

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Southern Ohio Agricultural and Community Development Foundation**

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*August 2009*

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Budget Spreadsheet By Line Item

# Southern Ohio Agricultural and Community Development Foundation

- \$450,000 appropriated in each fiscal year for operating expenses only
- No GRF funding
- Tobacco Master Settlement Agreement custodial funds to be used for grants

## OVERVIEW

### Agency Overview

The Southern Ohio Agricultural and Community Development Foundation (SOA) is charged with developing and carrying out programs to help replace the production of tobacco with other agricultural products and to mitigate the adverse economic impact of reduced tobacco production in Ohio's traditional tobacco growing region. The Foundation advances its mission through three key programs: (1) educational assistance, (2) agricultural development, and (3) economic development. A 12-member Board of Trustees is responsible for the Foundation's governance. Day-to-day operations are overseen by an executive director and four staff.

### Appropriation Overview

| Appropriations by Fund Group, FY 2010-FY 2011 |                    |                  |                              |                  |                              |
|---|--------------------|------------------|------------------------------|------------------|------------------------------|
| Fund Group                                    | FY 2009            | FY 2010          | % change,<br>FY 2009-FY 2010 | FY 2011          | % change,<br>FY 2010-FY 2011 |
| General Revenue                               | \$6,386,011        | \$0              | (100%)                       | \$0              | 0.0%                         |
| Tobacco Master Settlement Agreement           | \$0                | \$450,000        | -                            | \$450,000        | 0.0%                         |
| <b>Total</b>                                  | <b>\$6,386,011</b> | <b>\$450,000</b> | <b>(93.0%)</b>               | <b>\$450,000</b> | <b>0.0%</b>                  |

\*FY 2009 figures represent actual expenditures.

The Foundation's budget structure has undergone considerable change since H.B. 119, the budget act for the FY 2008-FY 2009 biennium, and with the enactment of H.B. 1, the budget act for the FY 2010-FY 2011 biennium. In FY 2008, the Foundation was supported by \$7.9 million in Tobacco Master Settlement Agreement money.

In FY 2009, the Foundation's funding was transitioned entirely to the GRF. Spending in that year was \$6.4 million. The bulk of funding – almost \$6.0 million – was used to provide grants for the Foundation's educational assistance, agricultural development, and economic development programming. The remaining \$406,881 was used for the Foundation's operating expenses.

For FY 2010 and FY 2011, H.B. 1 appropriates \$450,000 in each fiscal year to pay for the Foundation's operating expenses from the Foundation's share of Tobacco Master Settlement Agreement moneys. GRF funding has been eliminated. This will require the Foundation to use the Southern Ohio Agricultural and Community Development Foundation Endowment Fund, a custodial account not appropriated by the General Assembly, to support programming efforts in the three key focus areas. At the beginning of FY 2010, there was approximately \$20.0 million in the Endowment Fund.

## ANALYSIS OF ENACTED BUDGET

| <b>Appropriations for the Southern Ohio Agricultural and Community Development Foundation</b> |                     |                    |                  |                  |
|---|---------------------|--------------------|------------------|------------------|
| <b>Fund</b>   | <b>ALI and Name</b> |                    | <b>FY 2010</b>   | <b>FY 2011</b>   |
| <b>Tobacco Master Settlement Agreement Fund</b>   |                     |                    |                  |                  |
| 5M90  | 945601              | Operating Expenses | \$450,000        | \$450,000        |
| <b>Total Funding: Southern Ohio Agricultural and Community Development Foundation</b>         |                     |                    | <b>\$450,000</b> | <b>\$450,000</b> |

This line item provides the operating funds for the Southern Ohio Agricultural and Community Development Foundation. It will fund the salaries of the five employees of the foundation and related operating expenses for the office, located in Hillsboro. H.B. 1 provides the foundation with no GRF appropriation for FY 2010 and FY 2011, an action that will require the Foundation, as mentioned previously, to use the Endowment Fund for grants geared towards educational assistance, agricultural development, and economic development. As of July 31, 2009, the Fund maintained a balance of approximately \$20.0 million.

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**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

| <i>Line Item Detail by Agency</i>  |        |  | <i>FY 2008</i>          | <i>FY 2009</i>      | <i>FY 2010<br/>Appropriations</i> | <i>% Change<br/>FY09 - FY10</i> | <i>FY 2011<br/>Appropriations</i> | <i>% Change<br/>FY10 - FY11</i> |
|--|--------|--|-------------------------|---------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| <b>Report For: Main Operating Appropriations Bill</b>                        |        |  | <b>Version: Enacted</b> |                     |                                   |                                 |                                   |                                 |
| <b>SOA Southern Ohio Agricultural and Community Development Foundation</b>   |        |  |                         |                     |                                   |                                 |                                   |                                 |
| GRF  | 945321 | Operating Expenses   | \$0                     | \$ 406,881          | \$ 0                              | -100.00%                        | \$ 0                              | N/A                             |
| GRF  | 945501 | Southern Ohio Agricultural and Community<br>Development Foundation | \$0                     | \$ 5,979,130        | \$ 0                              | -100.00%                        | \$ 0                              | N/A                             |
| <b>General Revenue Fund Total</b>  |        |  | <b>\$0</b>              | <b>\$ 6,386,011</b> | <b>\$ 0</b>                       | <b>-100.00%</b>                 | <b>\$ 0</b>                       | <b>N/A</b>                      |
| 5M90   | 945601 | Operating Expenses   | \$ 404,666              | \$ 0                | \$ 450,000                        | N/A                             | \$ 450,000                        | 0.00%                           |
| K087   | 945602 | Southern Ohio Agricultural and Community<br>Development Foundation | \$ 7,513,251            | \$ 0                | \$ 0                              | N/A                             | \$ 0                              | N/A                             |
| <b>Tobacco Master Settlement Agreement Fund Group Total</b>                  |        |  | <b>\$ 7,917,917</b>     | <b>\$ 0</b>         | <b>\$ 450,000</b>                 | <b>N/A</b>                      | <b>\$ 450,000</b>                 | <b>0.00%</b>                    |
| <b>Southern Ohio Agricultural and Community Development Foundation Total</b> |        |  | <b>\$ 7,917,917</b>     | <b>\$ 6,386,011</b> | <b>\$ 450,000</b>                 | <b>-92.95%</b>                  | <b>\$ 450,000</b>                 | <b>0.00%</b>                    |