

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Ohio Higher Educational Facility Commission**

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Budget Spreadsheet By Line Item

# Ohio Higher Educational Facility Commission

- Non-GRF agency; funding is entirely provided by fee revenue
- Continuation budget

## OVERVIEW

### Agency Overview

The Higher Educational Facility Commission (HEFC) was established in 1968 to help independent nonprofit colleges and universities obtain construction capital at lower costs than otherwise might be available to them. In FY 2005, nonprofit hospitals and health care systems were added to the entities that are eligible to receive assistance from the Commission. The Commission is comprised of nine members, including the Chancellor of the Board of Regents, who serves permanently, and eight others who are appointed by the Governor and serve eight-year terms. These members approve the issuance of tax-exempt bonds to support capital projects at eligible entities. The members of the Commission are not compensated for their services, but are reimbursed for their actual expenses related to the Commission's official business.

Although the Commission is a state agency with general administrative powers, it currently operates without a separate staff or permanent offices. Instead, it has elected to rely upon bond counsel, paid by the entities for which the bonds are issued, and the day-to-day administrative support of the Board of Regents (BOR). This support includes accounting and recordkeeping, scheduling and coordinating Commission meetings and project applications, and preparing the Commission's annual report. The Commission reimburses BOR for its administrative expenses.

### Appropriation Overview

Agency Appropriations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
Agency	\$5,405	\$16,819	211.2%	\$16,819	0.0%
<b>TOTAL</b>	<b>\$5,405</b>	<b>\$16,819</b>	<b>211.2%</b>	<b>\$16,819</b>	<b>0.0%</b>

\*FY 2009 figures represent actual expenditures.

As can be seen from the preceding table, the Commission does not receive any funding from the GRF. Funding for the Commission's budget is obtained from fees charged to institutions and hospitals for the issuance of bonds. Currently, a \$500 fee is paid to the Commission upon application for a capital loan and, once the bonds are issued, a fee equal to 0.01% of the principal is also paid. In no case is the total amount of fees paid for a loan less than \$3,000 or greater than \$25,000. The fee structure was revised in FY 2008 to accommodate the increasing number of large loans requested by hospital systems.

## ANALYSIS OF ENACTED BUDGET

The following table shows the budget's appropriations for the Higher Educational Facility Commission.

Higher Educational Facility Commission Appropriations, FY 2010-FY 2011				
Fund		ALI and Name	FY 2010	FY 2011
<b>Agency Fund Group</b>				
4610	372601	Operating Expenses	\$16,819	\$16,819
<b>Agency Fund Group Subtotal</b>			<b>\$16,819</b>	<b>\$16,819</b>
<b>Total Funding: Higher Educational Facility Commission</b>			<b>\$16,819</b>	<b>\$16,819</b>

The activities of the Commission's Board are funded through the Higher Educational Facility Commission Fund Group (Fund 4610) appropriation item 372601, Operating Expenses. These funds are used to reimburse the actual expenses incurred by the members of the Commission including travel, parking, and some other incidental expenses. The budget appropriates approximately \$17,000 in each fiscal year for the Commission; a continuation budget from FY 2008 and FY 2009.

The Commission is also authorized to transfer \$45,000 to Board of Regents Fund 4E80 to pay for the cost of managing the administrative duties of the Commission. The budget appropriates \$30,000 in each fiscal year to Board of Regents appropriation item 235602, Higher Educational Facility Commission Administration, for this purpose. The Board of Regents employs one staff person who devotes approximately 25% of daily work to Commission administration. In addition, the Commission pays approximately 5% of one fiscal specialist salary and one administrative assistant salary in order to reimburse the Board of Regents for clerical support.

In FY 2009, the Commission expended approximately \$5,000 from Fund 4610. In addition, the Board of Regents expended approximately \$40,000 from Fund 4E80 in support of the Commission's activities. Including the funds provided in the Commission's budget and the authorized fund transfers, the budget provides approximately \$62,000 in each fiscal year for the operations of the Commission.

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**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<b>Line Item Detail by Agency</b>			<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 Appropriations</b>	<b>% Change FY09 - FY10</b>	<b>FY 2011 Appropriations</b>	<b>% Change FY10 - FY11</b>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>HEF Ohio Higher Educational Facility Commission</b>								
4610	372601	Operating Expenses	\$ 1,535	\$ 5,405	\$ 16,819	211.16%	\$ 16,819	0.00%
<b>Agency Fund Group Total</b>			<b>\$ 1,535</b>	<b>\$ 5,405</b>	<b>\$ 16,819</b>	<b>211.16%</b>	<b>\$ 16,819</b>	<b>0.00%</b>
<b>Ohio Higher Educational Facility Commission Total</b>			<b>\$ 1,535</b>	<b>\$ 5,405</b>	<b>\$ 16,819</b>	<b>211.16%</b>	<b>\$ 16,819</b>	<b>0.00%</b>