

LSC Greenbook

Analysis of the Enacted Budget

Ohio Air Quality Development Authority

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July 2011

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ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio Air Quality Development Authority

- The budget transfers the Ohio Coal Development Office to the Department of Development
- Continues the agency's role in issuing project revenue bonds for public and private projects that contribute to better air quality

OVERVIEW

Agency Overview

The Ohio Air Quality Development Authority (OAQDA) is a nonregulatory state government agency that was established in 1970 in response to environmental mandates handed down by the federal government in the first Clean Air Act. A seven-member board governs the Authority. The Governor appoints five of the members and the remaining two members are the directors of the Ohio Department of Health and the Ohio Environmental Protection Agency. The Authority assists Ohio businesses, government agencies, and not-for-profit agencies and individuals in complying with air quality regulations by providing technical and financial assistance. Using the tool of conduit financing, OAQDA qualifies projects for tax exemptions if the projects contribute to better air quality.

Since July 2003, the Authority has also been the home agency for the Ohio Coal Development Office (OCDO), which provides grants to support research and development of clean coal technology. The enacted budget transfers the OCDO and the accompanying GRF appropriations to the Department of Development beginning in FY 2012.

Appropriation Overview

Table 1. Agency Appropriations by Fund Group, FY 2012-FY 2013 (Am. Sub. H.B. 153)					
Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$6,898,442	\$0	-100.0%	\$0	N/A
General Services	\$155,564	\$240,382	54.5%	\$240,681	0.1%
Agency Fund	\$451,205	\$683,117	51.4%	\$683,299	0.0%
Coal Research and Development Fund	\$5,289,535	\$0	-100.0%	\$0	N/A
TOTAL	\$12,794,745	\$923,499	-92.8%	\$923,980	0.1%

*FY 2011 figures represent actual expenditures.

The 92.8% decrease in funding from FY 2011 to FY 2012 is entirely due to the transfer of OCDO to the Department of Development. The appropriation lines retained in the OAQDA budget are increased by \$316,730, or 52.2%, from FY 2011 to FY 2012, and the appropriations increase by 0.1% from FY 2012 to FY 2013.

ANALYSIS OF ENACTED BUDGET

The following table shows the funding levels for the Ohio Air Quality Development Authority's office in each fiscal year of the biennium. Following the table, a narrative describes how the appropriations are used.

Funding for Air Quality Development Authority				
Fund	ALI and Name		FY 2012	FY 2013
General Services Fund Group				
5EG0	898608	Energy Strategy Development	\$240,382	\$240,681
General Services Fund Group Subtotal			\$240,382	\$240,681
Agency Fund Group				
4Z90	898602	Small Business Ombudsman	\$288,050	\$288,232
5700	898601	Operating Expenses	\$323,980	\$323,980
5A00	898603	Small Business Assistance	\$71,087	\$71,087
Agency Fund Group Subtotal			\$683,117	\$683,299
Total Funding: Air Quality Development Authority			\$923,499	\$923,980

Operating Expenses (898601)

This line item provides funding for payroll, fringe benefits, and maintenance for the Authority's employees and five (appointed by the Governor) of the seven board members. The employees' three funded activities include administering the state's primary air quality financing assistance program, overseeing the Clean Air Resource Center, which focuses on small businesses, and administering the Advanced Energy Job Stimulus Program resulting from H.B. 554 of the 127th General Assembly.

The FY 2012 appropriation represents a 62.9% increase above FY 2011 actual expenditures; the budget holds the appropriation at the same level in the second year of the biennium.

Small Business Ombudsman (898602)

This line item provides funding for the Office of Ombudsman for the Small Business Stationary Source Technical and Environmental Compliance Assistance Program. OAQDA operates the Office of Ombudsman under the name the "Clean Air Resource Center." The program is part of the Ohio Environmental Protection Agency's State Implementation Plan required by the federal Clean Air Act Amendments of 1990. This program is funded, as required by federal and state statute, by revenue generated by permit fees collected pursuant to the Clean Air Act.

The enacted budget appropriates \$288,050 for FY 2012 and \$288,232 for FY 2013. The FY 2012 amount is 14.1% more than the actual expenditures incurred in FY 2011. The FY 2013 appropriation is 0.1% more than the FY 2012 appropriation.

Small Business Assistance (898603)

This line item enables the Authority to provide financing assistance to small businesses with 100 or fewer employees and allows them to attain the benefits of the Authority's financing without incurring all the costs normally associated with bond finance. The grant program is funded by fees authorized by the Clean Air Act, and supplements the financing capacity of the Clean Air Resource Center. No expenditures occurred in FY 2011, and the budget enacted appropriations of \$71,087 for each year of the biennium.

Energy Strategy Development (898608)

This line item provides funding for the Authority to coordinate with delegated personnel from other state agencies for the purpose of developing energy initiatives, projects, and policy for the state. The enacted budget allows the Director of Budget and Management to transfer cash from various funds to the Energy Strategy Development Fund (Fund 5EG0) to be used by the Authority for such purposes. The amounts that may be transferred each fiscal year of the biennium and the funds from which the cash may be transferred are:

1. \$27,405 in FY 2012 and \$27,439 in FY 2013 from the Office Services Fund (Fund 1170) used by the Department of Administrative Services;
2. \$27,405 in FY 2012 and \$27,439 in FY 2013 from the Central Support Indirect Cost Fund (Fund 5GH0) used by the Department of Agriculture;
3. \$27,405 in FY 2012 and \$27,439 in FY 2013 from the Supportive Services Fund (Fund 1350) used by the Department of Development;
4. \$27,405 in FY 2012 and \$27,439 in FY 2013 from the Central Support Indirect Cost Fund (Fund 2190) used by the Environmental Protection Agency;
5. \$27,405 in FY 2012 and \$27,439 in FY 2013 from the Central Support Indirect Chargeback Fund (Fund 1570) used by the Department of Natural Resources; and
6. \$39,150 in FY 2012 and \$39,199 in FY 2013 from the Highway Operating Fund (Fund 7002) used by the Department of Transportation.

The Energy Strategy Development Program administers the \$150 million Advanced Energy Program created and funded through H.B. 554 of the 127th General Assembly. The transfer of OCDO removes the coal projects from OAQDA's budget, but the Authority retains its duties pertaining to noncoal advanced energy projects.

The enacted budget appropriates \$240,382 for FY 2012, which is a 54.5% increase as compared to FY 2011 actual expenditures; FY 2013 appropriations are 0.1% higher than FY 2012 amounts.

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FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
AIR Air Quality Development Authority								
GRF	898402	Coal Development Office	\$ 380,015	\$ 225,885	\$ 0	-100.00%	\$ 0	N/A
GRF	898901	Coal Research and Development General Obligation Debt Service	\$ 8,693,317	\$ 6,672,557	\$ 0	-100.00%	\$ 0	N/A
General Revenue Fund Total			\$ 9,073,332	\$ 6,898,442	\$ 0	-100.00%	\$ 0	N/A
5EG0	898608	Energy Strategy Development	\$ 298,300	\$ 155,564	\$ 240,382	54.52%	\$ 240,681	0.12%
General Services Fund Group Total			\$ 298,300	\$ 155,564	\$ 240,382	54.52%	\$ 240,681	0.12%
3BM0	898607	Air Quality Development Federal/Oxygen Fuel	\$ 4,622	\$ 0	\$ 0	N/A	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 4,622	\$ 0	\$ 0	N/A	\$ 0	N/A
4Z90	898602	Small Business Ombudsman	\$ 297,453	\$ 252,369	\$ 288,050	14.14%	\$ 288,232	0.06%
5700	898601	Operating Expenses	\$ 204,838	\$ 198,836	\$ 323,980	62.94%	\$ 323,980	0.00%
5A00	898603	Small Business Assistance	\$ 5,942	\$ 0	\$ 71,087	N/A	\$ 71,087	0.00%
Agency Fund Group Total			\$ 508,234	\$ 451,205	\$ 683,117	51.40%	\$ 683,299	0.03%
7046	898604	Coal Research and Development Fund	\$ 35,049,340	\$ 5,289,535	\$ 0	-100.00%	\$ 0	N/A
Coal Research/Development Fund Total			\$ 35,049,340	\$ 5,289,535	\$ 0	-100.00%	\$ 0	N/A
Air Quality Development Authority Total			\$ 44,933,827	\$ 12,794,745	\$ 923,499	-92.78%	\$ 923,980	0.05%