

LSC Greenbook

Analysis of the Enacted Budget

Ohio Manufactured Homes Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio Manufactured Homes Commission

- Funding of \$1.2 million in each fiscal year
- As of December 2012, MHC responsible for regulating and licensing manufactured home parks under H.B. 487

OVERVIEW

Agency Overview

The Ohio Manufactured Homes Commission (MHC) is responsible for establishing and enforcing standards of quality and uniformity in the sale and installation of manufactured homes in Ohio. MHC regulates the training and licensing of manufactured home installers, the training and certification of manufactured home inspection agencies, licensing of manufactured home dealers and salespeople, and oversees a dispute resolution process for complaints made by home purchasers. Additionally, MHC is responsible for establishing and enforcing standards ensuring the safety and sanitation of manufactured home parks and issuing licenses to manufactured home park operators.

MHC is overseen by nine commissioners, three of whom are appointed by the Governor, three of whom are appointed by the President of the Senate, and three of whom are appointed by the Speaker of the House of Representatives. The selected commissioners represent the various interested parties involved in the manufactured homes industry. Commissioners receive no compensation other than actual expenses incurred in conducting MHC business. The day-to-day operations of the Commission are handled by an executive director appointed by the Commission. Including the executive director, the Commission has six full-time staff. The Commission receives no GRF funding, but is instead entirely supported by fees deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90) and the Manufactured Homes Commission Regulatory Fund (Fund 5MC0).

Appropriation Overview

The budget provides funding of \$1.2 million in both FY 2014 and FY 2015, a 107.9% increase when compared to FY 2013 spending of \$580,593. This considerable funding increase reflects the additional expenses that the Commission expects to incur for regulating and licensing manufactured home parks. The Commission took on this responsibility partway through FY 2013.

Revenues and Expenses

Although MHC was first established in FY 2004, early on it served primarily as an educational entity that trained and licensed manufactured home installers and inspectors. The Commission only gained authority to carry out its regulatory duties in FY 2007, largely because of various federal and state law changes that were necessary to flesh out MHC's scope of responsibilities. The following table shows MHC's operating revenues and expenses since the Commission took on its regulatory functions in earnest in FY 2007. As the data in the table show, there has been considerable fluctuation in revenues since MHC took on its regulatory role. This is due to a combination of economic factors, as well as additional regulatory responsibilities the Commission has absorbed since its inception. For example, between FY 2009 and FY 2010, revenues were adversely affected by the downturn in the economy, during which a large number of installers and inspectors allowed their licenses and renewals to lapse. FY 2011 revenues increased because MHC inherited the responsibility of licensing manufactured home dealers, brokers, and sales people in that fiscal year from the Bureau of Motor Vehicles.

Between FY 2007 and FY 2012, the Commission operated entirely from the Occupational Licensing and Regulatory Fund (Fund 4K90). A significant change occurred in December 2012, almost mid-way through FY 2013, when the Commission assumed responsibility for licensing manufactured home parks under H.B. 487. Unlike the other fees the Commission collects, receipts from manufactured home parks are deposited into the Manufactured Homes Commission Regulatory Fund (Fund 5MC0). As the table shows, FY 2013 combined Fund 4K90 and Fund 5MC0 revenues increased substantially, to \$1.3 million, because of the new licenses issued to manufactured home parks.

Revenues and Expenditures, FY 2007-FY 2013							
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$89,359	\$155,251	\$303,804	\$237,231	\$407,678	\$270,787	\$1,310,382
Expenses	\$363,725	\$362,721	\$380,254	\$439,913	\$525,798	\$535,525	\$580,593
Net	-\$274,366	-\$207,470	-\$76,450	-\$202,682	-\$118,120	-\$264,738	\$729,789

*FY 2013 shows combined results for both Fund 4K90 and Fund 5MC0.

ANALYSIS OF ENACTED BUDGET

Appropriations for the Ohio Manufactured Homes Commission				
Fund	ALI and Name		FY 2014	FY 2015
General Services Fund Group				
4K90	996609	Operating Expenses	\$459,134	\$459,134
State Special Revenue Fund Group				
5MC0	996610	Manufactured Homes Regulation	\$747,825	\$747,825
Total Funding: Manufactured Homes Commission			\$1,206,959	\$1,206,959

Operating Expenses (996609)

Previously, this appropriation had been used to pay for all of MHC's operating costs. This arrangement changed, however, when MHC assumed responsibility for regulating manufactured home parks in FY 2013. Operating expenses covered by this line item now are those specifically related to the licensing and regulatory functions concerning the sale and installation of manufactured homes. Overall, roughly half of the personal services costs that were formerly paid from this line item are now paid from appropriation item 996610, Manufactured Homes Regulation.

Manufactured Homes Regulation (996610)

FY 2014 will be MHC's first full year operating this program. Under H.B. 487, MHC is required to contract with local health departments to perform inspections of manufactured home parks if those departments wish to continue this regulatory function. For local health departments that choose not to do so, MHC will contract with other local health departments or use its own staff to perform these responsibilities. MHC estimates that inspection contracts with local health departments will cost approximately \$250,000 per year.

MHC.docx/dp

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					
MHC Manufactured Homes Commission								
4K90	996609	Operating Expenses	\$ 535,526	\$ 530,065	\$ 459,134	-13.38%	\$ 459,134	0.00%
General Services Fund Group Total			\$ 535,526	\$ 530,065	\$ 459,134	-13.38%	\$ 459,134	0.00%
5MC0	996610	Manufactured Homes Regulation	\$0	\$ 50,528	\$ 747,825	1,380.02%	\$ 747,825	0.00%
State Special Revenue Fund Group Total			\$0	\$ 50,528	\$ 747,825	1,380.02%	\$ 747,825	0.00%
Manufactured Homes Commission Total			\$ 535,526	\$ 580,593	\$ 1,206,959	107.88%	\$ 1,206,959	0.00%