

# Greenbook

## LBO Analysis of Enacted Budget

### Ohio Lake Erie Commission

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# LBO Greenbook

## Ohio Lake Erie Commission

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### Quick look...

- The Ohio Lake Erie Commission’s (LEC) mission is the protection, conservation, and development of Lake Erie and its surrounding areas.
- Total budget appropriations: \$983,000 in FY 2024 and \$1.6 million in FY 2025.
- Sources of the budget: state non-GRF (96.1%) and federal (3.9%).
- The budget appropriates funding for 4.5 full-time employees.
- H2Ohio Initiative work continues into the next biennium.

Fund Group	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Dedicated Purpose	\$616,781	\$781,766	\$933,000	\$1,548,000
Federal	\$612,814	\$137,783	\$50,000	\$50,000
Total	\$1,229,595	\$919,549	\$983,000	\$1,598,000
% change	--	-25.2%	-6.9%	62.6%

### Agency overview

The Lake Erie Commission’s mission is “to preserve Lake Erie’s natural resources, to protect the quality of its waters and ecosystem, and to promote economic development of the region by ensuring the coordination of policies and programs of state government pertaining to water quality, toxic substances, and coastal resource management.” 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 13 members: the directors of Environmental Protection, Natural Resources, Health, Agriculture, Transportation, and Development Services, plus an additional seven members appointed by the Governor. The Commission’s staff primarily coordinate programs that address nutrient management and the beneficial use of dredged material, and promote the sales of Lake Erie license plates that help support staff operations and grants programs. Member state agencies provide additional services. The Ohio Environmental Protection Agency (Ohio EPA) provides fiscal management services and the Department of Natural Resources provides public information and information technology support.

The Commission receives no GRF funding, it relies on four revenue streams: (1) Lake Erie license plate sales, (2) interest earnings distributed from the multistate Great Lakes Protection Fund, (3) federal grants, (4) transfers from other state agencies, and (5) a portion of H2Ohio funding (Fund 6H20) beginning in FY 2022.

## Analysis of FY 2024-FY 2025 budget

The Lake Erie Commission's budget consists of three appropriation line items (ALIs), two of which are supported by money appropriated from the Dedicated Purpose Fund (DPF) Group, and the other is supported by federal grants or awards. The budget provides a total appropriation of \$983,000 in FY 2024 and \$1.6 million in FY 2025: 96.1% DPF Group, 3.9% federal funding. Each of these line items is described further below.

### Lake Erie Protection (ALI 780601)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
<b>DPF Fund 4C00 ALI 780601, Lake Erie Protection</b>					
\$514,317	\$634,201	\$491,781	\$656,766	\$801,000	\$1,416,000
% change	23.3%	-22.5%	33.5%	22.0%	76.8%

This line item is used to pay for the Commission's ongoing annual operating expenses and to award research and demonstration grants related to the protection and restoration of Lake Erie resources of up to \$50,000 and other grants. It is supported by the Lake Erie Protection Fund (Fund 4C00), which consists of Lake Erie license plate sales, Ohio's share of the interest earned from the multistate Great Lakes Protection Fund (GLPF), cash transfers from member agencies, and federal grants awarded to Ohio EPA and passed through to the Commission.

This line item helps to support the Lake Erie Protection Fund grant program. Direct recipients of grant funds, technical support, and training programs include universities, local governments, and nongovernmental organizations such as watershed groups and land conservancies.

### Fund 4C00 cash transfers

The budget contains a cash transfer provision which permits the Director of the Office of Budget and Management (OBM) to transfer specified cash amounts in FY 2024 and FY 2025 from certain state funds to the Lake Erie Protection Fund (Fund 4C00). The total amount of cash authorized for transfer annually is up to \$150,000 in FY 2024 and FY 2025 (see the table below).

Authorized Cash Transfers to Fund 4C00*				
Fund	Fund Name	Administrating Agency	FY 2024	FY 2025
5BC0	Environmental Protection Fund	Environmental Protection Agency	\$25,000	\$25,000
6690	Pesticide, Fertilizer and Lime Fund	Department of Agriculture	\$25,000	\$25,000
4700	General Operations Fund	Department of Health	\$25,000	\$25,000
1570	Central Support Indirect Chargeback	Department of Natural Resources	\$25,000	\$25,000
7002	Highway Operating	Department of Transportation	\$25,000	\$25,000
1350	Supportive Services	Department of Development	\$25,000	\$25,000
<b>Total</b>			<b>\$150,000</b>	<b>\$150,000</b>

\*All of the authorized cash transfers are "up to" amounts.

## H2Ohio (ALI 780604)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriations	FY 2025 Appropriations
<b>DPF Fund 6H20 ALI 780604, H2Ohio</b>					
\$0	\$0	\$125,000	\$125,000	\$132,000	\$132,000
% change	--	--	0.0%	5.6%	0.0%

In FY 2024 and FY 2025, the Commission anticipates funding a research group to refine Ohio's current method for evaluating the expected nutrient reduction in the state's water as a result of H2Ohio projects.

H.B. 166 of the 133<sup>rd</sup> General Assembly created the H2Ohio Fund (Fund 6H20) in the state treasury, and directed a portion of FY 2019 GRF surplus revenue (up to \$172 million) to the fund. At that time, funding was used by the Department of Agriculture, Department of Natural Resources, and Ohio EPA. The current budget bill transfers \$270.0 million cash from the GRF to the H2Ohio Fund.<sup>1</sup>

The fund continues to be used for water quality purposes, including awarding grants, issuing loans, funding cooperative research, and encouraging cooperation with governmental and private entities. The Commission's role in the H2Ohio Initiative is to provide coordination and ensure transparency and accountability.

## LEC Federal Grants (ALI 780603)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
<b>FED Fund 3EP0 ALI 780603, LEC Federal Grants</b>					
\$848,721	\$627,659	\$612,814	\$137,783	\$50,000	\$50,000
% change	--	-2.4%	-77.5%	-63.7%	0.0%

This line item is primarily used to disburse project grants awarded by the Great Lakes Restoration Initiative (GLRI).<sup>2</sup> In FY 2022 and FY 2023, the Commission was awarded two GLRI grants: \$75,000 for the Cuyahoga Area of Concern Brandywine Enhancement and Restoration Project and \$75,000 for the Black River Area of Concern BUI Evaluation Monitoring Project.

Prior to these awards, the most recent grant awarded to Ohio was issued in 2019 for the Mayfield – Euclid Creek Restoration Project. Funds were passed directly to the county soil and water conservation district managing the project. Future federal grants or awards are unpredictable.

LEC/zg

<sup>1</sup> In addition to the appropriation for the Commission, the bill also appropriates \$60.7 million in FY 2024 and \$60.8 million in FY 2025 for the Department of Agriculture, \$46.6 million in each fiscal year for the Department of Natural Resources, and \$27.5 million in each fiscal year for Ohio EPA.

<sup>2</sup> The GLRI is a 2010 federal initiative aimed at restoring the Great Lakes ecosystem. U.S. EPA is the lead federal agency for implementing the GLRI.