

**Greenbook**  
**LSC Analysis of Enacted Budget**

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**Lake Erie Commission**

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## TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
Agency Overview.....	1
Appropriations Overview .....	1
Staffing.....	2
Fiscal Challenge .....	2
Abolishment of the Lake Erie Resources Fund.....	2
S.B. 2 of the 132nd General Assembly .....	3
<b>ANALYSIS OF ENACTED BUDGET</b> .....	<b>4</b>
Lake Erie Protection (DPF line item 780601).....	4

**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Lake Erie Commission

- Non-GRF entity dependent on variable revenue streams
- Cash transfers totaling \$250,000 authorized to supplement funding
- Additional funding to enhance program coordinator role

## OVERVIEW

### Agency Overview

The Lake Erie Commission's mission is the protection, conservation, and development of Lake Erie and its surrounding areas. In accordance with that mission, the Commission implements policies and programs focused on water quality, habitat, recreation, tourism, and resource management. The Lake Erie watershed covers 33 of Ohio's 88 counties.

The Commission consists of 11 members: the directors of Environmental Protection, Natural Resources, Health, Agriculture, Transportation, and Development Services, plus an additional five members appointed by the Governor. The Commission's staff currently consists of two part-time employees located in Bowling Green and Columbus, respectively. Services are also provided by member state agencies. The Ohio Environmental Protection Agency (EPA) provides fiscal management services and the Department of Natural Resources provides public information and information technology support.

### Appropriations Overview

As seen in Table 1 below, the Commission's FY 2018-FY 2019 biennial budget consists entirely of money appropriated from the Dedicated Purpose Fund (DPF) Group. Relative to actual FY 2017 expenditures, (1) the increased DPF appropriations reflect the expectation that there will be sufficient cash on hand to support additional staff and grant awards, and (2) the absence of federal appropriations reflects the fact that the Commission has expended all of its currently available federal grant money.

**Table 1. Commission Appropriations by Fund Group, FY 2018-FY 2019  
(Am. Sub. H.B. 49)**

Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
Dedicated Purpose	\$351,745	\$568,000	61.5%	\$571,000	0.5%
Federal	\$61,063	\$0	-100.0%	\$0	0.0%
<b>TOTAL</b>	<b>\$412,808</b>	<b>\$568,000</b>	<b>37.6%</b>	<b>\$571,000</b>	<b>0.5%</b>

\*FY 2017 figures represent actual expenditures.

## Staffing

In FY 2015, the Commission had the full-time equivalent (FTE) of five staff. Through retirements and attrition, the Commission was reduced to one part-time employee. The Commission currently has two part-time employees, one of whom is the Deputy Director of the Ohio EPA. It plans to use a portion of the increased budget funding to hire a full-time staff person to focus on community relations, marketing, and program coordination at the Commission's office in Sandusky.

## Fiscal Challenge

An ongoing challenge for the Commission is to ensure that there is sufficient money on hand to fund staff operations and to maintain grants programs. Currently, it relies on three, arguably uncertain, revenue streams: (1) Lake Erie license plate sales, (2) interest earnings distributed from the multi-state Great Lakes Protection Fund, and (3) federal grants. As the Commission has expended all of its available federal grant money, the budget appropriates no federal money for either of FY 2018 or FY 2019.

To address this uncertainty, the budget contains a cash transfer provision. It permits the Director of Budget and Management (OBM) to transfer specified cash amounts in FYs 2018 and 2019 from certain state funds to the Lake Erie Protection Fund (Fund 4C00). The total amount of cash authorized for transfer annually is up to \$125,000 in FYs 2018 and 2019 (see Table 2 below).

<b>Fund</b>	<b>Fund Name</b>	<b>User</b>	<b>FY 2018</b>	<b>FY 2019</b>
5BC0	Environmental Protection	Environmental Protection Agency	\$25,000	\$25,000
6690	Pesticide, Fertilizer and Lime	Department of Agriculture	\$25,000	\$25,000
4700	General Operations	Department of Health	\$25,000	\$25,000
1570	Central Support Indirect	Department of Natural Resources	\$25,000	\$25,000
TBD**	TBD**	Development Services Agency	\$25,000	\$25,000
<b>TOTAL</b>			<b>\$125,000</b>	<b>\$125,000</b>

\*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.

## Abolishment of the Lake Erie Resources Fund

With regard to the Lake Erie Resources Fund (Fund 5D80) used by the Commission, the budget: (1) eliminates Fund 5D80, the purposes of which are duplicative of the purposes of the Lake Erie Protection Fund (Fund 4C00), (2) transfers all money in Fund 5D80 to Fund 4C00, (3) merges the revenue for Fund 5D80 into Fund 4C00, and (4) subsequently abolishes Fund 5D80.

## **S.B. 2 of the 132nd General Assembly**

The enactment of S.B. 2 of the 132nd General Assembly, effective October 6, 2017, makes various changes to the Commission's operations by: (1) adding two members of the Great Lakes Protection Fund to serve as ex officio, nonvoting, members on the Commission, (2) requiring the agencies represented on the Commission to provide administrative services, (3) establishing new duties, (4) eliminating certain duties currently required of the Commission, (5) specifying that Commission members and public advisory council members are eligible for expense reimbursements, and (6) revising the permissible uses of the money in Fund 4C00.

The revised uses of Fund 4C00 include the following: (1) funding cooperative research, data gathering, or demonstration projects related to the priorities set in the Lake Erie protection and restoration strategy, (2) awarding grants which address the priorities set in the Lake Erie protection and restoration strategy, (3) encouraging cooperation with and among leaders from various organizations, including agriculture, within the Lake Erie basin, and (4) expenses authorized by the Commission.

## ANALYSIS OF ENACTED BUDGET

The table below summarizes the lone line item that will be used to finance the Commission's activities and services, as well as the appropriations for FY 2018 and FY 2019. It is then followed by a narrative describing how each appropriated amount will be used.

Appropriations for the Lake Erie Commission				
Fund	ALI and Name		FY 2018	FY 2019
<b>Dedicated Purpose Fund (DPF) Group</b>				
4C00	780601	Lake Erie Protection	\$568,000	\$571,000
<i>Dedicated Purpose Fund Group Subtotal</i>			<i>\$568,000</i>	<i>\$571,000</i>
<b>Total Funding: Lake Erie Commission</b>			<b>\$568,000</b>	<b>\$571,000</b>

### Lake Erie Protection (DPF line item 780601)

Effective FY 2018, the Commission will use this line item for two purposes: (1) to finance research and demonstration grants related to the protection and restoration of Lake Erie resources, and (2) to cover its operating expenses. The line item will draw its money from the Lake Erie Protection Fund (Fund 4C00), which consists primarily of Lake Erie license plate sales, and, effective FY 2018, Ohio's share of the interest earned from the multi-state Great Lakes Protection Fund (GLPF). Prior to FY 2018, GLPF interest was credited to the Lake Erie Resources Fund (Fund 5D80).

The line item's appropriation of \$568,000 in FY 2018 represents an increase of \$384,138, or 208.9%, from FY 2017 estimated expenditures of \$183,862. This increase largely reflects the budget's merger of Fund 5D80 and its purposes into Fund 4C00. The FY 2019 appropriation of \$571,000 represents an increase of \$3,000, or 0.5%, from the FY 2018 recommendation.

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# FY 2018 - FY 2019 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>LEC Lake Erie Commission</b>								
4C00	780601	Lake Erie Protection	\$ 149,131	\$ 183,862	\$ 568,000	208.93%	\$ 571,000	0.53%
5D80	780602	Lake Erie Resources	\$ 169,317	\$ 167,883	\$ 0	-100.00%	\$ 0	N/A
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 318,448</b>	<b>\$ 351,745</b>	<b>\$ 568,000</b>	<b>61.48%</b>	<b>\$ 571,000</b>	<b>0.53%</b>
3EPO	780603	LEC Federal Grants	\$ 152,887	\$ 61,063	\$ 0	-100.00%	\$ 0	N/A
<b>Federal Fund Group Total</b>			<b>\$ 152,887</b>	<b>\$ 61,063</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
<b>Lake Erie Commission Total</b>			<b>\$ 471,336</b>	<b>\$ 412,808</b>	<b>\$ 568,000</b>	<b>37.59%</b>	<b>\$ 571,000</b>	<b>0.53%</b>