

LSC Greenbook

Analysis of the Enacted Budget

Lake Erie Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Lake Erie Commission

- Non-GRF entity
- Revenues from license plate sales and endowment interest down
- Cash transfers to Lake Erie Resources Fund totaling \$385,000 authorized

OVERVIEW

Agency Overview

The Lake Erie Commission's primary role is to coordinate state policy and programs pertaining to the protection, conservation, and development of Lake Erie and its surrounding areas. Specifically, the Commission is charged with protecting Lake Erie's natural resources and safeguarding its watershed's ecological quality against pollution while promoting responsible economic development along the shoreline. The Lake Erie watershed covers 33 of Ohio's 88 counties.

The Commission itself is comprised of six cabinet-level state officials – the directors of: (1) Environmental Protection, (2) Natural Resources, (3) Health, (4) Transportation, (5) Development, and (6) Agriculture – and employs the equivalent of 3.5 full-time staff. The Commission's office and staff are located in Sandusky. Of note is that these member state agencies also provide the Commission with staffing assistance. For example, the Ohio Environmental Protection Agency provides fiscal management, legal, and human resources services, and the Ohio Department of Natural Resources provides media relations and administrative support.

Appropriation Overview

As seen in Table 1 below, the Commission's FY 2014-FY 2015 biennial budget will consist almost entirely of money appropriated from the State Special Revenue Fund (SSR) Group. In terms of the Commission's total budget, the almost 30% decrease from FY 2013 expenditures to the FY 2014 appropriation largely reflects the disbursement of one-time federal project grant moneys during the FY 2012-FY 2013 biennium.

Table 1. Agency Appropriations by Fund Group, FY 2014-FY 2015 (Am. Sub. H.B. 59)					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
Federal Special Revenue	\$264,455	\$25,000	-90.6%	\$0	-100.0%
State Special Revenue	\$460,310	\$498,942	8.4%	\$539,637	8.2%
TOTAL	\$724,765	\$523,942	-27.7%	\$539,637	3.0%

* FY 2013 figures represent actual expenditures.

ANALYSIS OF ENACTED BUDGET

This section examines in more detail the moneys appropriated to finance the Commission's activities and services, including their intended purposes. Table 2 below summarizes the relevant line items, as well as the appropriated funding levels. It is then followed by a narrative describing how each appropriated amount will be used.

Table 2. Lake Erie Commission Appropriations				
Fund	ALI and Name		FY 2014	FY 2015
Federal Special Revenue (FED) Fund Group				
3EP0	780603	Lake Erie Federal Grants	\$25,000	\$0
State Special Revenue (SSR) Fund Group				
4C00	780601	Lake Erie Protection Fund	\$200,000	\$200,000
5D80	780602	Lake Erie Resources Fund	\$298,942	\$339,637
State Special Revenue Fund Group Subtotal			\$498,942	\$539,637
Total Funding: Lake Erie Commission			\$523,942	\$539,637

Lake Erie Federal Grants (FED line item 780603)

This line item was created to disburse two federal grants totaling \$400,000 awarded for the purpose of undertaking two Great Lakes Restoration Initiative (GLRI) projects. These projects have been largely completed; the budget appropriates \$25,000 in FY 2014 to disburse the remaining grant money.

The two projects funded with this federal money were as follows:

- Toledo Harbor Sediment Management and Reuse project, which developed a sediment management plan for the Toledo Harbor.
- Lake Erie Synthesis and Coordination Team project, which focused on linking management and research projects to enhance the value and impact of research, improve management decisions, and synthesize and summarize the results of both for managers, decision makers, elected officials, and the public.

Lake Erie Protection Fund (SSR line item 780601)

For this SSR line item, the budget appropriates \$200,000 in each fiscal year, to be disbursed in the form of approximately ten project grants. This line item draws its money from the Lake Erie Protection Fund (Fund 4C00), which has a revenue stream that is generated primarily through the sale of Lake Erie license plates, and secondarily, grants, gifts, and donations. A point of concern for the Commission with this revenue stream is that, after netting in excess of \$900,000 in Lake Erie license plate sales, annual sales have decreased

to less than \$250,000 in recent years. The FY 2014 and FY 2015 appropriations represent reductions that more closely align spending with a smaller annual revenue stream.

Lake Erie Resources Fund (SSR line item 780602)

For this SSR line item, the budget appropriates \$298,942 in FY 2014 and \$339,637 in FY 2015, to be allocated largely for payroll-related expenses, and secondarily, supplies and maintenance. Smaller amounts are likely to be allocated for purchased personal services and equipment. Specific activities to be supported by these expenditures will include the annual Coastweeks Program, which hosts clean-up events along Lake Erie, publication of reports such as the *Lake Erie Protection and Restoration Plan*, organizing Commission meetings, and representing Ohio at regional Great Lakes management forums.

This line item draws its money from the Lake Erie Resources Fund (Fund 5D80), which relies primarily on Ohio's share of the interest earned from the multistate Great Lakes Protection Fund (GLPF), and secondarily, contributions from member state agencies, and other special grants and donations. The GLPF is an interstate trust fund established in 1989 to protect and restore the Great Lakes. A point of concern for the Commission is that the trust fund's interest earnings have decreased as a result of the downturn in the economy. In FY 2013, the Commission received \$0 in revenue from the GLPF's earnings. While earnings are expected to increase in the FY 2014-FY 2015 biennium, the amount that Ohio might receive is uncertain.

Cash transfers. A temporary law provision in the budget permits the Director of Budget and Management, on July 1 of each fiscal year or as soon as possible thereafter, to transfer specified cash amounts in each of FY 2014 and FY 2015 from certain state funds to Fund 5D80 (see Table 3 below). The amount of cash authorized for transfer totals \$117,500 in FY 2014 and \$267,500 in FY 2015.

Fund	Fund Name	User	FY 2014	FY 2015
5BC0	Environmental Protection	Environmental Protection Agency	\$23,500	\$53,500
6690	Pesticide, Fertilizer and Lime	Department of Agriculture	\$23,500	\$53,500
4700	General Operations	Department of Health	\$23,500	\$53,500
1570	Central Support Indirect	Department of Natural Resources	\$23,500	\$53,500
TBD**	TBD**	Development Services Agency	\$23,500	\$53,500
TOTAL			\$117,500	\$267,500

*All of the authorized cash transfers are "up to" amounts, with the exception of the Development Services Agency.

**TBD means to be determined by the Director of Development Services.

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
LEC Lake Erie Commission								
3EP0	780603	Lake Erie Federal Grants	\$ 150,701	\$ 264,455	\$ 25,000	-90.55%	\$ 0	-100.00%
Federal Special Revenue Fund Group Total			\$ 150,701	\$ 264,455	\$ 25,000	-90.55%	\$ 0	-100.00%
4C00	780601	Lake Erie Protection Fund	\$ 378,034	\$ 229,607	\$ 200,000	-12.89%	\$ 200,000	0.00%
5D80	780602	Lake Erie Resources Fund	\$ 253,953	\$ 230,703	\$ 298,942	29.58%	\$ 339,637	13.61%
State Special Revenue Fund Group Total			\$ 631,988	\$ 460,310	\$ 498,942	8.39%	\$ 539,637	8.16%
Lake Erie Commission Total			\$ 782,688	\$ 724,765	\$ 523,942	-27.71%	\$ 539,637	3.00%