totally and permanently disabled while discharging the duties of a volunteer firefighter, (2) the surviving spouse of a volunteer firefighter killed while discharging the duties of a volunteer firefighter, and (3) the parent, guardian, or other persons upon whom a child of a volunteer firefighter is dependent on for chief support. The benefits are funded by assessments collected from each political subdivision or fire district that maintains a volunteer fire department. The budget flat-funds this program at the FY 2009 adjusted appropriation of $300,000 in each year of the FY 2010-FY 2011 biennium. Payments of these benefits averaged around $236,000 per year during FY 2008 and FY 2009.

Category 6: Administration

This category of appropriations provides direction, administration, support, and coordination of the activities of the Department's operating divisions and serves as a liaison to other government, corporate, and public entities.

Appropriations for Administration				
Fund		**ALI and Name**	**FY 2010**	**FY 2011**
General Services Fund Group				
1630	800620	Division of Administration	$7,420,049	$7,561,286
1630	800637	Information Technology	$6,219,734	$6,137,122
		General Services Fund Group Subtotal	***$13,639,783***	***$13,698,408***
State Special Revenue Fund Group				
5X60	800623	Video Service	$34,476	$34,476
		State Special Revenue Fund Group	***$34,476***	***$34,476***
Total Funding: Administration			**$13,674,259**	**$13,732,884**

Division of Administration (800620)

This appropriation pays for the costs of administering, supporting, and coordinating the activities of the seven operating divisions of the Department. Functions associated with human resources, support services, fiscal operations, public information, employee training and development, legislative services, legal counsel, and the director's office are funded through this line item. This line item is mostly funded by assessments levied on the operating divisions, which are based on a percentage of each division's actual operating appropriation. OBM must approve how the assessment is calculated on an annual basis. Though the Department's Video Service Regulation program is primarily funded from this line item, details concerning that program are discussed below in conjunction with appropriation item 800623, Video Service.

The budget provides $7.4 million in FY 2010. This amount is 71.2% higher than FY 2009 spending of $4.3 million. FY 2011 appropriations are $7.6 million, a 1.9% increase from those for FY 2010. The appropriation amounts reflect the consolidation of fiscal and support services within the Division of Administration. Approximately 31 FTEs have been transferred as a result of this initiative, thereby increasing payroll and related operations expenditures. Previously, these individuals were funded out of divisional operating funds. Overall, centralizing fiscal operations has resulted in the elimination of three fiscal officer positions.

Information Technology (800637)

This line item funds the Information Technology Group (ITG), part of the Division of Administration. ITG is responsible for developing, maintaining, and protecting the Department's computer systems, network, electronic business applications, and electronic data. ITG provides technical support via the Department of Commerce Help Desk and direction to Division staff on industry standards regarding the purchase of hardware and software. ITG also develops and maintains the Department's web site and provides efficient internal support for the creation and implementation of systems using new technology. As with the appropriation item above, this line item is funded by the assessments levied on the eight operating divisions, which are based on a percentage of each division's actual operating appropriation.

The budget appropriates $6.2 million in FY 2010 for these activities, a 4.2% increase from FY 2009 spending of $6.0 million but a 7.4% decrease from FY 2009 appropriations of $6.7 million. FY 2011 appropriations are $6.1 million, a 1.3% decline from the FY 2010 amount. The decline in funding for FY 2010 is due to four fewer FTEs funded in FY 2010-FY 2011 than in FY 2009. These FTEs will be reduced through attrition as part of a reorganization of ITG. The reorganization is not a new endeavor. Rather, it is carrying forward the Department's initiative to centralize information technology staff in the Division of Administration, an ongoing effort pursued over the last few biennia.

Video Service (800623)

This line item provides an operating supplement of $34,476 each year to the Video Service Regulation program, which is primarily funded using appropriation item 800620, Division of Administration. This program, created by S.B. 117 of the 127th General Assembly, reviews authorization applications and either approves or denies them. The Public Utilities Commission forwards consumer complaints against video service providers to the program. To date, there are 39 active video service franchises under the new state authorization system, which became effective in late September 2007. This new system, which permits video service areas to span multiple counties, municipalities, or townships, is being phased in to replace a licensing process under which cable television providers negotiated franchise agreements and fees with individual local governments. As existing franchise agreements expire or are cancelled, they are being replaced with state-issued video service authorizations, which are each valid for ten years. To compensate local governments for the fee revenue generated under the old agreements, S.B. 117 created a video service provider fee that is paid to each municipality and township in which a provider offers video service.

In addition to paying service provider fees directly to municipalities and townships, applicants pay the Department of Commerce a $2,000 fee to apply for and a $100 fee to amend each authorization. These fees are deposited in the Video Service Authorization Fund (Fund 5X60). Through FY 2009, this fund received approximately $84,000 in fee revenue, which has not been sufficient to meet operating expenses. This forced the program to rely on amounts in the Division of Administration Fund (Fund 1630) paid by other divisions and industries. In the FY 2008-FY 2009 biennium, the program was funded at $336,800 each year via the Controlling Board, which allowed for payroll and office expenses for 3.5 FTEs. To provide additional operating revenue, the budget authorizes the Department to levy an assessment on video service providers, the total amount of which is limited to $450,000 per fiscal year or the actual, current year administrative costs to carry out the program, whichever is less. However, instead of accruing to Fund 5X60, the assessment revenue will be deposited into Fund 1630, since the latter is the primary operating fund for the program.

Category 7: Real Estate and Professional Licensing

This category of appropriations provides licensure and regulation of real estate brokers, salespersons, and appraisers; registers foreign real estate property; and registers Ohio cemeteries, among other activities.

Appropriations for Real Estate and Professional Licensing				
Fund	ALI and Name		FY 2010	FY 2011
State Special Revenue Fund Group				
5490	800614	Real Estate	$3,456,405	$3,451,694
6A40	800630	Real Estate Appraiser – Operating	$664,006	$664,006
4H90	800608	Cemeteries	$273,465	$273,465
5470	800603	Real Estate Education/Research	$250,000	$250,000
5480	800611	Real Estate Recovery	$50,000	$50,000
4B20	800631	Real Estate Appraiser Recovery	$35,000	$35,000
Total Funding: Real Estate and Professional Licensing			**$4,728,876**	**$4,724,165**

Real Estate (800614)

This line item pays the costs associated with the licensing of real estate brokers and salespersons and those dealing in foreign real estate (properties located outside Ohio but marketed to Ohio residents), the review and approval of continuing education courses for such individuals, and the investigation of complaints. This line item is funded by fees paid by those entities, generating $2.6 million to the Real Estate Operating Fund (Fund 5490) in FY 2009. The budget appropriates approximately $3.5 million in each fiscal year for this line item, which is about 9.2% more than FY 2009 spending of $3.2 million, but 3.3% less than FY 2009 appropriations of $3.6 million.

In recent years, Fund 5490 has required transfers totaling $900,000 over FY 2007 and FY 2008 from other funds, as operating revenues have not been sufficient to cover program expenses. To shore up the revenues supporting this line item, the budget increases various real estate broker and salesperson fees and, over the FY 2010-FY 2011 biennium, provides for the transfer of $1.3 million from the Real Estate Education and Research Fund (Fund 5470) and $600,000 from the Real Estate Recovery Fund (Fund 5480).

Real Estate Appraiser – Operating (800630)

This line item funds the licensure and certification of all general and residential appraisers in the state. In addition, the line item funds the monitoring of applicant compliance with education, experience and testing requirements for each level of registration, license or certification, and the supervision of continuing education requirements of the industry. Other activities include the investigation of complaints against licenses and disciplinary hearings, as required. License and permit fees paid by regulated individuals fund this line item. These fees generated $674,000 in revenue in FY 2008 and $657,500 in FY 2009. The budget appropriates $664,006 in each fiscal year for this line item, flat-funding it at the FY 2009 appropriation amount. The appropriations for each year are 12.6% greater than FY 2009 spending of $589,579.

Cemeteries (800608)

This line item funds the registration of all active cemeteries in Ohio and investigates complaints or disputes involving registered cemeteries. Complaints against cemeteries are investigated and referred to the Ohio Cemetery Dispute Resolution Commission. There are about 3,400 cemeteries registered. The main source of funding for this program is a burial permit fee. During FY 2009, revenue to the Cemetery Registration Fund (Fund 4H90) from burial permit fees and cemetery registrations and renewals amounted to about $315,600. The budget includes funding of $273,465 in each fiscal year, the same amount appropriated for FY 2009, but 19.4% higher than FY 2009 spending of $229,137.

Real Estate Education/Research (800603)

This line item is used to advance education and research in real estate by contracting with higher education institutions or a trade organization in the state to conduct real estate research. It may also be used to advance loans not exceeding $800 to applicants for salesperson licenses to help defray the cost of statutory education requirements. These activities are funded through the Real Estate Education and Research Fund (Fund 5470), which receives a small portion of certain real estate broker, real estate salesperson, and other real estate-related fees. The budget provides $250,000 for each fiscal year, flat-funding the line item at FY 2009 appropriation levels. The appropriations for each fiscal year are 6.3% higher than FY 2009 spending of $235,226. In an effort to direct more revenue to Fund 5490, the budget reduces the fee amounts dedicated to Fund 5470. In most cases, Fund 5470's portion decreases from $4 to $1. For real estate broker and real estate salesperson license renewal fees, which are paid on a triennial basis, Fund 5470's portion decreases from $12 to $3.

Real Estate and Appraiser Recovery (800611 and 800631)

These line items are used to reimburse persons that obtain a court judgment against a licensed or certified appraiser, real estate broker, or salesperson. The Real Estate Recovery Fund (Fund 5480) receives fines and civil penalties against persons participating in unlicensed activity while the Real Estate Appraiser Recovery Fund (Fund 4B20) receives a $100 assessment on new real estate appraiser license/certification applications. The budget appropriates a total of $85,000 for these line items in each year of the biennium, the same amounts appropriated for the FY 2008-FY 2009 biennium.

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Line Item Detail by Agency

Report For: Main Operating Appropriations Bill — **Version:** Enacted

COM Department of Commerce

			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
GRF	800410	Labor and Worker Safety	$ 2,003,463	$ 2,018,587	$ 1,492,677	-26.05%	$ 0	-100.00%
General Revenue Fund Total			**$ 2,003,463**	**$ 2,018,587**	**$ 1,492,677**	**-26.05%**	**$ 0**	**-100.00%**
1630	800620	Division of Administration	$ 4,360,188	$ 4,333,742	$ 7,420,049	71.22%	$ 7,561,286	1.90%
1630	800637	Information Technology	$ 4,742,261	$ 5,969,795	$ 6,219,734	4.19%	$ 6,137,122	-1.33%
5430	800602	Unclaimed Funds-Operating	$ 8,695,254	$ 6,055,781	$ 9,948,085	64.27%	$ 9,948,085	0.00%
5430	800625	Unclaimed Funds-Claims	$ 57,688,890	$ 60,053,959	$ 75,000,000	24.89%	$ 75,000,000	0.00%
5F10	800635	Small Government Fire Departments	$ 250,000	$ 585,000	$ 300,000	-48.72%	$ 300,000	0.00%
General Services Fund Group Total			**$ 75,736,594**	**$ 76,998,277**	**$ 98,887,868**	**28.43%**	**$ 98,946,493**	**0.06%**
3480	800622	Underground Storage Tanks	$ 341,785	$ 641,949	$ 586,128	-8.70%	$ 585,782	-0.06%
3480	800624	Leaking Underground Storage Tanks	$ 1,460,669	$ 1,313,858	$ 1,477,606	12.46%	$ 1,489,717	0.82%
Federal Special Revenue Fund Group Total			**$ 1,802,454**	**$ 1,955,808**	**$ 2,063,734**	**5.52%**	**$ 2,075,499**	**0.57%**
4B20	800631	Real Estate Appraisal Recovery	$ 30,000	$ 5,000	$ 35,000	600.00%	$ 35,000	0.00%
4H90	800608	Cemeteries	$ 235,765	$ 229,137	$ 273,465	19.35%	$ 273,465	0.00%
4X20	800619	Financial Institutions	$ 1,764,409	$ 1,513,414	$ 2,233,031	47.55%	$ 2,221,395	-0.52%
5440	800612	Banks	$ 5,811,757	$ 5,554,990	$ 6,703,253	20.67%	$ 6,753,254	0.75%
5450	800613	Savings Institutions	$ 1,677,396	$ 2,107,916	$ 2,286,615	8.48%	$ 2,307,019	0.89%
5460	800610	Fire Marshal	$ 12,991,182	$ 14,114,929	$ 15,118,673	7.11%	$ 15,191,721	0.48%
5460	800639	Fire Department Grants	$ 1,450,282	$ 1,745,807	$ 1,695,198	-2.90%	$ 1,698,802	0.21%
5470	800603	Real Estate Education/Research	$ 145,027	$ 235,226	$ 250,000	6.28%	$ 250,000	0.00%
5480	800611	Real Estate Recovery	$ 17,180	$ 102,117	$ 50,000	-51.04%	$ 50,000	0.00%
5490	800614	Real Estate	$ 2,998,859	$ 3,166,449	$ 3,456,405	9.16%	$ 3,451,694	-0.14%
5500	800617	Securities	$ 3,620,249	$ 4,221,958	$ 4,761,545	12.78%	$ 4,411,545	-7.35%
5520	800604	Credit Union	$ 2,669,079	$ 2,611,486	$ 3,627,390	38.90%	$ 3,627,390	0.00%
5530	800607	Consumer Finance	$ 4,550,874	$ 4,664,711	$ 5,367,260	15.06%	$ 5,148,702	-4.07%
5560	800615	Industrial Compliance	$ 23,555,917	$ 23,979,450	$ 25,753,662	7.40%	$ 26,713,417	3.73%
5FW0	800616	Financial Literacy Education	$0	$0	$ 350,000	N/A	$ 350,000	0.00%
5GK0	800609	Securities Investor Education/Enforcement	$0	$0	$ 485,000	N/A	$ 485,000	0.00%
5K70	800621	Penalty Enforcement	$ 45,729	$ 123,276	$ 150,000	21.68%	$ 150,000	0.00%

Line Item Detail by Agency

			FY 2008	FY 2009	FY 2010 Appropriations	% Change FY09 - FY10	FY 2011 Appropriations	% Change FY10 - FY11
COM Department of Commerce								
5X60	800623	Video Service	$0	$0	$ 34,476	N/A	$ 34,476	0.00%
6530	800629	UST Registration/Permit Fee	$ 1,034,940	$ 1,285,406	$ 1,433,189	11.50%	$ 1,431,831	-0.09%
6A40	800630	Real Estate Appraiser-Operating	$ 554,355	$ 589,579	$ 664,006	12.62%	$ 664,006	0.00%
State Special Revenue Fund Group Total			**$ 63,153,002**	**$ 66,250,849**	**$ 74,728,168**	**12.80%**	**$ 75,248,717**	**0.70%**
7043	800601	Merchandising	$ 441,616,966	$ 460,835,706	$ 472,492,696	2.53%	$ 488,434,277	3.37%
7043	800627	Liquor Control Operating	$ 12,706,854	$ 12,802,242	$ 13,776,430	7.61%	$ 14,313,346	3.90%
7043	800633	Development Assistance Debt Service	$ 31,380,022	$ 30,417,755	$ 40,565,100	33.36%	$ 52,412,800	29.21%
7043	800636	Revitalization Debt Service	$ 12,501,618	$ 14,855,241	$ 15,632,800	5.23%	$ 20,359,000	30.23%
Liquor Control Fund Group Total			**$ 498,205,460**	**$ 518,910,944**	**$ 542,467,026**	**4.54%**	**$ 575,519,423**	**6.09%**
7085	800985	Volunteer Firefighters' Dependents Fund	$ 235,825	$ 236,875	$ 300,000	26.65%	$ 300,000	0.00%
Volunteer Firefighters Dependents Fund Group Total			**$ 235,825**	**$ 236,875**	**$ 300,000**	**26.65%**	**$ 300,000**	**0.00%**
7066	800966	Undivided Liquor Permits	$ 14,071,868	$ 14,038,463	$ 14,100,000	0.44%	$ 14,100,000	0.00%
Revenue Distribution Fund Group Total			**$ 14,071,868**	**$ 14,038,463**	**$ 14,100,000**	**0.44%**	**$ 14,100,000**	**0.00%**
Department of Commerce Total			***$ 655,208,666***	***$ 680,409,802***	***$ 734,039,473***	***7.88%***	***$ 766,190,132***	***4.38%***