Department of Development

OVERVIEW

The Department of Development (DEV) facilitates of economic and community development in Ohio through activities including business financial assistance, industrial training, technology development, international trade promotion, housing development, urban development, and travel and tourism promotions.

Significant funding increases proposed for the Department of Development in FY 2002 provide the basis for the department's continuation budget proposed for the 2002-2003 biennium. Adjusted FY 2001 appropriations of $657,972,163 (which includes just under $12.5 million in Road Work Development funds administered by the Department, but appropriated in the transportation budget bill) are 65.4 percent above FY 2000 actual expenditures of $397,701,442. Executive-recommended funding for FY 2002 totals $718,197,726, an increase of 9.2 percent from FY 2001 estimated levels. Executive-recommended funding for FY 2003 is $726,013,811 a 1.1 percent increase over FY 2002 levels.

At the fund group level, notable FY 2002 executive-recommended changes in funding levels include those of the General Revenue Fund (+19.7 percent), State Special Revenue Fund (+8.5 percent), and the Facilities Establishment Fund (-2.3 percent). Overall increased funding in the General Revenue Fund (GRF) reflects enhanced subsidy moneys in two line items (Business Development Grants and Biomedical Research Expansion Grants) totaling about $17 million and significant funding reductions or eliminations in four line items (Defense Conversion, Environmental Cleanup, Travel and Tourism Grants, and Project 100)*. Increased funding for the State Special Revenue Fund Group consists of notable appropriations for the Job Creation Tax Credit (+44.2%) and First Frontier (+20.0%). Decreased funding for the Facilities Establishment Fund Group represents reductions in the Facilities Establishment Line item by $2 million. Also notable is the creation of the Urban Redevelopment Loan Program in the Facilities Establishment Group Fund appropriated $10 million of funds for each year of the biennium.

For FY 2003, the executive budget recommends relatively flat funding for all budget fund groups. The largest increase is a 4.5% rise in General Services Fund Group appropriations.

Summary of Appropriation Changes:

The following list provides a quick reference to the various executive-recommended changes for the FY 2002-2003 biennium:

- **Economic Development:**

1. *Small Business Development (195-404):* An additional $36,000 for FY 2002 and $79,000 for FY 2003 will be used as GRF match to assist small businesses in procuring government contracts.

2. *Business Development Grants (195-412):* Additional subsidy funds of $1.0 million are added in each fiscal year of the biennium. These funds are a potential source of monies for the steel industry crisis or to assist in auto industry job retention.

3. *Marketing for Economic Development (195-413):* An additional $1.6 million in FY 2002 and $2.5 million in FY 2003 have been allocated to marketing endeavors dedicated to bringing economic business development to Ohio. Funding includes a national marketing campaign.

4. *Project 100 (195-428):* This program, previously funded in FY 2001 with $2 million, has been eliminated due to the expiration of the one-time project.

5. *Investment in Training Grants (195-434):* This program changed its name from the Ohio Industrial Training Program to the Investment in Training Program. The program's scope has been broadened to include areas such as information technology, national business services and manufacturing.

6. *Small Business Administration (195-609):* A $200,000 reduction in FY 2002 reflects a decrease of 5.1 percent, with continued flat funding in FY 2003.

7. *Enterprise Zone Operating (195-630):* This line item has experienced a decrease in funding of $111,000 for each fiscal year.

8. *Job Creation Tax Credit (195-634):* An additional $115,000 in each fiscal year has been funded to support an increase in the tax credit rate from 75% to 100% applicable to businesses in Community Action Zones.

9. *State Special Projects (195-639):* Reduced funding in FY 2002 reflects a decrease of 31.2 percent.

10. *Scrap Tire Loans and Grants (195*-653): This program is being transferred to the Department of Natural Resources.

- **Appalachian Development and Community Development:**

1. *Appalachian Regional Commission (195-502*): Funding of $224,400 for each fiscal year reflects an increase of $30,000 or 15.4 percent over FY 2001 levels to pay for a backlog of dues to the federal ARC program.

2. *First Frontier (195-641):* Funding for FY 2002 increased by $100,000 over FY 2001 levels, reflecting a 20% increase for additional marketing efforts for company expansions or relocations to the Appalachian area.

3. *Home Energy Assistance Block Grant (195-611)*: Funding of $62.0 million in each fiscal year reflects a 12.7% increase over FY 2001 funding levels. This increased funding will assist an additional 20,000 households.

4. *Housing and Urban Development (195-603):* The previously funded line item of nearly $35 million has been cut to $5 million. This decrease reflects a funding shift to a new line item, 195-601, HOME Program. The shift is for administrative purposes.

5. *Community Services Block Grant (195-612):* An additional $2 million has been funded to this line item to increase the number of grants issued to community action agencies for various services including healthy start, elderly and after-school programs.

6. *Universal Service (195*-659): For each fiscal year, $160 million has been allocated for this new program created under the Electric Deregulation Bill of the 123rd General Assembly. The Universal Service Fund provides funding for consumer education and low-income customer assistance programs.

7. *Energy Efficiency Revolving Loan Fund (195*-660): Funding of $12 million for each fiscal year reflects a new initiative by the department, created under SB 3, the Electric Deregulation Bill of the 123rd General Assembly. The Energy Efficiency Revolving Loan Program provides loans for projects that will, in part, improve energy efficiency in a cost-effective manner while benefiting the economic and environmental welfare of Ohio's citizens.

- **Technology Development:**

1. *Coal Research Development (195-408):* An additional $137,000 has been appropriated to this line item in FY 2002 to cover operating and administrative costs previously in line item 195-401, Thomas Edison Program.

2. *Defense Conversion Assistance Program (195-410):* This program has been eliminated.

3. *Biomedical Research Expansion Grants (195-503)*: For each fiscal year, $6.0 million has been appropriated to support grants to Ohio universities. These institutions will use this funding for facilities and infrastructure improvements benefiting biomedical research activities. Biomedical research is considered to be an emerging business sector in Ohio.

- **Travel and Tourism Promotion**

  Travel and Tourism Grants (195-507): FY 2002 funding decreased by $340,000 or 20.7 percent over FY 2001 levels. These moneys are used to support designated travel and tourism activities around the state. A decrease in funding will result in a decrease in marketing efforts for travel and tourism in Ohio.

- **Urban Development**

  Urban Development (195-419): Funding of $524,733 in FY 2002 and $957,172 in FY 2003 will be used to support the activities of the newly created Office of Urban Development. The office will administer and implement various urban-related initiatives, such as the Brownfield Site remediation program, the Urban Housing Revitalization program, the Community Asset Zone Program, and specialized urban business financing and urban tax incentive programs.

- **Administration/Operations**

1. *Environmental Cleanup (195-421):* This program has been eliminated.

2. *Supportive Services (195-605):* Additional funds of $310,000 in each fiscal year will help pay for management of departmental operations and for the implementation of policy.

Assessment of Policy Issues

I. Y2K Study

In Am. Sub. H.B. 283, enacted by the 123rd General Assembly, the line item 195-429, Y2K Compliance, was created and funded with $10 million in the 2000-2001 biennium budget. Pursuant to Section 37.17 of this legislation, this line item funded the Local Government Y2K Loan Program to help counties, cities, villages and townships address the computer system and related technical changes needed for the accurate reading of century dates. Development's Office of Housing and Community Partnerships and the Department of Administrative Service's Y2K Competency Center coordinated the program.

The program provided two year, interest free loans with competitive amounts within each county as determined by the County/Municipality/Township Loan Administrator and review boards. Amounts were determined by need with each county receiving a base loan amount of $40,000 plus a supplement determined by the population of the county. Overall, the counties were allotted $4,837,500 and the municipalities and townships an additional $4,837,500, with funds being distributed solely based on population levels. Up to $225,000 was available to counties or municipalities or townships for assistance with government projects.

Line item 195-658, Local Government Y2K Loan Program, received appropriations in FY 2001 for $10,000,000*. The legislation cited that up to $75,000 could be used to pay for technical assistance provided DAS Y2K Competency Center, and up to $25,000 be used by Development to pay for loan administration services. During FY 2000, fifteen Y2K loans were awarded totaling $1,570,835 to various counties and municipalities.

II. Clean Ohio Bond Fund

In November 2000, Ohio voters approved Issue 1, the Clean Ohio Fund, a $400 million bond fund to be distributed over a four-year period. The Governor's Urban Revitalization Task Force, a roundtable of sixteen mayors from around the state of Ohio, cited brownfields site remediation as their number one priority in tackling urban issues. The Clean Ohio Fund consists of four state agencies, Natural Resources, Development, Agriculture and the Ohio Environmental Protection Agency, working together to coordinate programs under the Clean Ohio Fund. The vision of the program is to improve the quality of life for all Ohioans through community-directed investments to

- Stimulate economic development and revitalize urban areas through brownfields cleanup;
- Preserve farmland and green space;
- Protect rivers and streams; and
- Expand outdoor recreational opportunities

Through these goals, the participating agencies are able to align various components such as brownfields restoration, farmland preservation, stream and watershed restoration and protection, open space conservation and outdoor recreation complement one another. "The Clean Ohio Fund – Implementation White Paper – 01-12-01," published by the participating agencies, provided an overview of each aspect of the Clean Ohio Fund as well as provided the opportunity for public commentary on the subject. Key characteristics that define the program include local government involvement, public involvement, open public records, and the leveraging of investments.

The breakdown of the $400 million bond fund is as follows: $25 million for farmland preservation (Agriculture), $175 million for brownfields preservation (Development), $25 million for public health projects (EPA), $50 million for stream and watershed protection and restoration (DNR and EPA), $25 million for recreational trails preservation (DNR), and $100 million for green space preservation (DNR).

Brownfields Redevelopment

Brownfield redevelopment is the program to be administered by Development. The goal of brownfield redevelopment is to revitalize blighted neighborhoods by returning abandoned or underutilized industrial properties to productive uses. $175 million has been proposed for this program to be dispersed on a first-come, first-serve basis. An open application cycle has been established for grants, loans and loan guarantees. The Clean Ohio Fund will capitalize a Revolving Loan Fund administered by Development. The Voluntary Action Program (VAP), administered by the Ohio EPA, addresses brownfields contamination, however, it will be separate from the Clean Ohio Fund. The VAP's goal is to direct site cleanup activities to achieve state standards and not to further economic development.

Eligible brownfield redevelopment applicants include incorporated communities, counties, non-profit and for-profit entities, port authorities and community urban redevelopment corporations. Projects will include the assessment of contamination, the treatment, removal, disposal of, containment or controlling of hazardous substances or petroleum, and will attempt to achieve standards that are protective of public health and the environment -- an environmental component must be part of the project. A clear economic impact must be shown within a 1-5 year period.

III. Wright Patterson Air Force Base Assessment Study

The 123rd General Assembly in Am. Sub. H.B. 283 set aside $250,000 in FY 2000 for a strategic competitive study for the Wright Patterson Air Force Base (WPAFB) to be conducted by the Miami Valley Economic Development Coalition. These state funds leveraged matching funds of the same amount. This appropriation occurred in line item, 195-422, Technology Action.

The report found that over a ten-year period from 1988-1998, the WPAFB suffered an economic decline of $1.3 billion, a decrease in personnel of 5,226 and a drop in payroll of $187 million. The strategic business plan for the WPAFB will include the identification and pursuit of new growth business opportunities that will help to retain high value programs and jobs. Four sectors represent areas of high importance and high potential for future growth at WPAFB. These four areas include Operational Forces, Science and Technology, Aerospace Program Management and the new business area of information operations.

In the area of Operational Forces, WPAFB has infrastructure to support an additional flying unit. The study recommends the base trying to secure the assignment of the Global Hawk unit, as the base has no limitations to the support of this program. Expansion of current facilities, including the completion of the

West Ramp project, is necessary to meet the needs of intelligence requirements and new flying units. The study's recommendations for action regarding Science and Technology include increasing the labs' focus on space and information-integration technologies as the Air Force transitions to Uninhabited Air Vehicles and Space technology. The study also recommends advocating not for profit organizations focused on providing technology support to the labs including bringing in reputable scientists. Recommendations for Aerospace Program Management are tied to new weapon systems or programs supporting aging aircraft.

Finally, workforce development and retention is a problem at the base due to restrictive policies on civilian pay ceilings in high technology, scientific and engineering positions. Furthermore, Ohio's tight labor market further complicates the problem. The study recommends the establishment by the Governor of a private sector, CEO-level Aerospace Advisory Board to provide strategic plans, coordinate military and defense affairs, coordinate NASA/defense-related needs within the state and optimize support for military and defense-related requirements.

IV. SB 3 – Electric Deregulation

Am. Sub. S.B. 3, enacted by the 123rd General Assembly and also known as the Electric Deregulation Bill, has had significant impacts on the Department of Development's proposed budget for the 2002-2003 biennium. It provided for competition in retail electric services that began on January 1, 2001. The bill declared electric generation, aggregation, power marketing and power brokering services to be competitive retail electric services; it established a market development period to facilitate the transition of utilities and utility customers to the new market structure. The Public Utilities Commission (PUCO) was charged with overseeing the transition.

The bill restructures the state's current low-income energy assistance and energy efficiency programs. It codified the Percentage of Income Payment Program with respect to the electric portion and established it in Development, along with the Home Energy Assistance Program. It also moved the Ohio Energy Credits Program from the Department of Taxation to Development. The bill also established several programs in Development that are geared toward enhancing energy efficiency of low-income and other residential, small commercial and small industrial consumers in the state. It established a Universal Service Fund to provide funding for the low-income energy assistance programs and an Energy Efficiency Revolving Fund loan program.

SB 3 also creates a 21-member Public Benefits Advisory Board to oversee the two newly created funds. The board, comprised of two members each from the House and Senate and 13 members appointed by the Governor to represent specific interest groups, see that energy services are provided to low-income customers in the state in an affordable manner.

For each fiscal year $160 million is recommended for the Universal Service Fund and $12 million is recommended for the Energy Efficiency Revolving Fund. Another $7.5 million in GRF moneys for each fiscal year is requested for the Energy Credits Program, which was previously funded through the Department of Taxation. Lastly, the federal Home Energy Assistance Program (HEAP) provides another $65 million for each fiscal year to subsidize low-income households.

*Indicates changes in first version of the Redbook.

ADDITIONAL FACTS AND FIGURES

Department of Development Staffing Levels				
			Estimated	*Estimated*
Program Series/Division	**2000**	**2001**	**2002**	**2003**
Economic Development	102	102	105	105
Appalachian Development	4	4	5	5
Technology Development	26	26	28	28
Community Development	70	70	85	85
Housing Development	135	135	148	148
International Trade	27	27	28	28
Travel and Tourism	20	20	25	25
Strategic Research	13	13	15	15
Minority Business Development	16	16	16	16
Urban Development		2	5	8
Administration	112	115	125	125
Totals	**525**	**530**	**585**	**588**

These staffing levels reflect the number of full time positions (FTEs) employed by Development as identified in the department's agency two most recent biennial budget requests and as reflected through recent Controlling Board actions.

URBAN AND RURAL GRANT PROGRAM UPDATE (line item 195-417):

Individual project statistics of Urban/Rural (U/R) Initiative activity are reflected in the county-by-county 1999 Annual Loan/Grant Report to the Legislature. This summary plus 5 years of GRF appropriations revealed the activity detailed in the table below.

To date, Development has supported 44 U/R Initiative Grants with program awards totaling $21,599,600. According to the indicated Revised Code section, only $750,850 of the $3,762,713 FY 1999 adjusted

Urban and Rural Initiative Grants - FYs 1997-2001						
	Annual Appropriation	Number of Grant Awards	Total Amount of Grant Awards	Transfers Out	Total Line Item Spending	(Appropriation less Spending) plus Transfer
FY 1997	$10,000,000	15	$9,454,400	$400,000	$9,854,400	$545,600
FY 1998	$10,000,000	17	$9,404,750	$0	$9,404,750	$595,250
FY 1999	$3,762,713	3	$750,850 *	$3,011,863 **	$3,762,713	$0
FY 2000	$1,000,000	5	$1,143,000	***	$1,143,000	-$143,000
FY 2001	$1,000,000	4	$846,600	***	$846,600	$153,400
Total			**$21,599,600**			

*** Maximum Available Program Balance per ORC Section 122.20(B)**
**** Transfer Reflected in this Request**
***** Information is not available**

appropriation may be used for U/R Initiative Grants. The remaining overage of appropriated funds totals $3,011,863, the amount of the requested GRF transfer.

INVESTMENT IN TRAINING GRANTS - FY 2001 Adjusted Appropriations

The Investment in Training Grants, formerly the Ohio Industrial Training Program, has been appropriated $20 million, the same appropriation received in FY 2000 as reflected in Am. Sub. H.B. 285 of the 123rd G.A.

To help identify the use of this year's program funding, a listing of 105 OITP project commitments for FY 2001 was made available. The following table aggregates this information to identify how much in funding has been committed.

At the time of this writing, the department anticipates that OITP will assist an additional 105 companies with the remaining $10,874,811.

Ohio Investment in Training Program - FY 2001 Incentives

	Number of Companies Assisted	OITP Grants	FAIR Grants	Number of Jobs Created	Number of Jobs Retained	Costs Saved in Training
FY 1999	192	$14,290,804		7,814	16,177	35,247
FY 2000	202	$18,000,000	$281,000	12,878	29,690	36,037
FY 2001	105	$9,125,189		3,020	3,730	19,000
Total		**$41,415,993**	**$281,000**	**23,712**	**49,597**	
TOTAL FY 2001 OITP					**$20,000,000**	**$20,000,000**
Less FY 2001 Appropriation					**-$9,125,189**	**-$9,125,189**
Unmet Demand for OITP funds					**$10,874,811**	**$10,874,811**

During this period, OITP joined with community colleges through the Board of Regents and vocational schools through the Ohio Department of Education to continue our ISO/QS-9000 Certification and the Employment and Training Pool Program. Also during this period, OITP instituted a new program, the Information Technology Program for Small Business, which provides grants of up to $10,000 to support IT training at companies with less than 100 employees.

The Employment & Training Program was a response to Ohio companies who need a skilled pool of workers to draw upon through affordable training and assistance. In cooperation with Board of Regents, Department of Education, Department of Job and Family Services, OITP set aside $2.6 million to assist 44 schools and colleges towards the creation or expansion of Pre-Employment Training Programs to address workforce training needs.

COMMUNITY DEVELOPMENT DIVISION

2001 U.S. Department of Health and Human Services Income Guidelines
(Total Household Income, 12 months)

Size of Household	50% Federal Poverty Level	Federal Poverty Level	150% Federal Poverty Level	200% Federal Poverty Level
1	$4,295	$8,590	$12,885	$17,180
2	$5,805	$11,610	$17,415	$23,220
3	$7,315	$14,630	$21,945	$29,260
4	$8,825	$17,650	$26,475	$35,300
5	$10,335	$20,670	$31,005	$41,340
6	$11,845	$23,690	$35,535	$47,380
7	$13,355	$26,710	$40,065	$53,420
8	$14,865	$29,730	$44,595	$59,460

For households with more than eight members, add $3,020 per member for 100% poverty level. These guidelines are used for eligibility of the HEAP programs.

OHIO HOUSING TRUST FUND AWARDS
FY 2000

PROGRAM	*FUNDS AWARDED*
Request for Proposals (RFP)	$9,000,000
Community Housing Improvement Program (CHIP)	$1,529,300
Housing Development Assistance Program (HDAP)	$5,799,700
Migrant Housing Labor Camp Improvements Program	$481,800
Special Projects Program	
AmeriCorps Project	$180,000
Section 8 Outreach and Training Program	$50,000
AmeriCorps/VISTA Project	$100,000
Service Coordination Program	$243,500
Downpayment Assistance Program.	$297,903
Administration	$432,557
TOTAL	**$18,114,760**

In FY 2000 the Ohio Housing Trust Fund accomplished the following:

- Home repair/rehabilitation of 1,132 units;
- Private rehabilitation of 339 units;
- New construction of 167 rental units and 126 single-family homes;
- Supportive Services with housing for 16,512 individuals;
- Downpayment assistance for 378 households;
- Rental rehabilitation of 339 units; and
- Homelessness prevention (short-term rental assistance, utility assistance, mortgage assistance, etc.) for 11,528 households.

INTERNATIONAL TRADE UPDATE: FY 2001 Expenditures of Ohio's Trade Offices

International Trade Offices Now Cover Five Continents

Location	Date Office Opened	Proposed FY 2001	% Change 1999-2001
Columbus, Ohio	Before July, 1975	$3,121,075	19.2
Brussels, Belgium	July, 1976	363,894	21.7
Hong Kong	May, 1990	393,263	-2.3
Johannesburg, S. Africa*	July, 1998	199,235	-7.8
Mexico, Districto Federal	September, 1995	392,650	11.2
Sao Paolo, Brazil	July, 1997	53,900	7.8
Tel Aviv, Israel	September, 1995	360,068	36.4
Tokyo, Japan	July, 1976	434,477	65.8
Toronto, Canada	October, 1990	200,329	23.3
Total – All Offices		**$5,518,891**	**18.0**

*Previously, operations were located in Lagos, Nigeria, 1987-1992.

- Actual general revenue fund spending for Ohio's Department of Development's International Trade activities totaled over $5.5 million in FY 2001, an 18.0% increase from FY 1999 expenditures of $4.6 million.
- The Council of Great Lakes Governors (CGLG) grants to ODOD/ITD $40,000 per year to cover payment of expenses which are borne by ODOD on CGLG's behalf.
- The Governor has planned a trade mission to South America from March 3-17, 2001, visiting the ABC's of the continent: Argentina, Brazil and Chile.
- In FY 1998, 2 new offices – Sao Paolo, Brazil and Johannesburg, South Africa—were opened, increasing the number of Ohio's offshore trade office locations to eight. The "trade presence" offices in Sao Paolo, Brazil, Buenos Aires, Argentina, and Santiago, Chile, are joint efforts with three other Great Lakes States: Indiana, Pennsylvania and Wisconsin. The creation of the office in Johannesburg, which re-establishes Ohio's trade presence in Africa, is a joint effort with The Ohio State University.
- Since FY 1996, the establishment of offices in Mexico, Tel Aviv, Sao Paolo and Johannesburg has doubled Ohio's offshore trade locations.

TECHNOLOGY ACTION FUND

The Technology Action Fund, line item 195-422, was created to provide support for projects from public and private entities in Ohio that will advance the state's science and technology priorities, offer the potential for economic growth, and leverage other non-state financing sources. Initiatives supported by the Fund are consistent with Ohio's strategic goals for science and technology as defined by the Governor's Technology Action Board. Governor's Science and Technology Advisor priorities:

- **Information Technology**
- **Biomedical Research**
- **Nanotechnology research**

Funding in FY 2002 and FY 2003 will focus on projects that will:

- Address improving the state's entrepreneurial climate for technology-based companies and marketing the state's assets, achievements and opportunities more effectively
- Increase early stage capital readily available for technology-based business start-ups
- Result in university and federal laboratory research and commercialization capacities that rank among the most productive in the world
- Result in a technologically distinguished workforce that satisfies the requirements of existing employers and start-up companies, as well as businesses attracted to the state.

Administrative funding is limited to 6% of appropriation funding, and it supports three FT personnel, one intern and additional operating expenses.

Project	Award
Ohio Environmental Technology Incubator	$100,000
Precision Micro-Machining Center	$459,500
Technology Commercialization Initiative	$832,500
ChipRx: Drug delivery on a chip	$500,000
Internet2 Technology Evaluation Center (ITEC)	$1,300,000
Ohio Intellectual Property Collaborative	$200,000
Collaborative Technology Clusters (CTeC)	$700,000
The Glennan Microsystems Initiative (GMI)	$1,300,000
Emerging Technologies Unlimited	$800,000
BioSeed Fund	$350,000
Technology Showcase and Evaluation	$425,000
Biotechnology Sr. Research Scientist Program	$900,000
Main Street Ventures Incubator	$380,000
Johnny Appleseed Fund	$322,000
Liquid Crystal Clean Room Initiative	$197,600

Regional Entrepreneurial Initiative (REI)	$500,000
Electronic Design Center	$220,000
Advanced Interactive Manufacturing Systems	$233,000
Adv. Polymer Technology Enterprise Initiative	$460,000
Statewide Implementation of BIOMEC Model	$1,875,000
Nanomembrane & Microparticle Drug Delivery	$1,500,000
Technology for Semiconductor Devices	$595,100
TOTAL	**$14,149,700**

ANALYSIS OF EXECUTIVE PROPOSAL

ECONOMIC DEVELOPMENT — Program Series 1

Purpose The Economic Development Division assists and promotes the creation, expansion and attraction of employment-generating enterprises in Ohio. The division carries out this purpose by providing information, grants, loans, training, counseling, and technical assistance.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-404	Small Business Development	2,502,390	2,581,472
GRF	195-405	Minority Business Development	2,325,396	2,344,198
GRF	195-412	Business Development Grants	15,533,935	16,592,851
GRF	195-413	Marketing for Economic Development	1,655,603	2,578,710
GRF	195-415	Regional Offices and Economic Development	6,551,709	6,872,707
GRF	195-434	Investment in Training Grants	20,000,000	20,000,000
GRF	195-436	Labor/Management Cooperation	1,170,209	1,176,278
	Subtotal-GRF	General Revenue Fund	49,739,242	52,146,216
037	195-615	Facilities Establishment	56,701,684	58,119,226
5D1	195-649	Port Authority Bond Reserves	2,500,000	2,500,000
5D2	195-650	Urban Redevelopment Loans	10,000,000	10,475,000
5H1	195-652	Family Farm Loan Program	2,246,375	2,246,375
	Subtotal-FEF	Facilities Establishment Fund	71,448,059	73,340,601
308	195-609	Small Business Administration	3,799,626	3,799,626
	Subtotal-FSR	Federal Special Revenue	3,799,626	3,799,626
4F2	195-639	State Special Projects	1,052,762	1,079,082
4S0	195-630	Enterprise Zone Operating	211,900	211,900
4S1	195-634	Job Creation Tax Credit Operating	372,700	375,800
4W1	195-646	Minority Business Enterprise Loan	2,572,960	2,580,597
450	195-624	Minority Business Bonding Program Admin.	13,232	13,563
451	195-625	Economic Development Financing Operating	2,062,451	2,143,918
617	195-654	Volume Cap Administration	200,000	200,000
	Subtotal-SSR	State Special Revenue Fund	6,486,005	6,604,860
4W0	195-629*	Roadwork Development	12,699,900	12,699,900
	Subtotal-HOF	Highway Operating Fund	12,699,900	12,699,900
Total funding: Economic Development*			**144,172,832**	**148,591,203**

** Includes Roadwork Development appropriation authority provided by H.B. 73 of the 124thG.A. (the transportation budget.)*

Specific programs within the Economic Development program series that this analysis will focus on include:

- ***BUSINESS DEVELOPMENT, FINANCING AND REVERSE INVESTMENT***
- ***INVESTMENT IN TRAINING***
- ***SMALL AND DEVELOPING BUSINESS***
- ***MINORITY BUSINESS DEVELOPMENT AND FINANCING***
- ***REGIONALIZATION OF ECONOMIC DEVELOPMENT***
- ***MARKETING, PROMOTION AND ADVERTISING-Special Projects***
- ***ENTERPRISE ZONE ADMINISTRATION***

BUSINESS DEVELOPMENT, FINANCING AND REVERSE INVESTMENT

Program Description: The Office of Business Development assists companies investing in Ohio operations with information pertinent to potential site location and with structuring incentive packages. The office administers the 412 Business Development and 629 Roadwork Development grant programs which support economic development through infrastructure assistance. Three other subprograms are managed here as well: the Site Selection System, the Steel Commission, and the Ohio Port Authorities Council.

The Office of Financial Incentives is responsible for managing and monitoring the state's business loan portfolio governed by ORC Chapter 166 and implemented through the Facilities Establishment Fund. The office oversees eleven different loan programs and coordinates the allocation of the Federal Industrial Revenue Bond Volume Cap.

Funding Source: GRF, SSR, HOF, FEF, fees, loan repayments, interest earnings

Line Items: 195-412, Business Development Grants; 195-629 Roadwork Development; 195-615, Facilities Establishment; 195-649, Port Authority Bond Reserves; 195-650, Urban Redevelopment Loans; 195-652, Family Farm Loan; 195-625, Economic Development Financing Operating; 195-654, Volume Cap Administration.

Implication of the Executive Recommendation: The executive budget recommends the following changes in appropriations for these subsidy programs:

195-412 Business Development

- **An additional $1.0 million per year**

In FY 1996, approximately $10 million funded 40 projects with an average award of $250,000 per project. Given these parameters, increased funding for the FY 2002-2003 biennium could provide subsidy for *four* additional projects per year.

195-615 Facilities Establishment

- *A reduction of $2 million for FY 2002 and an increase of $2 million for FY 2003*

In FY 1996, $64 million in 166 Direct Loans funded 39 projects with an average loan value of $1,641,963. Given these parameters, decreased funding for the FY 2002 biennium would eliminate subsidy funds for approximately 1.5 projects. However, the department has historically sought and received additional appropriation authority for this account above originally budgeted funding levels.

195-650 Urban Redevelopment Loans

- ***Flat funding for FY 2002 and an increase of $475,000 for FY 2003***

Funding for the upcoming biennium will not allow an increase in the number of loans granted during FY 2002, however, the funding increase in FY 2003 will allow a slight increase in loans awarded.

195-652 Family Farm Loan

This program is being transferred to the Department of Agriculture beginning in FY 2002.

195-653 Scrap Tire Loan and Grants

This program is being transferred to the Department of Natural Resources beginning in FY 2002.

195-654 Volume Cap Administration

- **Biennium funding of $200,000 per year, an increase of $4,000 over FY 2001 estimated expenditures**

Since the Tax Reform Act of 1986, the federal government has imposed limits on the amount of bonds deemed exempt from federal income tax laws. These bonds are issued and administered by the Department for a variety of purposes including affordable single and multifamily housing, manufacturing facilities, environmental, energy and utility projects, redevelopment of distressed areas, and student loans. Ohio's allocation for 2000 was $562.8 million.

Permanent and Temporary Law: The executive budget contains permanent and temporary law changes for the Family Farm Loan Program, and the Rural Industrial Park Loan Program. Discussion of these provisions can be found in the Permanent and Temporary Law section of this document.

INVESTMENT IN TRAINING

Program Description: The Ohio Investment in Training Program (OITP) assists companies by financially supporting employee training. OITP grants up to 50 percent of the allowable training costs of a project.

The Ohio Labor/Management Cooperation Program consists of fourteen area labor-management councils and five university based labor-management centers. The program provides information on cooperative processes and a variety of services including conducting workplace assessments, establishing and training teams, and implementing quality improvement programs.

Funding Source: GRF

Line Items: 195-434, Industrial Training Grants; 195-436, Labor/Management Cooperation

Implication of the Executive Recommendation: The executive budget recommends the following changes in appropriations for these subsidy programs:

195-434 Investment in Training Grants

- **Flat funding in FY 2002 and FY 2003 of $20 million.**

During this biennium, the Department is expanding the scope of the program from primarily manufacturing-based companies to include manufacturing, distribution, information technology, national business services and headquarters operations.

According to the *2000 American Society for Training and Development State of the Industry Report,* employers have increased training expenditures to 2% of payroll expenses. With a total payroll in Ohio for 1998 of over $140 billion, Ohio employers now spend over $2.5 billion per year for employee training. Only 24% of the funding goes to outside training providers. During FY 2000, over 36,000 Ohioans received training through the OITP, with an average cost of $275 per person trained.

SMALL AND DEVELOPING BUSINESS

Program Description: The Ohio Small Business Development Center Program helps to build local community capacity to enhance the business climate particularly aimed at small business growth. Key activities of this program include small business core services, women's business resource center, one-stop business permit center, and international trade assistance centers.

Funding Source: GRF, FSR-CDFA 59.037, Small Business Development Center

Line Items: 195-404, Small Business Development; 195-609, Small Business Administration

Implication of the Executive Recommendation: Executive-recommended funding for FYs 2002-2003 funded only one supplemental request to cover a deficit due to increased payroll costs. The Executive did not approve the second supplemental request also for increased payroll costs.

MINORITY BUSINESS DEVELOPMENT AND FINANCING

Program Description: The Minority Business Development Division is responsible for assisting minority business enterprises and historically underutilized business enterprises in accessing programs within the Department of Development and in obtaining government or commercial financing for business expansions. The Division administers the Minority Business Contractors and Business Assistance Program, issues grants to nine local Minority Contractor and Business Assistance Program offices located around the state, and operates the Ohio Procurement Information Network (OPIN).

Funding Source: GRF, SSR, FEF, loan repayments, fees, interest earnings,

Line Items: 195-405, Minority Business Development, 195-646, Minority Business Enterprise Loan, 195-624, Minority Business Bonding Program Administration

Implication of the Executive Recommendation: The executive budget recommends continued funding levels for this subprogram series.

REGIONALIZATION OF ECONOMIC DEVELOPMENT

Program Description: The Governor's Regional Economic Development offices assist industry and the community by facilitating state government responses to business and community concerns. These twelve regional offices assist with the Department's mission in retaining, expanding, and creating new employment opportunities in the state, and act as liaisons between their region and state government.

Funding Source: GRF

Line Items: 195-415, Regional Offices and Economic Development

Implication of the Executive Recommendation: The executive budget recommends continued funding levels for this subprogram series.

MARKETING, PROMOTION AND ADVERTISING-Special Projects

Program Description: The Special Projects Office produces all the sales materials for Ohio as a location to do business, including print and broadcast advertisements designed to create sales leads. The office coordinates the department's commercial website [www.connectohio.com] and sales campaigns that have included advertisements in the Wall Street Journal, Inc. magazine and Newsweek.

Funding Source: SSR

Line Items: 195-639, State Special Projects

Implication of the Executive Recommendation: The executive budget recommends $1,052,762 in FY 2002, a reduction of $477,338 or 31.2 percent, and $1,079,082 in FY 2003, an increase of $26,320 or 2.5 percent. LSC believes that these reductions signify an end to certain payments from utility companies facilitated by the Public Utilities Commission of Ohio.

ENTERPRISE ZONE ADMINISTRATION

Program Description: The Office of Tax Incentives provides technical assistance to both local government and business clients to successfully implement various state and local tax incentive programs permitted under the Ohio Revised Code, including local income tax incentives, real and personal property exemptions and state franchise/income tax incentives.

Funding Source: SSR: application fees, fines and penalties

Line Items: 195-630, Enterprise Zone Operating

Implication of the Executive Recommendation: The executive budget recommends decreased funding levels of $211,900 for each fiscal year for this subprogram series, which fulfilled the agency's request.

APPALACHIAN DEVELOPMENT — Program Series 2

Purpose The Appalachian Development Program seeks to improve the standard of living for residents of 29 Ohio Appalachian counties by providing federal and state assistance in the form of loans and grants for Economic and community development. Activities in the region are administered with the help of three local development districts located in Marietta, Cambridge, and Portsmouth.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-414	First Frontier Match	500,000	500,000
GRF	195-416	Governor's Office of Appalachia	5,068,320	5,076,659
GRF	195-501	Appalachia Local Development Districts	463,227	463,227
GRF	195-502	Appalachian Regional Commission Dues	224,400	224,400
	Subtotal-GRF	General Revenue Fund	6,255,947	6,264,286
308	195-602	Appalachian Regional Commission	350,000	350,200
	Subtotal-FSR	Federal Special Revenue Fund Group	350,000	350,200
4H4	195-641	First Frontier	600,000	650,000
	Subtotal-SSR	State Special Revenue Fund Group	600,000	650,000
Total funding: Appalachian Development			**$7,205,947**	**$7,264,486**

Specific programs within the Appalachian Development program series that this analysis will focus on include:

- ***GOVERNOR'S OFFICE OF APPALACHIA***
- ***FIRST FRONTIER PROGRAM***

GOVERNOR'S OFFICE OF APPALACHIA

Program Description: The Governor's Office of Appalachia assists the 29-county Appalachian Region with economic and community development projects. The federal Appalachian Regional Commission provides funding for such projects in concert with other federal, state and local moneys. Ohio's Appalachian Regional Commission follows a strategic plan to implement its various activities.

Funding Source: GRF, FSR–CDFA 23.011, Appalachian State Research, Technical Assistance and Demonstration Projects.

Line Items: 195-416, Governor's Office of Appalachia; 195-501, Appalachian Local Development Districts; 195-502, Appalachian Regional Commission Dues; 195-602, Appalachian Regional Commission

Implication of the Executive Recommendation: The executive budget recommends the

following changes in appropriations for these subsidy programs:

195-502 Appalachian Regional Commission Dues

- **Increase of $30,000 in FYs 2002 and 2003**

An additional $30,000 in FY 2002 and FY 2003 will be used to pay the increasing annual dues of the Appalachian Regional Commission (ARC) and represent Ohio's proportional share of support for the ARC in Washington, D.C. Ohio's participation has empowered the region to receive $4,814,499 in ARC grants.

FIRST FRONTIER PROGRAM

195-641 First Frontier

- **Increase of $100,000 in FY 2002 and increase of $50,000 in FY 2003**

Program Description: The First Frontier Program assists Ohio's rural and Appalachian counties with business marketing efforts to attract economic development opportunities to their communities. The program has produced special Ohio marketing supplements focusing on Appalachian Ohio, which have been published in economic development publications, and larger media such as Forbes and the Wall Street Journal.

Funding Source: GRF, SSR – local government contributions

Line Items: 195-414, First Frontier Match, 195-641, First Frontier.

Implication of the Executive Recommendation: The executive budget recommends increased funding levels for this subprogram series to increase marketing efforts and maintain current budgeting levels.

TECHNOLOGY DEVELOPMENT — Program Series 3

Purpose The Technology Development program series consists of many programs that support Ohio economic development through research, development, and commercialization of advanced systems, processes and products. The Thomas Edison Program seeks to stimulate technological innovation and business development throughout the state.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-401	Thomas Edison Program	25,528,749	25,604,004
GRF	195-408	Coal Research and Development	724,998	748,201
GRF	195-422	Technology Action	15,100,000	15,100,000
GRF	195-503	Biomedical Research Expansion Grants	6,000,000	6,000,000

GRF	195-906	Coal Research/Dev G.O. Debt Service	8,971,700	9,420,300
	Subtotal-GRF	General Revenue Fund	56,325,447	56,872,505
046	195-632	Coal Research and Development	12,847,178	13,168,357
	Subtotal-CRD	Coal Research and Development Fund	12,847,178	13,168,357
Total funding: Technology Development			**$69,172,625**	**70,040,862**

Specific programs within the Technology Development program series that this analysis will focus on include:

- ***COAL DEVELOPMENT OFFICE***
- ***DEFENSE ADJUSTMENT PROGRAM***
- ***THOMAS EDISON PROGRAM***
- ***TECHNOLOGY ACTION***

COAL DEVELOPMENT OFFICE

Program Description: The purpose of the Coal Development Office is to co-support research and development efforts that can use Ohio coal in an environmentally sound, economic manner. The program is open to municipal, rural, investor-owned utilities and other power generators who produce electricity-using coal. It is also open to Ohio research institutions studying mechanisms critical to emission formation and methods of control, or for uses of coal as feedstock for other processes.

Funding Source: GRF, CDF-proceeds from the sale of coal development bonds

Line Items: 195-408, Coal Research and Development, 195-632, Coal Research and Development, 195-906, Coal Research/Development G.O. Debt Service

Implication of the Executive Recommendation: The executive budget recommends continued funding levels for this subprogram series. The General Obligation Debt Service has been transferred from the Office of the Sinking Fund.

THOMAS EDISON PROGRAM

Program Description: The Thomas Edison Program assists companies, large and small, with research and technology resources in Ohio's key manufacturing sectors, including primary metals, metal fabrication, rubber, transportation (both automobile and aerospace), and electrical machinery and equipment. The Edison Program also provides assistance with the formation of new, technology-oriented businesses, with a strong emphasis on bio/medical startups. Services are delivered through five major program components: Edison Technology Centers, Edison Technology Incubators, Manufacturing Extension, Edison Federal Technology Transfer Centers, and University-based Centers of Excellence.

Funding Source: GRF, FSR-one-time federal grants

Line Items: 195-401, Thomas Edison Program

Implication of the Executive Recommendation: The executive budget recommends core-level funding of $25,528,7400for FY 2002, a decrease of $412, 641 from the agency request for FY 2002, and $25,604,004 for FY 2003, a decrease of $945,996 from the agency's FY 2003 request. The following are programs funded by this line item. *

- **Edison Technology Centers**

These centers develop and deploy critical technologies, and deliver associated services to enhance industrial competitiveness that drives economic growth. Services offered include workforce development and training, electronic commerce, quality standards, regulatory compliance, pollution prevention, shop floor problem solving, product and process improvement, applied R&D collaboratives and financing.

- **Edison Technology Incubators**

Incubators contribute to the formation and enhanced survival rate of new technology-oriented companies in Ohio that produce high wage jobs and create wealth for the state. They provide start-up businesses with quality entrepreneurial and business services, and access to below market rate office, laboratory and manufacturing space.

- **Edison Federal Technology Transfer Centers**

Federal Technology Transfer Centers include the Great Lakes Industrial Technology Center (GLITeC) and Wright Technology Network (WTN).

- **University-based Centers of Excellence**

This item includes the Center for Industrial Sensors and Measurements (CISM) at Sinclair Community College, and the Advanced Liquid Crystalline Optical Materials Center (ALCOM) at Kent State University.

- **Program Administration**

Earmarking: The executive budget earmarks $2.0 million in each fiscal year in line item 195-401, Thomas Edison Program, to be used for operations of the Edison center for Information Technology headquartered in Dayton.

TECHNOLOGY ACTION

Program Description: The Technology Action Fund, recommended by the Ohio Science and Technology Council, provides support to public and private Ohio entities to match awards of federal research and development funding. Funding priorities include Biotechnology, Information Technology, Materials and Materials Processing, and Microsystems/Sensors.

Funding Source: GRF

Line Items: 195-422, Technology Action

Implication of the Executive Recommendation: Executive-recommended funding of $15.1 million per year is continued funding from FY 2001 levels.

BIOMEDICAL RESEARCH EXPANSION GRANTS

195-503 Biomedical Research Expansion Grants

- **Increase of $6 million FYs 2002 and 2003**

Program Description: The Biomedical Research Expansion Grants are used to support grants to The Ohio State University, Case Western Reserve University and the University of Cincinnati. These institutions will use this funding for facilities and infrastructure

improvements benefiting biomedical research activities. Biomedical research is considered to be an emerging business sector in Ohio.

Funding Source: GRF

Line Items: 195-503, Biomedical Research Expansion Grants

Implication of the Executive Recommendation: Executive-recommended funding of $6.0 million per year is a new line item.

COAL RESEARCH/DEVELOPMENT GENERAL OBLIGATION DEBT SERVICE

195-906 Coal Research/Development General Obligation Debt Service

- **Increase of $8.9 million FY 2002 and increase of $9.4 million in FY 2003**

Program Description: This line item has been transferred from the sinking fund to the Department of Development. This money is a pass-through for debt service payments.

Funding Source: GRF

Line Items: 195-906, Coal Research/Development General Obligation Debt Service

Implication of the Executive Recommendation: Executive-recommended funding of $8.9 million and $9.4 million for FYs 2002 and 2003, respectively, is a transferred line item.

COMMUNITY DEVELOPMENT — Program Series 4

Purpose The Community Development program provides funding to benefit low- and moderate-income individuals and families through infrastructure improvements, local economic development activities, services for homeless persons, and weatherization services.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-409	Utility Payment Administration	$679,625	$715,483
GRF	195-440	Emergency Shelter Grants	$2,824,809	$2,899,430
GRF	195-497	CDBG Operating Match	$1,233,241	$1,240,097
GRF	195-498	State Match Energy	$156,692	$161,784
GRF	195-505	Utility Bill Credits	$7,500,000	$7,500,000
	Subtotal- GRF	General Revenue Fund	$12,394,367	$12,516,794
3K9	195-611	Home Energy Assistance Block Grant	$65,149,441	$65,088,961
3K8	195-613	Community Development Block Grant	$62,000,000	$62,000,000
3K9	195-614	HEAP Weatherization	$10,412,041	$10,412,041
3L0	195-612	Community Services Block Grant	$22,135,000	$22,135,000
308	195-603	Housing & Urban Development	$5,000,000	$5,000,000
308	195-605	Federal Projects	$7,855,501	$7,855,501
308	195-618	Energy Federal Grants	$2,803,560	$2,803,560

335	195-610	Oil Overcharge	$8,500,000	$8,500,000
	Subtotal - FSR	Federal Special Revenue	$183,855,543	$183,795,063
444	195-607	Water & Sewer Commission Loans	$511,000	$523,775
5M4	195-659	Universal Service	$160,000,000	$160,000,000
5M5	195-660	Energy Efficiency Revolving Loan	$12,000,000	$12,000,000
611	195-631	Water & Sewer Administration	$15,330	$15,713
	Subtotal – SSR	State Special Revenue	$172,526,330	$172,539,488
	Total funding: Community Development		**$368,776,240**	**$368,851,345**

Specific programs within the Community Development that this analysis will focus on include:

- ***SMALL CITIES LOCAL GOVERNMENT ECONOMIC DEVELOPMENT AND DOWNTOWN REVITALIZATION***
- ***COMMUNITY SERVICES***
- ***ENERGY ASSISTANCE/ENERGY EFFICIENCY***
- ***PUBLIC WORKS INFRASTRUCTURE DEVELOPMENT***

SMALL CITIES LOCAL GOVERNMENT ECONOMIC DEVELOPMENT AND DOWNTOWN REVITALIZATION

Program Description: The objectives of the Small Cities Local Economic Development Program are to create and retain permanent, private-sector job opportunities, principally for low- and moderate-income persons. In addition, the program seeks to expand and retain business and industry in Ohio communities. During the past two years, the department awarded $14,038,200 to 54 local economic development projects leveraging $364,931,035 in other funds and projecting to create 2,608 jobs and retain 159 jobs.

The objectives of the Small Cities Downtown Revitalization Competitive Program are to aid in the revitalization of central business districts, to aid in the elimination of slums and blight, and to create and retain permanent, private-sector job opportunities for low- and moderate-income persons. During the past two years, the department awarded 13 downtown grants, totaling approximately $5.2 million. As a result of this assistance, approximately 302 façades will be renovated in downtowns in small communities.

Funding Source: CFDA 14.228, Community Development Block Grant

Line Item: 195-613, Community Development Block Grant

Implication of the Executive Recommendation: Anticipated federal funding reflects a 0.2% increase for FY 2002 over FY 2001 levels and a decrease in FY 2003 of 0.1% over FY 2002 levels. These levels allow for continued services.

COMMUNITY SERVICES

Program Description: The Office of Community Services administers funds for programs that provide the following: alleviate unemployment and underemployment; provide education opportunities; conduct workshops on the efficient use of available income; provide housing and

supportive services; provide for emergency needs; and lessen starvation and malnutrition. Local Community Action Agencies are responsible for delivering services within Ohio's communities. For Federal FY 1999, approximately 4,396,917 individuals were assisted with Community Services Block Grant funds. The Community Food and Nutrition Program is designed to alleviate hunger among children in underserved areas. Eligible applicants are awarded funds through a competitive grant process.

Funding Source: CFDA 93.569, Community Services Block Grant

Line Item: 195-612, Community Services Block Grant

Implication of the Executive Recommendation: Anticipated federal funding reflects a 10.2% increase in FY 2002 over FY 2001 levels. This funding will apparently allow for an increase in programming.

ENERGY ASSISTANCE/ENERGY EFFICIENCY

Program Description: The energy programs, administered by the Office of Community Services as well as Office of Energy Efficiency, seek to increase the availability of safe, accessible, and energy efficient housing and to educate the public about energy efficiency. Several programs are operated or administered by the department and can be categorized by their objectives, as follows:

- To provide moneys for installation of weatherization materials. Technical assistance is provided to incorporate energy efficiency techniques into new construction and housing rehabilitation projects that use public funds in order to create a market demand for energy efficient housing;
- To improve the energy efficiency of Ohio's industries;
- To provide information regarding energy efficiency to schools and to conduct training for professionals in energy efficient design and construction;
- To assist low- to moderate-income households in paying for winter heating fuel and offset some housing expense for program participants;
- To provide financial assistance to customers for eligible energy efficiency products and services for residential, small business, local government, and non-profit organization use.

Home Energy Assistance Program (HEAP)

This federal program assists eligible households in paying for their primary heating fuel. When federal funds are reduced, moneys are augmented by supplemental oil overcharge funds. Through the regular HEAP program grants are awarded to nonprofit agencies that administer moneys to households with incomes at or below 150% of U.S. Department of Health and Human Services poverty guidelines (see Additional Facts and Figures Section). The recipient households are provided 10% to 35% of their primary heating fuel costs for December, January, and February. Emergency HEAP provides eligible families up to $175 to prevent disconnection of heating service, to restore heating services, to perform heating system repairs, or for emergency fuel delivery. Additional funds for heating assistance are also sought in the budget of the Department of Job and Family Services for eligible families through Project THAW.

For the 1999-2000 program year 195,380 households received regular HEAP moneys, averaging

$147 per household. Of these households 41% had incomes that are below 75% of federal poverty guidelines. The Department anticipates that by the end of federal FY 2001, 226,000 households will have received regular HEAP assistance, averaging $205 per household.

Percentage of Income Payment (PIPP)

PIPP is an extended payment arrangement that is based on a percentage of household income. Households with incomes at or below 50% of federal poverty guidelines are allowed to pay a smaller percentage of income, but households with incomes up to 150% of the guidelines are eligible to participate. Moneys from the Universal Service Fund are used to reimburse electric utility companies for amounts unpaid by eligible low-income customers participating in PIPP, currently 137,000 accounts. This fund is also used for education programs related to the PIPP and for administration of the PIPP program. The appropriations for each fiscal year of the new biennium are $160 million, an increase of $15 million over FY 2001 estimates.

For the first five years after the starting date of electric competition, the universal service rider (moneys that are assessed to all customers compensate for non-payments) must be the sum of the level of the PIPP rider in existence, an amount equal to the level of funding for low-income energy efficiency programs included in electric utility rates and any additional amount necessary and sufficient to fund the low-income energy assistance programs. The Office of Community Services will administer the PIPP for electricity customers.

Reverification and Mailing Services*

The Department assists utility companies in verifying income for PIPP customers. The Department's costs of reverifying the incomes are recovered by the utility companies through Fund 4F2, State Special Projects.

Staff also provide a special service for Ameritech by mailing inserts of the phone company's low-fee (currently $7) phone service to all HEAP eligible customers. For this service Ameritech compensates the Department approximately $160,000 annually.

Energy Credit Administration and Utility Bill Credits

The Ohio Energy Credits Program will provide one-time cash payments or credit to qualified elderly or disabled individuals for winter heating costs. Qualified individuals have incomes at or below 150% of federal poverty guidelines. The Ohio Energy Credit Program was administered by the Ohio Department of Taxation, but Sub. S.B. 3 of the 123rd G.A. transferred these responsibilities to the department of Development, effective July 1, 2000. This program is funded through the General Revenue Fund and the recommendations for each new fiscal year are $7.5 million.

Energy Efficiency Revolving Loan Program and Fund

The Energy Efficiency Revolving Loan Program supports certain energy efficiency projects throughout the state. Moneys in the Energy Efficiency Revolving Loan Fund created in Sub. S.B. 3 are used to support investments in products, technologies, or services for residential, small business, local government, non-profit, agricultural or other entities for improving energy efficiency in a cost-effective manner. Revenues to the fund include a surcharge on retail electric distribution rates, based on an aggregate revenue target for a given year, divided by the number of customers of electric distribution utilities in the state. The revenue target cannot exceed $15 million in any year through 2005 or $5 million thereafter. Additional revenues will be generated from loan repayments and revenues remitted my municipal electric companies who choose to participate in the program. Financial assistance will be obtained in conjunction with approved financial institutions in the form of below market loans.

Home Weatherization Assistance Program (HWAP)

The Office of Energy Efficiency operates the federal HWAP. The purpose of this program is to create more affordable housing by reducing energy costs through energy efficiency measures. Services include attic, wall and basement insulation; blower door guided air leakage reduction; heating system repairs or replacements; health and safety testing and inspections; and public information.

Households with incomes at or below 125% of the U.S. Department of Energy poverty guidelines or households participating in Home Energy Assistance Program, Temporary Assistance for Needy Families, or Supplemental Security Income qualify for this program, which incurs no cost for participants. According to the Department of Development, participating households save an average of $187 per year on energy bills.

In addition to lower utility costs for participants, appliances and materials used in the weatherization are apparently more environmentally sound, resulting in a reduction of carbon dioxide emissions. The executive recommendations are for $10.4 million in each fiscal year.

Funding Source: GRF; CFDA 93.568, Low-Income Energy Assistance; CFDA 81.041, State Energy Program; revenues from the surcharge on retail electric service, customer payments under PIPP, revenues remitted from municipal electric utilities and rural cooperatives, and private sector agreements.

Line Items: 195-611, Home Energy Efficiency Block Grant; 195-614, HEAP Weatherization; 195-618, Energy Federal Grants; 195-498, State Match Energy; 195-409, Utility Payment Administration; 195-505, Utility Bill Credits; 195-610, Oil Overcharge; 195-659, Universal Service; 195-660, Energy Efficiency Revolving Loan

Implication of the Executive Recommendation: These levels will allow for the expansion of the heating and energy assistance programs, to include the enlarged PIP program, the energy efficiency revolving loan program, and assistance through utility credits. FY 2002 recommended levels for these programs represent a 15.7% increase in moneys available for the heating assistance and energy efficiency programs. Much of this increase is located in the $15 million increase in the Universal Service Fund and the new appropriation of $12 million in the Energy Efficiency Revolving Loan Fund.

PUBLIC WORKS INFRASTRUCTURE DEVELOPMENT

Program Description: These grants moneys are used for infrastructure improvements, including wastewater treatment, flood and drainage, water and sewer, streets and bridges, and sidewalk construction in non-metropolitan areas. The primary beneficiaries must be low- and moderate-income individuals. Grants for public works projects are awarded based on a formula allocation, requiring collective planning. The Department administers approximately 250 grants per year, totaling $25-30 million. Program effectiveness is measured by comparisons of projected to actual performance outcomes. During the past two years, 645,402 linear feet of streets, 498 housing units, and 2.5 million linear feet of water and sewer lines were improved, creating 757 jobs.

Funding Source: GRF; CFDA 14.228, Community Development Block Grant; and loan repayments from local governments

Line Items: 195-497, CDBG Operating Match; 195-607, Water & Sewer Commission Loans; 195-613, Community Development Block Grant

Implication of the Executive Recommendation: Executive-recommended levels would allow for a continuation of services, perhaps at slightly decreased levels. FY 2002 recommendations for public works projects are $63.7 million or 4.4% less than estimated spending in FY 2001; however, two of the line items that fund these projects also fund other community development projects, so it is difficult to conclude that spending in this program area will decrease. FY 2003 levels are slightly above FY 2002 levels of $63.8 million.

HOUSING DEVELOPMENT — Program Series 5

Purpose The department offers grants, loans, loan guarantees, and tax credits to create housing opportunities for low- to moderate-income individuals and families.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-406	Transitional/Permanent Housing	$2,826,679	$2,826,689
GRF	195-431	Community Development Corporation Grants	$2,582,510	$2,582,510
GRF	195-441	Low & Moderate Income Housing	$20,000,000	$20,000,000
	Subtotal – GRF	General Revenue Fund	$25,409,189	$25,409,199
3V1	195-601	HOME Program	$40,000,000	$40,000,000
380	195-622	Housing Development Operating	$4,507,212	$4,696,198
	Subtotal – FSR	Federal Special Revenue	$44,507,212	$44,696,198
445	195-617	Housing Finance Operating	$3,782,808	$3,968,184
646	195-638	Low & Moderate Income Housing Trust	$21,539,552	$22,103,807
	Subtotal - SSR	State Special Revenue	$25,322,360	$26,071,991
Total funding: HOUSING DEVELOPMENT			**$95,238,761**	**$96,177,388**

Moneys are also available in line item 195-613, Community Development Block Grant (see Community Development section). An additional estimated $10 million from this federal line item may be available in each fiscal year. This amount funds the Community Housing Improvement Program (CHIP). Emergency shelter grants are available in line item 195-440 (see Community Development Section).

Specific programs within the Housing Development program series that this analysis will focus on include:

- ***OHIO HOUSING FINANCE AGENCY HOUSING DEVELOPMENT***
- ***LOCAL GOVERNMENT HOUSING ASSISTANCE***
- ***HOUSING TRUST FUND***
- ***HOMELESSNESS ASSISTANCE***

*OHIO HOUSING FINANCE AGENCY HOUSING DEVELOPMENT**

Program Description: The Ohio Housing Finance Agency (OHFA) department operates home ownership programs that provide downpayment assistance and low-interest mortgage loans for primarily low- to moderate-income persons and families who meet federal income eligibility guidelines. This assistance is primarily in the form of loans, loan guarantees, and tax credits. OHFA also conducts inspections on properties receiving federal Section 8

housing assistance moneys and for properties receiving tax credits for housing development.

The largest program operated by OHFA is the First-Time Homebuyer program. Over $4.0 billion of mortgage loans from financial institutions have been disbursed since 1983; this amounts to approximately $300 million a year. As of mid-February 2001, the interest rate on these loans is 1% below market rate.

The Housing Credit Program is designed to increase the supply of quality affordable rental housing. These federal income tax credits provide the private housing development community incentives to develop affordable housing by offsetting building acquisition, new construction, or substantial rehabilitation costs. According to the website of the Department of Development, since 1987, the Ohio Housing Finance Agency has used the housing credit to facilitate the development of over 56,000 affordable rental housing units in Ohio. OHFA estimates an increase of $2.8 million will be available for this program.

OHFA is governed by new federal mandates that increase the frequency of inspections of properties receiving tax credits and Section 8 moneys. Until FY 2001 the HUD required 20% of properties be inspected annually so that each property is inspected at least once in five years. Now the federal requirements are 35% of properties must be inspected each year. The federal eligible income guidelines have also recently expanded to include more individuals, thus creating more demand for housing assistance.

Because of these changes at the federal level, the Department seeks to add 13-15 employees for inspections and administration. The new employees would also be used for the First-Time Homebuyer Program, as more moneys are available for this program from financial institutions. This request to add staff supports the Department's claim that OHFA's responsibilities continue to increase. However, seven positions (four actual staff) were transferred from the Office of Housing and Community Partnerships when the Ohio Housing Trust Fund (see below) administration was moved to OHFA.

HUD funds the Section 8 Tenant-Based program, which provides rental subsidies, determined by tenant incomes, directly to tenants. The tenant pays approximately 30% of his or her income, including utilities, to assist with their rent. HUD provides subsidies to local public housing authorities that administer the program. In Ohio, approximately 93 percent of all Section 8 moneys flow through the Tenant-Based program and the other 7% are administered through the Owner-Based program.

OHFA serves as contract administrator for 111 projects with 8,637 units under the Owner-Based program until the federal rental assistance contracts on the majority of these properties expire in the next five years. In the Section 8 Owner-Based program HUD provides loans to landlords that rent to low-income persons. In its role as contract administrator for HUD, OHFA performs site inspections and distributes rental assistance payments from HUD to the project owners. OHFA did not receive the state-wide contract to serve as administrator for the over 64,000 units previously serviced by HUD directly.

Funding Source: service fees; federal moneys for Section 8 inspections

Line Items: 195-622, Housing Development Operating; 195-617, Housing Finance Operating

Implication of the Executive Recommendation: Executive-recommended funding for FY 2002 at $8.3 million reflects a $2.1 million or 21% decrease from FY 2001 estimated spending. This decrease, largely in the federal line item, reflects the diminished responsibilities in administration of the Section 8 program. Although there is a sizable decrease, the Department still intends to hire 13-15 additional staff for administration and inspections. FY 2003 recommendations at $8.6 million is a 4.5% increase over FY 2002

recommendations.

LOCAL GOVERNMENT HOUSING ASSISTANCE

Program Description: The Office of Housing and Community Partnerships administers federal Housing and Urban Development (HUD) programs that allocate grants based on community-wide planning. These moneys are used to create rental and some home ownership opportunities for low-income and special needs populations. For these programs a state match is required and is paid out of the GRF. The grants are awarded to local governments, community housing development organizations, and community development corporations.

To receive federal HUD moneys, each year the state is required to submit a Consolidated Plan, a comprehensive document that discusses the program purpose and priorities. The Consolidated Plan for FFY 2000 outlines the housing programs administered by the Office of Housing and Community Partnerships, as well as the Ohio Housing Trust Fund Programs and other economic development and community development programs. According to the Consolidated Plan, $88 million in federal moneys (plus an additional $12 million in HOME funds) are expected to be available for FFY 2000 for all economic development, community development, and housing development programs. Since estimates for FFY 2001 have yet to be generated, the following estimates for state FY 2002 and 2003 available moneys are based on FFY 2000 estimates, along with executive recommendations.

Estimated Available Moneys for Local Government Housing Assistance, Each Fiscal Year *

State Program	Executive Recommendations (Approx.)
Transitional/Permanent Housing (GRF)	$2.8 million
Community Development Corporations (GRF)	$2.6 million
Emergency Shelter Grants (GRF)	$2.8 million
Ohio Housing Trust Fund (GRF, SSR)	$20 million
Total	*$28.2 million*

Federal Program	Awards
Community Development Block Grant (CDBG)	$7 million
Home Investment Partnerships Program (HOME)	$32.6 million
McKinney Emergency Shelter Grant (ESG) Program	$4 million
Housing Opportunities for Persons with AIDS (HOPWA) Program	$939,000
Total	*$47.6 million*

There is a new line item for the Home Investment Partnerships Program (HOME) with an appropriation of $40 million. HOME provides grants for community-planned new housing construction and rehabilitation for low- and very-low income persons and families. Since prior to FY 2002, moneys for this program was combined with those of most of the other local government assistance programs in line item 195-603, Housing and Urban Development, distinguishing past spending for this program may be difficult. However, the spending for FY 2001 in line item 195-603 was $35 million; the FY 2002 and FY 2003 recommendations in line item 195-603 are each $5 million. Assuming that the recommendations for HOME would have been $40 million had it remained in line item 195-603, the increase for the entire line item would be $10,104,300 or 30% over FY 2001 estimates.

Funding Source: GRF; CFDA 14.241, Housing Opportunities for Persons with AIDS; CFDA 14.228, Community Development Block Grant; CFDA 14.239, Home Investment Partnerships; CFDA 14.235, Supportive Housing Demonstration-Permanent Housing for the Handicapped Homeless; grants, gifts, and private donations

Line Items: 195-603, Housing & Urban Development[i] (see Community Development Program above); 195-613, Community Development Block Grant (see Community Development Program above); 195-431, Community Development Corporation Grants

Implication of the Executive Recommendation: Executive-recommended funding levels would allow for an increase of services, especially for the HOME program.

*HOUSING TRUST FUND**

Program Description: The Housing Trust Fund, administered by the Ohio Housing Finance Agency, subsidizes very-low to moderate-income persons by providing low-interest loans and some grants. Most of the programs provide loans for downpayment assistance or rental housing development and grants for preservation projects. Eligible recipients for trust fund moneys vary by program, but include low-income homebuyers, developers, resident homeowners, and landlords. Income guidelines for OHTF moneys require 75% of moneys be used for households with 50% of the median area income.

This budget request consolidates new funding for the Housing Trust Fund in the GRF line item 195-441, Low and Moderate Income Housing. Prior to FY 2002, sources of funding included transfers from the GRF line item to the SSR Low and Moderate Income Housing Trust Fund, transfers of up to $25 million ($12 million per year) from the interest gained from the Human Services Budget Stabilization (Rainy Day) Fund, and moneys from the Department of Commerce's Unclaimed Funds. Moneys will still be used from unclaimed funds, but the other transfers are no longer anticipated.

The Requests for Proposals (RFPs) program remains the most-active trust fund program. RFPs fund primarily supportive housing and provide moneys downpayment assistance and emergency repairs. For FY 2001 $9.5 million was allocated for RFPs. The RFP program is evolving to fund more creation and retention of homes rather than services; this follows OHFA's goal of changing the trust fund to more of a revenue-generator. The Department is investigating possible uses of TANF moneys for family-related service programs.

The Downpayment Assistance Program (HDAP) has grown dramatically in last couple of years. In FY 2000 over $18 millions were spent on HDAP and in FY 2001 $29 million was disbursed. Over $6.0 million of an allocation of $9.0 million for the program in FY 2001 has already been exhausted.

The Ohio General Assembly has also benefited from the Ohio Housing Trust Fund through the House the Assembly Built program. This program is a dynamic partnership between Habitat for Humanity International and its local affiliates, state legislators, and local businesses and volunteers committed to strengthening neighborhoods and communities by building one affordable home with low-income families in each legislative district in the nation. For FY 2001 $600,000 has been allocated and another $700,000 in each year of the new biennium is sought. This $2 million contribution from the state will be matched to fund the $5 million initiative.

In the GRF line item $20 million in each fiscal year is recommended. This amount will be

transferred to the SSR Low and Moderate Income Housing Trust Fund, line item 195-638. The amount in the latter item reflects the transfer from the GRF.

Funding Source: GRF; grants, gifts, and private donations; one-time transfers from various sources, as designated by the General Assembly

Line Items: 195-441, Low and Moderate Income Housing; 195-638, Low and Moderate Income Housing Trust

Implication of the Executive Recommendation: Anticipated funding allows for continued programming.

HOMELESSNESS ASSISTANCE

Program Description: The Emergency Shelter Grant/Transitional Housing programs provide grants to eligible non-profit organizations and units of local government to meet the housing needs of homeless Ohioans. These funds can be used for administrative and operating costs and for supportive services.

Funding Source: GRF; CFDA 14.231 Emergency Shelter Grant Program; CFDA 14.235 Supportive Housing Demonstration-Permanent Housing for the Handicapped Homeless

Line Items: 195-406, Transitional/Permanent Housing; 195-440, Emergency Shelter Housing Grants; 195-603, Housing & Urban Development (see Community Development Section)

Implication of the Executive Recommendation: Anticipated funding reflects a 5.8% decrease for FY 2002, followed by a 2.6% increase in FY 2003 in the GRF line items that are only used for this program. The Housing and Urban Development line item reflects a marginal increase. This recommendation would allow for continued services.

INTERNATIONAL TRADE — Program Series 6

Purpose The International Trade Division carries out international trade promotion activities for Ohio through its eight full-service trade offices in Columbus, Brussels, Hong Kong, Johannesburg, Mexico City, Tel Aviv, Tokyo, and Toronto, and its shared trade presence offices in Sao Paulo, Santiago and Buenos Aires. The Division is responsible for helping promote trade exports and reverse investment activities.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-432	International Trade	5,500,000	5,665,000

	Subtotal-GRF	General Revenue Fund	5,500,000	5,665,000
136	195-621	International Trade	100,000	24,915
	Subtotal-GSF	General Services Fund	100,000	24,915
Total funding: International Trade			**$5,600,000**	**$5,689,915**

INTERNATIONAL TRADE

Program Description: The International Trade Division (ITD) promotes trade opportunities, especially exports, between Ohio businesses and key foreign markets. ITD operates eight full-service trade offices located in Brussels, Hong Kong, Johannesburg, Mexico City, Tel Aviv, Tokyo, and Toronto, as well as Columbus, and holds trade presence offices in Buenos Aires, Santiago and Sao Paulo. Other activities include trade missions, trade shows and the Ohio Export Assistance Network (OEAN).

Funding Source: GRF, GSF-payments received from the Ohio State University for the shared trade office in Johannesburg.

Line Items: 195-434, International Trade; 195-621, International Trade

Implication of the Executive Recommendation: The executive budget recommends continued funding levels for this subprogram series.

TRAVEL AND TOURISM PROMOTION — Program Series 7

Purpose The Division of Travel and Tourism is responsible for activities that promote Ohio's travel and film industries.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-407	Travel & Tourism	6,475,000	6,579,999
GRF	195-507	Travel & Tourism Grants	1,300,000	1,300,000
	Subtotal-GRF	General Revenue Fund	7,775,000	7,879,999
308	195-602	Appalachian Regional Commission	350,000	350,200
	Subtotal-FSR	Federal Special Revenue	350,000	350,200
685	195-636	General Reimbursements	1,275,234	1,323,021
	Subtotal-GSF	General Services Fund	1,275,234	1,323,021
Total funding: Travel and Tourism			**$9,400,234**	**$9,553,220**

TRAVEL AND TOURISM PROMOTION AND ADMINISTRATION

Program Description: Travel and Tourism Promotion is responsible for state tourism activities including advertising, promotional campaigns and the toll-free 1-800-BUCKEYE travel hotline. The division promotes Ohio as a desirable location for film and video production, and administers grants to local and regional tourism entities.

Funding Source: GRF, FSR-Appalachian Demonstration Project

Line Items: 195-407, Travel and Tourism, 195-507, Travel and Tourism Grants, 195-602, Appalachian Regional Commission, 195-636 General Reimbursement

Implication of the Executive Recommendation: Executive-recommended funding for FYs 2002-2003 contains core-level funding for Travel and Tourism operations.

195-507 Travel and Tourism Grants

- **An decrease of $340,000 in FYs 2002 and 2003**

Executive-recommended funding for this line item reflects the following grant allocations:

T&T Grant	FY 2002	FY 2003
Outdoor Dramas*	$ 200,000	$ 200,000
The Wilds	$1,000,000	$1,000,000
Total Funding	$1,200,000	$1,200,000

*****The Outdoor Dramas include Trumpet in the Land, Blue Jacket, Tecumseh, and the Becky Thatcher Showboat Drama.

Permanent and Temporary Law: Each of the grant allocations is reflected in Section 37.11 of HB 95. For detail, see Permanent and Temporary Law section of this analysis.

STRATEGIC RESEARCH GROUP — Program Series 8

Purpose The Office of Strategic Research provides demographic, economic, industrial and programmatic information for the Department of Development, other state agencies, local governmental authorities, and designated affiliates of the United States Bureau of the Census.

STRATEGIC RESEARCH

Program Description: The Office of Strategic Research gathers and analyzes data for use by a variety of users.

Funding Source: GRF

Line Items: 195-100, Personal Services, 195-200, Maintenance, 195-300, Equipment.

Implication of the Executive Recommendation: Executive-recommended funding for FYs 2002-2003 provides core-level funding.

ADMINISTRATION/OPERATIONS DIVISION — Program Series 9

Purpose The Administrative/Operations Offices manage and control all divisions of the Department of Development to implement departmental policy and to communicate actions and activities to the Governor, the General Assembly and to other State and local agencies.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	195-100	Personal Services	2,705,443	2,980,552
GRF	195-200	Maintenance	601,555	613,586
GRF	195-300	Equipment	110,368	112,575
	Subtotal-GRF	General Revenue Fund	3,417,366	3,706,713
135	195-605	Supportive Services	9,038,988	9,531,707
685	195-636	General Reimbursements	1,275,234	1,323,021
	Subtotal-GSF	General Services Fund	10,314,222	10,854,728
Total funding: Administration/Operations Division			**$13,731,588**	**$14,561,441**

ADMINISTRATION/OPERATIONS

Program Description: The Administrative/Operations Offices consist of the following areas: Legal Office, Special Projects, Communications and Graphics, Human Resources, Fiscal Office, Office Services, Management and Information Services, Facilities Management, and Audit Office.

Funding Source: GRF, GSF-indirect cost allocation to all Divisions within the department

Line Items: 195-100, Personal Services; 195-200, Maintenance; 195-300, Equipment; 195-605, Supportive Services; 195-636, General Reimbursements

Implication of the Executive Recommendation: The executive budget recommends the following changes in appropriations for these subprograms as follows:

GRF FUNDING

Executive-recommended funding for FYs 2002-2003 provides core-level funding.

195-605 Supportive Services

- **An additional $309,868 in FY 2002 and $492,719 in FY 2003.**

Executive-recommended funding reflects a 3.6 percent increase above estimated FY 2001 levels and a 5.5 percent increase above FY 2002 levels, respectively.

195-636 General Reimbursements

- **An additional $53,001 in FY 2002 and $47,787 in FY 2003.**

Executive-recommended funding reflects a 4.3 percent increase above estimated FY 2001 levels and 3.7 percent increase above FY 2002 levels.

*Indicates changes in first version of the Redbook.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent Law Provisions

Administrative changes to Family Farm Loan Program (ORC 122.011 (A) (12) (13) (14) & (15), 901.81 (B), 901.82 (A))

The Family Farm Loan Program was created by Am. Sub. H.B. 621 of the 122nd General Assembly as a pilot program to promote opportunity for agricultural production. The act provided up to $2.5 million in funding for each FY 1998 and FY 1999, and also included a sunset date of June 30, 1999. Modifications in permanent law would change the sunset date to July 1, 2003, which would extend the program for another two years. Development line item 195-652, Family Farm Loan, contains appropriations of $2,246,375 in each year of the biennium. The permanent law change also shifts administrative responsibility, specifically the responsibility to review, analyze, and summarize information forwarded by financial institutions to the Department of Agriculture.

Minority Development Financing Advisory Board – Grant Assistance (ORC 122.92)

This addition to permanent law would give the director authority to provide grants to economic development non-profit organizations, community development corporations, community improvement corporations, and incubator organizations. These grants would be to assist with fixed asset financing. A fiscal impact would result from increased funding for grant assistance; however, the Executive did not grant the agency's supplemental funding request for this program expansion.

Minority Development Financing Advisory Board – Definition Expansion (ORC 122.71, 122.76)

The enactment of HB 283 changed this section of the Revised Code to its current form. This change in permanent law would return this language to the form of the statute prior to the enactment of HB 283. The following are changes and additions to definitions of this section of the Revised Code.

- "Minority business enterprise" means an individual, partnership, corporation or joint venture of any kind that is owned and controlled by United States citizens who are residents of this state. It eliminates from the definition nonresidents of this state who have a significant presence in this state.

- "Minority Contractors Business Assistance Organization" means an entity engaged in the delivery of management and technical business assistance to minority entrepreneurs.

- "Minority Business Supplier Development Council" means a non-profit organization established as an affiliate of the National Minority Supplier Development Council.

The change in permanent law also extends the range of possible loan recipients. The director of development, with controlling board approval, may also lend funds to Minority Contractors Business Assistance Organizations and Minority Business Supplier Development Councils, in addition to lending to minority business enterprises, community improvement corporations and Ohio development

corporations. These loans are for the purpose of procuring or improving real or personal property, or both, for the establishment, location or expansion of industrial, distribution, commercial or research facilities in the state. While loan eligibility is expanded, no direct fiscal impact will be felt without additional funding to the program.

Elimination of government unit report (ORC 133.021 (c) (a) (b))

This change in permanent law will eliminate the statutory requirement for a report that has historically provided no useful data to the Ohio Department of Development. The report required the survey of governmental units in the state having authority to issue tax-exempt private activity bonds concerning the amount of bonds issued during the previous calendar year and the amount under consideration for the current calendar year. This change has no fiscal impact.

Housing Trust Fund Revisions (ORC 175.21, 175.22, 175.24)

This revision of current permanent law places a greater emphasis on loans and loan eligibility. The revision changes the percentage of money awarded to nonprofit organizations in the form of grants and loans from forty-five to thirty percent of funds awarded. Additionally, the amount of loans and grants for activities that will provide housing and housing assistance to families and individuals in rural areas and small cities that are not eligible to participate in the HOME Investment Partnerships Act will increase from thirty-five to forty percent. It also incorporates reasonable direct and indirect costs, including third party contractor costs, to be allowed as administration costs. To the greatest extent practicable, the law will allow the Department of Development to grant funds for construction activities that will result in repayment to the fund. This change also limits the amount of funds awarded for activities not directly related to the acquisition, financing, construction, or remodeling of housing to be no more than twenty percent of the current year appropriation authority. No net fiscal impact results from these changes, as the distribution of monies to specific grantees and borrowers within the program has been restructured in this law change.

Temporary Law Provisions

Washington Office (Section 43.01)

Temporary law earmarks no more than $335,700 in appropriation line items 195-100, Personal Services, 195-200, Maintenance, and 195-300, Equipment, for each FY 2002 and 2003 to be transferred to the General Reimbursement Fund (Fund 685) to support the Washington Office.

Thomas Edison Program – Operating Expenses (Section 43.01)

Temporary law earmarks no more than $2,153,282 in FY 2002 and $2,228,537 in FY 2003 to be used for the Technology Division's operating expenses in administering this program.

Small Business Development (Section 43.02)

Temporary law provides grants to support Small Business Development Centers and other local activity promoting small business through technical, financial and management consultation services, operations of the One-Stop Business Permit Center, and the Women's Business Resource Program.

Minority Business Development Division (Section 43.02)

Temporary law requires that no less than $1,060,000 each fiscal year is used to fund minority contractors and business assistance organizations.

Transitional and Permanent Housing Program (Section 43.03)

Temporary law provides grants to local governments and nonprofit organizations for the operating and other associated costs to new and existing transitional and permanent housing for the homeless; it also mandates that at least 75 percent of the appropriation must be used for transitional housing for the homeless.

Coal Research Development (Section 43.03)

Temporary law provides funding for administrative costs of the Coal Development Office and grants relating to the use of Ohio coal.

Utility Payment Administration – Administrative Costs (Section 43.03)

Temporary law requires that appropriation line item 195-409, Utility Payment Administration, shall be used for administrative costs associated with providing utility and fuel assistance benefits to eligible low-income Ohio households with elderly and disabled members.

Business Development (Section 43.04)

Temporary law earmarks funds for Business Development Grants, used for attracting and retaining business opportunities within the state. Funds, not to be releases without prior Controlling Board approval, will be used for infrastructure improvements, both to political subdivisions and private businesses with the purpose of creating or retaining a significant number of jobs within the state.

First Frontier Match (Section 43.05)

Temporary law provides funding for local, regional or state marketing campaigns for counties with populations of 175,000 or less.

Regional Offices and Economic Development (Section 43.05)

Temporary law provides grants for cooperative economic development ventures and operating expenses of the Economic Development Division and the regional economic development offices.

Governor's Office of Appalachia – Appalachian Regional Commission goals (Section 43.06)

Temporary law earmarks $4.4 million for each fiscal year to be used in conjunction with federal and state funds to provide assistance to projects in Ohio's Appalachian Counties to further the goals of the Appalachian Regional Commission.

Urban/Rural Initiative (Section 43.06)

Temporary law appropriates funds used to make Urban and Rural Initiative Grants.

Technology Action - Operating Costs (Section 43.06)

Temporary law requires that no more than 6% of appropriation line item 195-422, Technology Action, can be used in each fiscal year for operating expenditures. Additionally, $1.5 million within the biennium can be used for research, analyses and marketing efforts deemed necessary to receive and disseminate information about science, technology related opportunities.

Community Development Corporations (Section 43.07)

Temporary law requires that at least $100,000 each fiscal year provide training, technical assistance and capacity building assistance to nonprofit development organizations with priority given to underserved areas of the state; it also provides that a portion of funds be used to make grants to the Ohio Community Development Finance Fund to leverage private-sector funds to assist nonprofit development organizations to create affordable housing and permanent jobs in distressed areas. Remaining moneys provide assistance to local community development corporations to develop affordable housing programs and economic development programs in their neighborhoods and to cover operating costs.

International Trade (Section 43.08)

Temporary law appropriates funds to operate and maintain Ohio's out-of-state trade offices, to fund the International Trade Division and to assist Ohio manufacturers and agriculture producers in exporting to foreign countries in conjunction with the Department of Agriculture. The appropriation requires up to $35,000 can be used to purchase gifts for foreign representatives or dignitaries.

Investment in Training Program (Section 43.09)

Temporary law changes the name of the Ohio Industrial Training Program to the Ohio Investment in Training Program. No fiscal impact results from this change.

Emergency Shelter Housing Grants (Section 43.10)

Temporary law earmarks funds for grants to private, nonprofit organizations to provide emergency shelter housing for the homeless, with monies to be used for shelter operations and services including employment assistance, case management, information and referral services, transportation and clothing. Each organization must match 50 percent of the total grant.

Low and Moderate Income Housing Trust Fund (Section 43.10)

Temporary law mandates the Director of Development to transfer up to $20 million from appropriation line item 195-441, Low and Moderate Income Housing, to appropriation item 195-638, Low and Moderate Income Housing Trust Fund via intrastate vouchers.

Biomedical Research Expansion Grants Establishment (Section 43.10)

Temporary law appropriates three grants of $2 million each to The Ohio State University, the University of Cincinnati, and Case Western Reserve University to be matched by institution and to be used for facility and infrastructure improvements that benefit biomedical research activities.

Utility Bill Credit Designation (Section 43.10)

Temporary law appropriates line item 195-505, Utility Bill Credit, to be used for providing utility and fuel assistance to eligible low-income Ohio households with elderly and disabled members.

Travel and Tourism Grants (Section 43.11)

Temporary law appropriates that up to $200,000 in each fiscal year of the biennium be used to support the outdoor dramas Trumpet in the Land, Blue Jacket, Tecumseh and the Becky Thatcher Showboat Drama; $1,000,000 in each fiscal year is earmarked for the International Center for the Preservation of Wild Animals.

Coal Research and Development General Obligation Debt Service (Section 43.11)

Temporary law requires that line item 195-906, Coal Research and Development General Obligation Debt Service, be used to pay all debt service and financing costs at the times they are required during the next biennium. The Office of the Sinking Fund or the Director of Budget and Management shall effectuate the required payments by an intrastate transfer voucher. This change has a direct fiscal effect resulting from the transfer of the program from the Sinking Fund to the General Revenue Fund.

Supportive Services (Section 43.12)

Temporary law provides credits for a division's payments for the cost of central service operations used for administrative ease and uniform application. A plan assessing the operating costs of the department's divisions must be approved by the Office of Budget and Management by August 1st of each fiscal year.

General Reimbursement (Section 43.12)

Temporary law provides funding for conference and subscription fees and other reimbursable costs. Revenues received consist of fees charged for conferences, subscriptions and other administrative costs.

HEAP Weatherization (Section 43.12)

Temporary law requires that 15 percent of federal funds received for the Home Energy Assistance Block Grant, line item 195-611, be transferred to the HEAP Weatherization line item to be used for home weatherization services.

HOME Program (Section 43.12)

Temporary law requires the Director of Development to certify to the Director of Budget and Management the cash balance and open encumbrances relating to the HOME Program located within Fund 308, line item 195-603, Housing and Urban Development. The Director of Budget and Management shall transfer the certified amount to the newly created Fund 3V1, HOME Program, and any existing encumbrances in 195-603, HOME Program, shall be cancelled and reestablished against line item 195-601, HOME Program. No direct fiscal impact occurs with the transfer of these encumbrances.

State Special Projects (Section 43.12)

Temporary law allows appropriations to be a general account for the deposit of private-sector funds from utility companies and other miscellaneous state funds. The private-sector funds will be used to pay expenses relating to verifying income-eligibility of HEAP applicants, market economic development opportunities and leverage additional federal funds; state funds are used to match federal housing grants for the homeless.

Minority Business Enterprise Loan (Section 43.13)

Temporary law authorizes all repayments from line item 195-411, Minority Development Financing Advisory Board Loan Program and the Ohio Mini-Loan Guarantee Program to be deposited into the Minority Business Enterprise Loan Fund to pay all operating costs of the Minority Business Enterprise Loan Fund.

Minority Business Bonding Fund (Section 43.13)

Temporary law appropriates that upon the recommendation of the Minority Development Financing Advisory Board throughout the biennium up to $10 million of unclaimed funds administered by the Director of Commerce be allocated to the Minority Business Bonding Program. It allows cash to be transferred by the Director of Budget and Management from the Department of Commerce's Unclaimed Funds Fund (Fund 543) to the Department of Development's Minority Business Bonding Fund (Fund 449) only if such funds are needed for payment of losses arising from the Minority Business Bonding Program. This can only occur after an initial transfer $2.7 million by the Controlling Board. Moneys transferred for this purpose by the Director of Budget and Management may be in custodial funds held by the Treasurer of the State. A direct fiscal impact results from the transfer of up to $10 million of Unclaimed Funds from the Department of Commerce to the Department of Development.

Minority Business Bonding Fund Administration (Section 43.13)

Temporary law mandates that that investment earnings of the Minority Business Bonding Fund shall be credited to line item 195-624, Minority Business Bonding Program Administration Fund.

Economic Development Financing Operating (Section 43.14)

Temporary law appropriates funds to be used for the operating expenses of financial assistance programs authorized under the Economic Development Programs in the Revised Code.

Universal Service Fund Designation (Section 43.14)

Temporary law designates that line item 195-659, Universal Service Fund, shall be used to provide electricity utility assistance benefits to Percentage of Income Payment Plan (PIPP) electric accounts; to fund targeted energy efficiency and customer education services to PIPP customers; and to cover the department's administrative costs related to the Universal Service Fund programs. The fiscal impact results from the appropriation of $160 million per year to this fund.

Energy Efficiency Revolving Loan Fund (Section 43.14)

Temporary law establishes that line item 195-660, the Energy Efficiency Revolving Loan Fund, be used to provide financial assistance to customers for eligible energy efficiency projects for residential, commercial and industrial businesses, local government, educational institutions, nonprofit and agriculture customers, and to pay for the program administrative costs. Direct fiscal ramifications stem from the appropriation of $12 million to this new program.

Volume Cap Administration (Section 43.14)

Temporary law establishes the Volume Cap Administration Fund (Fund 617) shall be held at the Treasurer of the State's Office. The fund shall pay for operations associated with Volume Cap Administration.

Facilities Establishment Fund (Section 43.15)

Temporary law requires that no single port authority may receive no more than $2 million from the fund. $20,475,000 has been earmarked for transfer during the biennium from the Facilities Establishment Fund (Fund 037) to the Urban Development Loans Fund (Fund 5D2) for the purpose of removing barriers to urban core development. Temporary law also regulates that no more than $5 million can be transferred from the Facilities Establishment Fund (Fund 037) to the Rural Industrial Park Loan Fund (Fund 4Z6).

Family Farm Loan Program Appropriations (Section 43.15)

Temporary law appropriates $2,246,375 per fiscal year to be transferred from the Facilities Establishment Fund (Fund 037) to the Family Farm Loan Fund (Fund 5H1) to be used for loan guarantees.

Fund 5F7 Transfer (Section 43.16)

OBM is to transfer all cash in Fund 5F7, Local Government Y2K Loan Program, to the GRF on or after July 1, 2001.

REQUESTS NOT FUNDED

Information in this section was derived from analysis of the agency's budget submission and information provided by the Governor's Office of Budget & Management concerning the funding of specific agency requests, which may or may not convey precisely the degree to which requests were not funded or whether an agency will or will not proceed with an initiative in whole or in part.

ECONOMIC DEVELOPMENT- P001						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-404	$2,626,626	$2,502,390	($124,236)	$2,708,077	$2,581,472	($126,605)
GRF 195-413	$2,000,000	$1,655,603	($344,397)	$3,000,000	$2,578,710	($421,290)
GRF 195-415	$6,764,000	$6,551,709	($212,291)	$9,066,000	$6,872,707	($2,193,293)
GRF 195-417	$1,000,000	$1,000,000	$0	$3,000,000	$1,000,000	($2,000,000)
GRF 195-434	$28,000,000	$20,000,000	($8,000,000)	$30,000,000	$20,000,000	($10,000,000)
TOTAL	$40,390,626	$13,709,702	($8,680,924)	$47,774,077	$32,454,179	($14,741,188)

195-404 exhibits a decrease in the availability of small business development loans and federal funding. 195-413 is a supplemental request for funding economic development marketing in Ohio. Additional marketing efforts will not be pursued. 195-415 is a supplemental request to create a Port Authority of Appalachia that was not funded; the port authority will not be created. 195-417 shows a decrease in Urban and Rural Initiative Grant availability. 195-434 is funding for the extension of training programs to other industries such as manufacturing, distributions, information technology, national business services, and headquarters operations, beyond industrial training. The program's expansion is unclear.

APPALACHIAN DEVELOPMENT – P0023						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-414	$500,000	$500,000	$0	$510,000	$500,000	($10,000)
GRF 195-501	$470,000	$463,227	($6,773)	$530,000	$463,227	($66,773)
GRF 195-502	$230,000	$224,400	($5,600)	$240,000	$224,400	($15,600)
TOTAL	$1,200,000	$1,187,627	($12,373)	$1,280,000	$1,876,627	($92,373)

195-501 had a supplemental request to provide a safety net to ensure that a match in funds is available if the local development districts' allocation of Appalachian Regional Commission dollars increases. The safety net was not funded.

TECHNOLOGY DEVELOPMENT – P003						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-401	$25,941,390	$25,528,749	($412,641)	$26,550,000	$25,604,004	($945,996)
GRF 195-408	$765,750	$724,998	($40,752)	$793,950	$748,201	($45,749)
TOTAL	$26,707,140	$26,253,747	($453,393)	$27,343,950	$26,352,205	($991,745)

The supplemental requests were to maintain technology division programs at their current level. At this time, the impact of the decrease in funding it is uncertain.

COMMUNITY DEVELOPMENT – P004						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-409	$718,158	$679,625	($38,533)	$744,878	$715,483	($29,395)
GRF 195-440	$3,054,555	$2,824,809	($229,746)	$3,115,650	$2,899,430	($216,220)
GRF 195-497	$1,300,000	$1,233,241	($66,759)	$1,300,000	$1,240,097	($59,903)
GRF 195-498	$222,186	$156,692	($65,494)	$249,401	$161,784	($87,617)
TOTAL	$5,294,899	$4,894,367	($400,532)	$5,409,929	$5,016,794	($393,135)

The Department requested $3.0 million for the Emergency Shelter Housing Grants program, 195-440, but received $2.8 million. Fewer grants will be available for the program, but the recommended levels will allow for continued operations. The $65,494 difference between requested and recommended levels for the State Energy Match line item, 195-498, is almost 30% of the $222,000 that was requested. This difference probably means the state will not receive as much federal support for energy programs than had been anticipated.

HOUSING DEVELOPMENT –P005						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-406	$2,883,500	$2,826,679	($56,821)	$2,941,200	$2,826,689	($114,511)
GRF 195-431	$2,682,509	$2,582,510	($99,999)	$2,802,500	$2,582,510	($219,990)
445 195-617	$4,430,771	$3,782,808	($647,963)	$4,974,632	$3,968,184	($1,006,448)
TOTAL	$9,996,780	$9,191,997	($804,783)	$10,718,332	$9,377,363	($1,340,969)

The recommended levels would allow for continued operations, but not all of the administration-related requests were allowed. For the Ohio Housing Finance Agency operations, line item 195-617, over $4.4 million was requested for FY 2002 and almost $5.0 was requested for FY 2003. The total difference between requests and recommendations in this line item for the biennium is about $1.6 million, which would have funded up to 15 new staff and associated administrative costs. Additional staff was sought to increase housing inspections.

INTERNATIONAL TRADE –P006						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-432	$5,606,500	$5500,000	($106,500)	$6,130,500	$5,665,000	($465,500)

Operating costs of the South Africa and Tel Aviv offices were be scaled back due to funding cuts. The South Africa office will not be eliminated. The moneys not subsidized could also affect funding of the Ohio Export Assistance Grant.

TRAVEL & TOURISM –P007						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-407	$8,549,100	$6,475,000	($2,074,100)	$8,811,300	$418,459	($1,166,841)

Appropriations were to fund effective image marketing campaign in support of newly developed brand identity, “Ohio, So Much to Discover,” targeting tourists across the U.S. and around the world.

MINORITY BUSINESS DEVELOPMENT-P009						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-405	$2,464,418	$2,325,396	($139,022)	$2,772,823	$2,344,198	($428,625)
4W1 195-646	$6,086,607	$2,572,960	($3,513,647)	$6,204,759	$2,580,597	($3,624,162)
TOTAL	$8,551,025	$4,898,356	($3,652,669)	$8,977,582	$4,924,795	($4,052,787)

195-405 requested appropriations were to expand the services offered by the Minority Business Development Procurement Technical Assistance Center network and to continue the provision of services to the minority business community. 195-646 funding will result in a decrease in the state match for the Procurement Technical Assistance Grants.

ADMINISTRATION –P011						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 195-100	$2,807,673	$2,705,443	($102,230)	$3,115,517	$2,980,552	($134,965)
GRF 195-200	$671,520	$601,555	($69,965)	$785,809	$613,586	($172,223)
GRF 195-300	$204,857	$110,368	($94,489)	$257,478	$112,575	($144,903)
TOTAL	$3,684,050	$3,417,366	($266,684)	$4,158,804	$3,706,713	($452,091)

Funding was to upgrade computer hardware, software and the project tracking system. Computers will be upgraded according to the department's priorities (in order): International Trade Division, Economic Development Division and Technology Division. The new system will track company information and economic development projects more efficiently on shared database. Funding decreases are also associated with a request relating to operating activities of the Office of Strategic Research. The effect is unclear.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	2000	Estimated 2001	Executive 2002	% Change 2001 to 2002	Executive 2003	% Change 2002 to 2003
DEV Development, Department of								
GRF	195-100	Personal Services	$ 2,575,572	$2,583,300	$ 2,705,443	4.7%	$ 2,980,552	10.2%
GRF	195-200	Maintenance	$ 642,069	$608,000	$ 601,555	-1.1%	$ 613,586	2.0%
GRF	195-300	Equipment	$ 135,659	$111,550	$ 110,368	-1.1%	$ 112,575	2.0%
GRF	195-401	Thomas Edison Program	$ 25,030,630	$25,528,749	$ 25,528,749	0.0%	$ 25,604,004	0.3%
GRF	195-404	Small Business Development	$ 2,420,300	$2,465,504	$ 2,502,390	1.5%	$ 2,581,472	3.2%
GRF	195-405	Minority Business Development Division	$ 2,041,985	$2,324,418	$ 2,325,396	0.0%	$ 2,344,198	0.8%
GRF	195-406	Transitional/Permanent Housing	$ 2,828,614	$2,826,679	$ 2,826,679	0.0%	$ 2,826,689	0.0%
GRF	195-407	Travel and Tourism	$ 6,034,792	$6,327,600	$ 6,475,000	2.3%	$ 6,579,999	1.6%
GRF	195-408	Coal Research Development	$ 598,433	$587,907	$ 724,998	23.3%	$ 748,201	3.2%
GRF	195-409	Utility Payment Administration	$ 0	$694,814	$ 679,625	-2.2%	$ 715,483	5.3%
GRF	195-410	Defense Conversion Assistance Program	$ 568,777	$500,000	$ 0	-100.0%	$ 0	N/A
GRF	195-411	Minority Development Financing Advisory Board	$ 35,818	$0	$ 0	N/A	$ 0	N/A
GRF	195-412	Business Development Grants	$ 8,041,778	$14,267,500	$ 15,533,935	8.9%	$ 16,592,851	6.8%
GRF	195-413	Marketing for Economic Development	$ 0	$0	$ 1,655,603	N/A	$ 2,578,710	55.8%
GRF	195-414	First Frontier Match	$ 516,113	$496,628	$ 500,000	0.7%	$ 500,000	0.0%
GRF	195-415	Regional Offices and Econ Development	$ 6,343,064	$6,338,039	$ 6,551,709	3.4%	$ 6,872,707	4.9%
GRF	195-416	Governor's Office of Appalachia	$ 811,325	$5,069,491	$ 5,068,320	0.0%	$ 5,076,659	0.2%
GRF	195-417	Urban/Rural Initiative Grant Program	$ 5,138,089	$1,000,000	$ 1,000,000	0.0%	$ 1,000,000	0.0%
GRF	195-418	School-To-Work Training Initiative	$ 249,144	$0	$ 0	N/A	$ 0	N/A
GRF	195-419	Urban Development	----	$0	$ 524,733	N/A	$ 957,172	82.4%
GRF	195-421	Environmental Clean Up	$ 0	$737,500	$ 0	-100.0%	$ 0	N/A
GRF	195-422	Technology Action	$ 563,828	$15,100,000	$ 15,100,000	0.0%	$ 15,100,000	0.0%
GRF	195-428	Project 100	$ 1,000,000	$2,000,000	$ 0	-100.0%	$ 0	N/A
GRF	195-429	Y2K Compliance	$ 10,000,000	$0	$ 0	N/A	$ 0	N/A
GRF	195-431	Community Development Corporation Grants	$ 2,693,404	$2,582,510	$ 2,582,510	0.0%	$ 2,582,510	0.0%
GRF	195-432	International Trade	$ 5,562,215	$5,416,621	$ 5,500,000	1.5%	$ 5,665,000	3.0%
GRF	195-434	Investment in Training Grants	$ 11,250,636	$20,000,000	$ 20,000,000	0.0%	$ 20,000,000	0.0%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	2000	Estimated 2001	Executive 2002	% Change 2001 to 2002	Executive 2003	% Change 2002 to 2003
DEV Development, Department of								
GRF	195-436	Labor/Management Cooperation	$ 1,015,382	$1,164,000	$ 1,170,209	0.5%	$ 1,176,278	0.5%
GRF	195-440	Emergency Shelter Housing Grant	$ 3,153,029	$2,999,139	$ 2,824,809	-5.8%	$ 2,899,430	2.6%
GRF	195-441	Low and Moderate Income Housing	$ 7,760,000	$7,760,000	$ 20,000,000	157.7%	$ 20,000,000	0.0%
GRF	195-497	CDBG Operating Match	$ 1,150,490	$1,176,608	$ 1,233,241	4.8%	$ 1,240,097	0.6%
GRF	195-498	State Match Energy	$ 138,904	$151,299	$ 156,692	3.6%	$ 161,784	3.2%
GRF	195-501	Appalachian Local Development Districts	$ 450,597	$463,227	$ 463,227	0.0%	$ 463,227	0.0%
GRF	195-502	Appalachian Regional Commission Dues	$ 190,000	$194,400	$ 224,400	15.4%	$ 224,400	0.0%
GRF	195-503	Biomedical Research Expansion Grants	----	$0	$ 6,000,000	N/A	$ 6,000,000	0.0%
GRF	195-505	UTILITY BILL CREDITS	----	$7,500,000	$ 7,500,000	0.0%	$ 7,500,000	0.0%
GRF	195-507	Travel and Tourism Grants	$ 1,841,950	$1,640,000	$ 1,300,000	-20.7%	$ 1,300,000	0.0%
GRF	195-513	Empowerment Zones/Enterprise Communities	$ 100,000	$0	$ 0	N/A	$ 0	N/A
GRF	195-906	Coal Research/Development General Obligation De	----	$0	$ 8,971,700	N/A	$ 9,420,300	5.0%
General Revenue Fund Total			**$ 110,882,597**	**$ 140,615,483**	**$ 168,341,291**	**19.7%**	**$ 172,417,884**	**2.4%**
135	195-605	Supportive Services	$ 7,403,781	$8,729,120	$ 9,038,988	3.5%	$ 9,531,707	5.5%
136	195-621	International Trade	$ 1,778	$0	$ 100,000	N/A	$ 24,915	-75.1%
5F7	195-658	Local Government Y2K Loan Program	$ 1,570,835	$0	$ 0	N/A	$ 0	N/A
685	195-636	General Reimbursements	$ 949,668	$1,222,233	$ 1,275,234	4.3%	$ 1,323,021	3.7%
General Services Fund Group Total			**$ 9,926,062**	**$ 9,951,353**	**$ 10,414,222**	**4.7%**	**$ 10,879,643**	**4.5%**
308	195-602	Appalachian Regional Commission	$ 121,289	$350,000	$ 350,000	0.0%	$ 350,200	0.1%
308	195-603	Housing and Urban Development	$ 21,055,780	$34,895,700	$ 5,000,000	-85.7%	$ 5,000,000	0.0%
308	195-605	Federal Projects	$ 8,258,893	$7,855,501	$ 7,855,501	0.0%	$ 7,855,501	0.0%
308	195-609	Small Business Administration	$ 2,910,691	$4,001,900	$ 3,799,626	-5.1%	$ 3,799,626	0.0%
308	195-618	Energy Federal Grants	$ 2,209,115	$2,803,560	$ 2,803,560	0.0%	$ 2,803,560	0.0%
335	195-610	Oil Overcharge	$ 6,423,482	$8,500,000	$ 8,500,000	0.0%	$ 8,500,000	0.0%
380	195-622	Housing Development Operating	$ 4,087,992	$6,370,556	$ 4,507,212	-29.2%	$ 4,696,198	4.2%
3K8	195-613	Community Development Block Grant	$ 63,913,759	$65,000,000	$ 65,149,441	0.2%	$ 65,088,961	-0.1%
3K9	195-611	Home Energy Assistance Block Grant	$ 57,520,858	$55,000,000	$ 62,000,000	12.7%	$ 62,000,000	0.0%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	2000	Estimated 2001	Executive 2002	% Change 2001 to 2002	Executive 2003	% Change 2002 to 2003
DEV Development, Department of								
3K9	195-614	HEAP Weatherization	$ 7,988,610	$10,412,041	$ 10,412,041	0.0%	$ 10,412,041	0.0%
3L0	195-612	Community Services Block Grant	$ 19,805,175	$20,090,000	$ 22,135,000	10.2%	$ 22,135,000	0.0%
3V1	195-601	HOME Program	----	$0	$ 40,000,000	N/A	$ 40,000,000	0.0%
Federal Special Revenue Fund Group Total			**$ 194,295,644**	**$ 215,279,258**	**$ 232,512,381**	**8.0%**	**$ 232,641,087**	**0.1%**
444	195-607	Water and Sewer Commission Loans	$ 446,668	$500,000	$ 511,000	2.2%	$ 523,775	2.5%
445	195-617	Housing Finance Operating	$ 4,015,392	$4,110,022	$ 3,782,808	-8.0%	$ 3,968,184	4.9%
450	195-624	Minority Business Bonding Program Administration	$ 0	$12,947	$ 13,232	2.2%	$ 13,563	2.5%
451	195-625	Economic Development Financing Operating	$ 1,345,403	$1,970,014	$ 2,062,451	4.7%	$ 2,143,918	4.0%
4F2	195-639	State Special Projects	$ 297,589	$1,530,100	$ 1,052,762	-31.2%	$ 1,079,082	2.5%
4H4	195-641	First Frontier	$ 492,219	$500,000	$ 600,000	20.0%	$ 650,000	8.3%
4S0	195-630	Enterprise Zone Operating	$ 227,064	$323,355	$ 211,900	-34.5%	$ 211,900	0.0%
4S1	195-634	Job Creation Tax Credit Operating	$ 244,265	$258,423	$ 372,700	44.2%	$ 375,800	0.8%
4W1	195-646	Minority Business Enterprise Loan	$ 714,458	$2,472,953	$ 2,572,960	4.0%	$ 2,580,597	0.3%
586	195-653	Scrap Tire Loans and Grants	$ 3,468,077	$1,000,000	$ 0	-100.0%	$ 0	N/A
5M4	195-659	Universal Service	----	$145,841,116	$ 160,000,000	9.7%	$ 160,000,000	0.0%
5M5	195-660	Energy Efficiency Revolving Loan	----	$0	$ 12,000,000	N/A	$ 12,000,000	0.0%
611	195-631	Water and Sewer Administration	$ 245	$15,000	$ 15,330	2.2%	$ 15,713	2.5%
617	195-654	Volume Cap Administration	$ 91,337	$196,640	$ 200,000	1.7%	$ 200,000	0.0%
646	195-638	Low and Moderate Income Housing Trust	$ 20,758,724	$30,097,500	$ 21,539,552	-28.4%	$ 22,103,807	2.6%
State Special Revenue Fund Group Total			**$ 32,101,441**	**$ 188,828,070**	**$ 204,934,695**	**8.5%**	**$ 205,866,339**	**0.5%**
046	195-632	Coal Research & Development Fd	$ 9,380,000	$12,570,624	$ 12,847,178	2.2%	$ 13,168,357	2.5%
Coal Research/Development Fund Total			**$ 9,380,000**	**$ 12,570,624**	**$ 12,847,178**	**2.2%**	**$ 13,168,357**	**2.5%**
4W0	195-629	Roadwork Development	$ 9,466,950	$12,499,900	$ 12,699,900	1.6%	$ 12,699,900	0.0%
Highway Operating Fund Group Total			**$ 9,466,950**	**$ 12,499,900**	**$ 12,699,900**	**1.6%**	**$ 12,699,900**	**0.0%**
037	195-615	Facilities Establishment	$ 30,338,049	$58,481,100	$ 56,701,684	-3.0%	$ 58,119,226	2.5%
4Z6	195-647	Rural Industrial Park Loan	$ 0	$5,000,000	$ 5,000,000	0.0%	$ 5,000,000	0.0%
5D1	195-649	Port Authority Bond Reserves	$ 0	$2,500,000	$ 2,500,000	0.0%	$ 2,500,000	0.0%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	2000	Estimated 2001	Executive 2002	% Change 2001 to 2002	Executive 2003	% Change 2002 to 2003
DEV Development, Department of								
5D2	195-650	Urban Redevelopment Loans	$ 202,000	$10,000,000	$ 10,000,000	0.0%	$ 10,475,000	4.8%
5H1	195-652	Family Farm Loan Guarantee	$ 1,108,699	$2,246,375	$ 2,246,375	0.0%	$ 2,246,375	0.0%
Facilities Establishment Fund Total			**$ 31,648,748**	**$ 78,227,475**	**$ 76,448,059**	**-2.3%**	**$ 78,340,601**	**2.5%**
Total All Budget Fund Groups			***$ 397,701,442***	***$ 657,972,163***	***$ 718,197,726***	***9.2%***	***$ 726,013,811***	***1.1%***

General Revenue Fund

GRF 195-100 Personal Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,629,631	$2,527,276	$2,575,572	$2,583,300	**$2,705,443**	**$2,980,552**
	-3.9%	1.9%	0.3%	**4.7%**	**10.2%**

Source: GRF

Legal Basis: ORC 122

Purpose: This line item provides funds for payroll and fringe benefits for a portion of the Department of Development personnel.

GRF 195-200 Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$613,559	$553,272	$642,069	$608,000	**$601,555**	**$613,586**
	-9.8%	16.0%	-5.3%	**-1.1%**	**2.0%**

Source: GRF

Legal Basis: ORC 122

Purpose: This line item provides funds for a portion of the Department of Development maintenance costs.

GRF 195-300 Equipment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$61,587	$139,147	$135,659	$111,550	**$110,368**	**$112,575**
	125.9%	-2.5%	-17.8%	**-1.1%**	**2.0%**

Source: GRF

Legal Basis: ORC 122

Purpose: This line item provides funds for a portion of the Department of Development equipment costs.

GRF 195-401 Thomas Edison Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$23,108,072	$22,963,925	$25,030,630	$25,528,749	**$25,528,749**	**$25,604,004**
	-0.6%	9.0%	2.0%	**0.0%**	**0.3%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 291 of the 115th General Assembly.

Purpose: This line item supports various technology development activities including seven Edison Technology Centers, ten Edison Technology Incubators, The Great Lakes Industrial Technology Center (GLITeC) - an Edison affiliate, the Great Lakes Manufacturing Technology Center (GLMTC), The Wright Technology Network, and the Lake Erie Manufacturing Extension Center. Since FY 1990, funds in this account have supported the Small Business Innovation Research Program. Since FY 1996, this account has provided funding for the AIM Center at Sinclair Community College, and the Center for Advanced Liquid Crystalline Optical Materials (ALCOM) at Kent State University.

Beginning in the FY 2000-2001 biennium, a portion of these funds will support cooperative technology clusters.

GRF 195-403 Housing Preservation and Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$161,401	$107,899	$0	$0	**$0**	**$0**
	-33.1%	-100.0%	N/A	**N/A**	**N/A**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 111 of the 118th General Assembly.

Purpose: This item has been used to finance projects which help preserve and develop low-cost housing for people with special needs. Grants of up to $10,000 per unit and $100,000 per project have been awarded to nonprofit corporations for eligible projects. In addition, this item has also funded the Migrant Labor Housing program. In FY 1998, program activities for Housing Preservation and Development became the responsibility of line item 195-638, Low & Moderate Income Housing Trust Fund.

GRF 195-404 Small Business Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,179,442	$2,378,814	$2,420,300	$2,465,504	**$2,502,390**	**$2,581,472**
	9.1%	1.7%	1.9%	**1.5%**	**3.2%**

Source: GRF

Legal Basis: ORC 122.08 (originally established by Am. Sub. S.B. 239 and Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: This line item provides matching funds (1:1) to the federally funded Small Business Development Center (SBDC) program reflected in line item 195-609, Federal Projects Small Business. Grants are awarded to 38 local affiliates to fund activities that promote small businesses, including One-Stop Business Enterprise Centers, Small Business Registrar, Women's Business Resource Program and Ohio Procurement Technical Assistance Program. Activities may include technical assistance, financial assistance, and management consultation.

GRF 195-405 Minority Business Development Division

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,999,980	$1,972,527	$2,041,985	$2,324,418	**$2,325,396**	**$2,344,198**
	-1.4%	3.5%	13.8%	**0.0%**	**0.8%**

Source: GRF

Legal Basis: ORC 122.92 through ORC 122.93 (originally established by Am. Sub. H.B. 155 of the 111th G.A.)

Purpose: Moneys from this account support the Minority Business Development Division's activities as an advocate for minority businesses, as a facilitator of services offered by the Department, and as a consultant providing technical, managerial and counseling services. Historically, these funds have paid for staff operating expenses and various minority business assistance programs, including the Minority Business Information System (MBIS) and the Minority Contractors and Business Assistance Program (MCBAP) in the state's major urban centers.

GRF 195-406 Transitional/Permanent Housing

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,459,017	$2,722,686	$2,828,614	$2,826,679	**$2,826,679**	**$2,826,689**
	10.7%	3.9%	-0.1%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 111 of the 118th General Assembly.

Purpose: This item supports grants awarded to local governments and eligible nonprofit organizations for the provision of transitional and permanent housing for homeless persons. Grant moneys may be combined with federal or local subsidies and used for renovation, conversion, repair, maintenance, operating, and supportive services for both new and existing housing for homeless persons.

GRF 195-407 Travel and Tourism

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$6,426,773	$5,273,163	$6,034,792	$6,327,600	**$6,475,000**	**$6,579,999**
	-18.0%	14.4%	4.9%	**2.3%**	**1.6%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 155 of the 111th General Assembly.

Purpose: Moneys in this line item are used to promote travel and tourism in Ohio. The staff operating expenses of the Division of Travel and Tourism, as well as advertising and marketing costs, are paid from this line item. Activities include the 1-800-BUCKEYE line, market research, advertising, the Ohio Film Commission and statewide publications (OhioPass and Great Ohio Road Trips). Since FY 1996, subsidies for local travel and tourism events have been provided for through line item 195-507, Travel & Tourism Grants.

GRF 195-408 Coal Research Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$573,055	$515,541	$598,433	$587,907	**$724,998**	**$748,201**
	-10.0%	16.1%	-1.8%	**23.3%**	**3.2%**

Source: GRF

Legal Basis: ORC 1551.30 through 1551.36 and 1555 (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: These moneys pay for the administrative costs of research activities, which contribute to the development of coal as a major energy resource.

GRF 195-409 Utility Payment Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$694,814	**$679,625**	**$715,483**
	N/A	N/A	N/A	**-2.2%**	**5.3%**

Source: GRF

Legal Basis: S.B. 245 of the 123rd General Assembly

Purpose: This item funds operating expenses and other expenses related to administration of public utility and energy efficiency programs. This line item used to be called Energy Credit Administration.

GRF 195-410 Defense Conversion Assistance Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,729,694	$2,449,242	$568,777	$500,000	**$0**	**$0**
	-10.3%	-76.8%	-12.1%	**-100.0%**	**N/A**

Source: GRF

Legal Basis: ORC 122.12 (originally established by Sub. H.B. 715 of the 120th G.A.)

Purpose: This line item funded the operations and activities of Ohio's Defense Conversion Assistance Program, an effort providing technical, financial and educational assistance to communities faced with adverse impacts attributed to reductions in federal defense spending. Biennial appropriations included matching funds for: 1) nine federally-accepted Technology Reinvestment Project (TRP) proposals that leveraged $83.9 million in total project funds, and 2) subsidy moneys for the National Center for Industrial Competitiveness (NCIC) which attracted an additional $10 million in federal funds.

This program has been eliminated.

GRF 195-411 Minority Development Financing Advisory Board

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$355,245	$319,964	$35,818	$0	**$0**	**$0**
	-9.9%	-88.8%	-100.0%	**N/A**	**N/A**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 111 of the 118th General Assembly.

Purpose: This item supports partial operations of the minority loan programs. Prior to FY 1990, these costs were covered by revenues derived from bond premiums and interest income through the former General Services Fund item 195-624, Minority Contractor's Bonding Program Administration (now State Special Revenue Fund item 195-624, Minority Business Bonding Program Administration).

Beginning in the FY 2000-2001 biennium, these activities will be funded through line item 195-626, Minority Business Enterprise Loan Fund.

GRF 195-412 Business Development Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$5,428,634	$10,445,095	$8,041,778	$14,267,500	**$15,533,935**	**$16,592,851**
	92.4%	-23.0%	77.4%	**8.9%**	**6.8%**

Source: GRF

Legal Basis: originally established by Am. H.B. 1064 of the 112th G.A. (as of FY 1988, the use of these moneys was expanded to include the Ohio Steel Futures program)

Purpose: Funding from this line item provides "412" incentive grants for infrastructure financing that is used to attract and retain business opportunities in Ohio. Grant awards, provided to governmental units or, when the needs of the region dictate, directly to a business, may be considered only when 1) the project viability hinges on an award of 412 funds, 2) all other public or private sources of financing have been considered, and 3) these funds trigger other financing sources into the project. The Director of Development may recommend an alternative use of funds when a situation of extraordinary economic development opportunity or need arises. Moneys in this line item may be spent only after the Controlling Board approves the agency's plan for the use of the funds.

GRF 195-413 Marketing for Economic Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$1,655,603**	**$2,578,710**
	N/A	N/A	N/A	**N/A**	**55.8%**

Source: GRF

Legal Basis: originally established by H.B. 111 of the 118th General Assembly.

Purpose: Previously, this line item subsidized operations of the Economic Development Financing Division. This program will provide for the promotion of economic development opportunities in Ohio.

GRF 195-414 First Frontier Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$239,631	$531,002	$516,113	$496,628	**$500,000**	**$500,000**
	121.6%	-2.8%	-3.8%	**0.7%**	**0.0%**

Source: GRF

Legal Basis: originally established by Controlling Board on August 3, 1992

Purpose: The First Frontier program supports partnerships that develop and execute marketing programs for economic development purposes. The program pays for national and international advertising and promotional activities pertaining to local economic development opportunities, which benefit both the region and the state. The program, originally available only in Ohio's Appalachian counties, was previously funded through item 195-641, First Frontier, and item 195-605, Supportive Services.

This line item was first funded in Am Sub. H.B. 152 of the 120th G.A. to provide matching funds (1:1) for local governments or local economic development organizations located in counties with a population under 175,000 residents. Since FY 1996, no less than $400,000 per fiscal year has been allocated for marketing programs by “targeted counties” and the balance of the appropriation has supplemented either individual targeted counties or regional marketing programs.

GRF 195-415 Regional Offices and Econ Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$6,729,772	$6,009,944	$6,343,064	$6,338,039	**$6,551,709**	**$6,872,707**
	-10.7%	5.5%	-0.1%	**3.4%**	**4.9%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th G.A. (created to consolidate the administrative activities of various existing economic development programs funded through several line items)

Purpose: This item currently funds the administrative costs for the Office of Business Development (including 412 Business Development, 629 Road Work Development, Site Selection, Steel Commission and Ohio Port Authority Council), the Office of Industrial Training (including Ohio Industrial Training and Labor-Management Cooperation programs), and the Governor's Regional Economic Development Offices. Since FY 1996, the operations of the Enterprise Zone and the Community Reinvestment Area programs were shifted to line item 195-630, Enterprise Zone Operating, and the operations of the Jobs Tax Credit program through line item 195-634, Job Creation Tax Credit Operating. In addition, part of the activities previously funded through line item 195-413, Economic Development Financing, were transferred to this account.

GRF 195-416 Governor's Office of Appalachia

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$709,880	$542,592	$811,325	$5,069,491	**$5,068,320**	**$5,076,659**
	-23.6%	49.5%	524.8%	**0.0%**	**0.2%**

Source: GRF

Legal Basis: originally established by Am Sub. H.B. 152 of the 120th General Assembly.

Purpose: This item was created to 1) consolidate funding previously earmarked from items 195-100, Personal Services, 195-200, Maintenance, 195-300, Equipment, and 195-434, Industrial Training, and 2) provide matching funds (1:1) to support two federal projects: the ARC Technical Assistance Program and the Fund for Appalachian Industrial Retraining (FAIR) Program. The Governor's Office of Appalachia acts as an advocate to promote and assist Ohio's 29 Appalachia counties in improving the region through various economic and community development activities.

GRF 195-417 Urban/Rural Initiative Grant Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$5,184,638	$4,116,427	$5,138,089	$1,000,000	**$1,000,000**	**$1,000,000**
	-20.6%	24.8%	-80.5%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: established by Am. Sub. H.B. 442 of the 121st General Assembly.

Purpose: This item was created to make grants to eligible applicants as provided for in sections 122.19 to 122.22 of the Revised Code. Grants under the Urban and Rural Initiative Grant program have been used for land acquisition, infrastructure improvements, voluntary actions as found in section 3746 of the revised Code, or renovation of existing structures.

GRF 195-418 School-To-Work Training Initiative

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$289,177	$295,287	$249,144	$0	**$0**	**$0**
	2.1%	-15.6%	-100.0%	**N/A**	**N/A**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th General Assembly.

Purpose: This line item supported the implementation of school-to-work training activities. Temporary law required the Department to provide opportunities for exchanges between business and labor to identify young worker training needs including curriculum development, training processes, testing and financing. This line also provided funding for up to six school-to-work demonstration projects for the purpose of training mentors that will directly oversee student workers. In FY 1998, the executive eliminated funding for this program. The remaining expenditures in FY 1998 reflect expenditures of prior year awards.

GRF 195-419 Urban Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$524,733**	**$957,172**
	N/A	N/A	N/A	**N/A**	**82.4%**

Source: GRF

Legal Basis: ORC 122.03 and 122.04

Purpose: This line item supports the Office of Urban Development which will create and administer the Brownfield Site Remediation program of the Clean Ohio Fund, an Urban Housing Revitalization program, a Community Asset Zone program, specialized urban business financing programs, an urban tax incentive program and a statewide forum for the dissemination of data and urban revitalization practices.

GRF 195-421 Environmental Clean Up

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$387,383	$1,000,000	$0	$737,500	**$0**	**$0**
	158.1%	-100.0%	N/A	**-100.0%**	**N/A**

Source: GRF

Legal Basis: established by Controlling Board action on August 26, 1996.

Purpose: Funds were used to pay the state's portion of environmental remediation costs at the North Star Steel site in Youngstown.

GRF 195-422 Technology Action

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$192,506	$563,828	$15,100,000	**$15,100,000**	**$15,100,000**
	N/A	192.9%	2578.1%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: Am. Sub. H.B. 215 of the 122nd General Assembly.

Purpose: This line item was created in the FY 1998-1999 biennium "to enhance Ohio's competitive position in federal R&D competitions, and to provide targeted funding for high priority technology initiatives." Originally, the Governor's Science and Technology Council established guidelines for the allocation of funds, and the Governor's Science Advisor managed the account. Beginning in the FY 2000-2001 biennium, a fourteen-member Technology Action Board, chaired by the Governor's Science and Technology Advisor, will promulgate rules, develop guidelines and oversee program activities.

This line item also supports designated technology projects, including a strategic competitive study and a science and technology campus.

GRF 195-423 Miami Valley Center for Information Technology

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$350,000	$630,500	$0	$0	**$0**	**$0**
	80.1%	-100.0%	N/A	**N/A**	**N/A**

Source: GRF

Legal Basis: Am. Sub. H.B. 215 of the 122nd General Assembly.

Purpose: As a one-time initiative during the FY 1998-1999 biennium, these funds assisted MVCIT's efforts in supporting collaborative information technology research, education and training, and the expansion of information-based industries in the Dayton-Springfield region.

GRF 195-428 Project 100

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$1,000,000	$2,000,000	**$0**	**$0**
	N/A	N/A	100.0%	**-100.0%**	**N/A**

Source: GRF

Legal Basis: Am. Sub. H.B. 283 of the 123rd General Assembly.

Purpose: This one-time initiative provided matching funds for a federal initiative aimed at promoting the development and application of composites and composite processing technologies for use in infrastructure development. The National Composite Center worked with Wright-Patterson Materials Laboratory to further develop standards for bridge sections made of polymer composite materials.

GRF 195-429 Y2K Compliance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$10,000,000	$0	**$0**	**$0**
	N/A	N/A	-100.0%	**N/A**	**N/A**

Source: GRF

Legal Basis: Am. Sub. H.B. 283 of the 123rd General Assembly.

Purpose: As a one-time initiative for the FY 2000-2001 biennium, these moneys served as seed funding for loans to local governments in need of assistance with computer system adaptations for the accurate reading of century dates or Y2K compliance. These funds were transferred to Development item 195-658, Local Government Y2K Loan Program, in the General Services Fund Group, by the Director of Budget and Management.

GRF 195-431 Community Development Corporation Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,296,664	$2,564,163	$2,693,404	$2,582,510	**$2,582,510**	**$2,582,510**
	11.6%	5.0%	-4.1%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 238 of the 116th General Assembly.

Purpose: This line item provides competitively awarded grants to community-based nonprofit corporations. Grants are awarded for local development activities that benefit low- and moderate-income neighborhoods. The grant made to each community can not exceed local contributions to a project. Since FY 1990, this line item also includes funding for the Community Development Finance Fund (CDFF). The CDFF helps local, nonprofit organizations create affordable housing by matching local funds with state funds. The funds then leverage below market-rate loans from Ohio banks that finance local housing projects.

GRF 195-432 International Trade

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$5,147,872	$4,632,564	$5,562,215	$5,416,621	**$5,500,000**	**$5,665,000**
	-10.0%	20.1%	-2.6%	**1.5%**	**3.0%**

Source: GRF

Legal Basis: ORC 122.04(e) and 122.05 (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: These moneys support the division's out-of-state trade offices located in Brussels, Hong Kong, Johannesburg, Mexico City, Tel Aviv, Tokyo, and Toronto, as well as activities conducted by the Columbus office. Programs emphasize the promotion of Ohio products around the world. This item also provides subsidy funds to the Ohio Export Assistance Network (OEAN), and partial funding for trade presences in Brazil, Argentina and Chile.

GRF 195-434 Investment in Training Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$5,457,958	$8,443,192	$11,250,636	$20,000,000	**$20,000,000**	**$20,000,000**
	54.7%	33.3%	77.8%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: ORC 122.01 (originally established in Development by Am. Sub. H.B. 238 of the 116th G.A., and prior to that in Department of Education item 200-514, Post Secondary Vocational Education)

Purpose: In an effort to expand operations, or retain or create jobs, funds in this line item provide for technical and financial assistance for employee training programs at new or existing companies. Historically, these moneys have supported the Ohio Steel Futures program, Job Training for areas with high unemployment, and customized training assistance for construction workers and for the ASSET program. In FY 1993, funding reductions were offset by a one-time transfer of funds from the Bureau of Employment Services Unemployment Compensation Special Administrative Fund. During the 1993-1995 biennium, this funding also supported the Advanced Scientific and Specialized Employee Training (ASSET) program. The program has been expanded from stricly industrial training to include manufacturing, distribution, information technology, national business services and headquarters operations.

During the 2002-2003 biennium, the Industrial Training Grants Program name was changed to the Investment in Training Grants to better reflect the adjusted scope of the program.

GRF 195-436 Labor/Management Cooperation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,229,138	$1,177,861	$1,015,382	$1,164,000	**$1,170,209**	**$1,176,278**
	-4.2%	-13.8%	14.6%	**0.5%**	**0.5%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 238 of the 116th General Assembly.

Purpose: This line item supports a network of fourteen area labor-management councils and five university based labor-management centers which supply information on cooperative processes and provide specific training activities.

GRF 195-440 Emergency Shelter Housing Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,872,188	$2,872,238	$3,153,029	$2,999,139	**$2,824,809**	**$2,899,430**
	0.0%	9.8%	-4.9%	**-5.8%**	**2.6%**

Source: GRF

Legal Basis: ORC 122.66-122.702 (originally established by Sub. H.B. 515 of the 116th G.A.)

Purpose: This line item is used to make grants to private, nonprofit organizations, with preference given to emergency housing shelters. Am. Sub. H.B. 111 of the 118th General Assembly transferred this line item from the Department of Health to the Department of Development. Grants from this program are awarded on a 50 percent matching basis (often coupled with federal funds), and cannot exceed $120,000. Grant awards can pay for administrative costs, shelter operating costs, and supportive services, as determined by the Department. An in-house review committee evaluates grant applications, determines grant amounts on a formula basis, and makes funding recommendations to the Director of Development.

GRF 195-441 Low and Moderate Income Housing

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$8,000,000	$7,760,000	$7,760,000	$7,760,000	**$20,000,000**	**$20,000,000**
	-3.0%	0.0%	0.0%	**157.7%**	**0.0%**

Source: GRF

Legal Basis: ORC 175.21-175.25 (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item was originally created to provide seed funding for activities of the Low and Moderate Income Housing Trust Fund. These funds are transferred to line item 195-638, Low and Moderate Income Housing Trust Fund, by the Director of the Office of Budget and Management.

GRF 195-497 CDBG Operating Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,176,225	$1,144,866	$1,150,490	$1,176,608	**$1,233,241**	**$1,240,097**
	-2.7%	0.5%	2.3%	**4.8%**	**0.6%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 694 of the 114th General Assembly.

Purpose: These moneys are used to match federal funds received in line item 195-613, Community Development Block Grants.

GRF 195-498 State Match Energy

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$99,204	$146,166	$138,904	$151,299	**$156,692**	**$161,784**
	47.3%	-5.0%	8.9%	**3.6%**	**3.2%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 694 of the 114th General Assembly.

Purpose: These moneys are used to match federal funds received in line item 195-618, Energy Federal Grants.

GRF 195-501 Appalachian Local Development Districts

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$413,932	$443,499	$450,597	$463,227	**$463,227**	**$463,227**
	7.1%	1.6%	2.8%	**0.0%**	**0.0%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 171 of the 117th General Assembly.

Purpose: This line item provides funding to three regional organizations (Buckeye Hills in Marietta, Ohio Mideast Governments Association (OMEGA) in Cambridge and Ohio Valley Regional Development District (OVRDC) in Portsmouth) to aid in the development of Appalachia Ohio. Moneys are used by these organizations to provide technical assistance to local governments, to serve as regional clearinghouse for information and to assist in planning functions.

GRF 195-502 Appalachian Regional Commission Dues

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$160,000	$160,000	$190,000	$194,400	**$224,400**	**$224,400**
	0.0%	18.8%	2.3%	**15.4%**	**0.0%**

Source: GRF

Legal Basis: originally established by Controlling Board on November 18, 1965

Purpose: These moneys provide the cash match for Ohio's participation in the programs of the Appalachian Regional Commission (ARC). These programs benefit Ohio's 29 designated Appalachian counties in such areas as public facilities, highways and access roads construction, health facilities operation, and childcare. Member states receive a share of the annual administrative budget for the Appalachian Regional Commission and the Office of the States' Washington representative. Each member state's share of the budget is in the same proportion as the ARC funds it received during the previous two years for highway, access road and area development.

GRF 195-503 Biomedical Research Expansion Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$6,000,000**	**$6,000,000**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: GRF

Legal Basis: H.B. 95 of the 124th General Assembly.

Purpose: This program provides grants to The Ohio State University, the University of Cincinnati and Case Western Reserve University for facilities and infrastructure improvements benefiting biomedical research activities.

GRF 195-505 UTILITY BILL CREDITS

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$7,500,000	**$7,500,000**	**$7,500,000**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: GRF

Legal Basis: S.B. 245 of the 123rd General Assembly; originally established by H.B. 657 of the 113th General Assembly.

Purpose: This program provides winter heating assistance to low-income elderly and disabled individuals. The program was originally administered by the Auditor of State, but Controlling Board action transferred responsibility to the Ohio Department of Taxation in FY 1986. That Department continued to adminster the program until FY 2002.

GRF 195-507 Travel and Tourism Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,669,079	$1,214,285	$1,841,950	$1,640,000	**$1,300,000**	**$1,300,000**
	-27.2%	51.7%	-11.0%	**-20.7%**	**0.0%**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 117 of the 121st General Assembly.

Purpose: Moneys in this line item assist local and regional organizations with their tourism marketing and promotion efforts. As with past state tourism grants (previously through item 195-407, Travel and Tourism), state funds are matched with local funds at a minimum ratio of one to one. Grants are selected on a competitive basis reflecting need and local support.

During the FY 2000-2001 biennium, temporary language earmarked nearly all of these funds for specific projects, including $200,000 in each year for Ohio's outdoor dramas and $1,000,000 in each fiscal year for the International Center for the Preservation of Wild Animals.

GRF 195-511 Ohio Minority Developemnt Financing Commission

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,280,000	$0	$0	$0	**$0**	**$0**
	-100.0%	N/A	N/A	**N/A**	**N/A**

Source: GRF

Legal Basis: ORC 122.82 (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

Purpose: This line item previously supported the Minority Development Financing Commission Loan Program, the Mini Loan Guarantee program, and the Surety Bond Program for Minority Contractors. The Minority Development loan program provided low interest loans to qualifying minority-owned businesses in accordance with Section 122.82 of the Revised Code.

In FY 1996, functions of the Minority Development Financing Commission were assumed by the Minority Development Financing Advisory Board and funding for program activity was transferred to item 195-646, Minority Business Enterprise Loan Fund.

GRF 195-513 Empowerment Zones/Enterprise Communities

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$333,052	$853,949	$100,000	$0	**$0**	**$0**
	156.4%	-88.3%	-100.0%	**N/A**	**N/A**

Source: GRF

Legal Basis: originally established by Am. Sub. H.B. 117 of the 121st General Assembly.

Purpose: This line item provided the state matching funds necessary to receive federal Urban Supplemental Empowerment Zone or Urban Enterprise Community funds, as designated by the U.S. Department of Housing and Urban Development. In FY 1996, state matching moneys of $4,000,000 were used to leverage $99 million in federal funds as a one-time grant. Four Ohio communities - Akron, Cleveland, Columbus, and Portsmouth - were selected from over 500 applications nationwide to receive this one-time federal assistance, aimed at reversing the adverse effects of severely distressed, impoverished communities.

Federal funds were not recommended for this program.

GRF 195-906 Coal Research/Development General Obligation Debt Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$8,971,700**	**$9,420,300**
	N/A	N/A	N/A	**N/A**	**5.0%**

Source: GRF

Legal Basis: Section 15 of Article VIII of the Ohio Constitution, approved by voters on November 5, 1985

Purpose: This line item pays debt service on bonds issued to provide moneys for financial assistance for research and development of coal technology that will encourage the use of Ohio coal. Not more than $100 million in bonds may be outstanding in any single calendar year. Prior to FY 2002 this item was paid from the budget of the Commissioners of the Sinking Fund.

General Services Fund Group

135 195-605 Supportive Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$6,104,738	$6,313,651	$7,403,781	$8,729,120	**$9,038,988**	**$9,531,707**
	3.4%	17.3%	17.9%	**3.5%**	**5.5%**

Source: GSF: indirect cost charges to various other DEV line items

Legal Basis: originally established by Controlling Board on September 30, 1971

Purpose: This line item pays for 1) internal services provided by the offices of Finance, Budget, Legal, Management Information Systems, Office Services, Human Resources, Audit and part of the Director's Office; 2) purchased services for business marketing and workshops; and 3) discretionary subsidies.

136 195-621 International Trade

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$42,827	$30,978	$1,778	$0	**$100,000**	**$24,915**
	-27.7%	-94.3%	-100.0%	**N/A**	**-75.1%**

Source: GSF: From 1984 to 1990, Special Administrative Fund moneys from the Bureau of Employment Services. Prior to FY 1984, these funds were deposited in item 195-605, Supportive Services. From 1998 to the present, these funds are received from the Ohio State University.

Legal Basis: originally established by Am. Sub. H.B. 291 of the 115th General Assembly.

Purpose: This line item has funded activities of the Division of International Trade, including operations of foreign trade offices.

Beginning in FY 1998, this account partially supports the operations of the South African trade office in Johannesburg.

442 195-606 Merchandise for Resale

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,167	$0	$0	$0	**$0**	**$0**
	-100.0%	N/A	N/A	**N/A**	**N/A**

Source: GSF: proceeds from the sale of the department's merchandise, such as manuals, state flags, seals and lapel pins

Legal Basis: originally established by Controlling Board action on November 21, 1972

Purpose: Moneys are used to purchase new and replacement equipment.

5F7 195-658 Local Government Y2K Loan Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$1,570,835	$0	**$0**	**$0**
	N/A	N/A	-100.0%	**N/A**	**N/A**

Source: GSF: a transfer from General Revenue Fund item 195-429, Y2K Compliance

Legal Basis: Am. Sub. H.B. 283 of the 123rd General Assembly.

Purpose: As a one-time initiative for the FY 2000-2001 biennium, these moneys will provide loans to counties, municipal corporations and townships to assist with computer system and technical adaptations needed for the accurate reading of century dates. A loan agreement through this program would carry a zero percent interest rate for a period of up to two years. All loan agreements are required to be executed before July 1, 2000; after that date, any remaining funds will be transferred to the General Revenue Fund per Section 37.17 of the act.

685 195-636 General Reimbursements

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,285,340	$732,810	$949,668	$1,222,233	**$1,275,234**	**$1,323,021**
	-43.0%	29.6%	28.7%	**4.3%**	**3.7%**

Source: GSF: 1) various Department of Development line items, 2) interagency payments to support activities in the Washington Office, and 3) payments from utility companies facilitated by the Public Utilities Commission of Ohio.

Legal Basis: originally established by Am. Sub. H.B. 111 of the 118th General Assembly.

Purpose: This line item provides for reimbursement of staff salaries, conference fees, pool car charges, travel and tourism promotion, graphics and print shop charges and other expenses.

Since FY 1994, this account has paid for all expenditures of the Washington Office. Beginning in FY 1996, this line item has paid for the marketing of economic development opportunity campaigns resulting from agreements facilitated by the Public Utilities Commission of Ohio.

Federal Special Revenue Fund Group

308 195-602 Appalachian Regional Commission

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$306,505	$211,222	$121,289	$350,000	**$350,000**	**$350,200**
	-31.1%	-42.6%	188.6%	**0.0%**	**0.1%**

Source: FED: CDFA 23.011, Appalachian State Research, Technical Assistance, and Demonstration Projects

Legal Basis: originally established by Controlling Board on November 18, 1965

Purpose: Moneys pay for operating expenses of the Ohio Office of Appalachia and also for training and technical assistance activities. Required matching funds (1:1) come from 195-416, Governor's Office Appalachia.

308 195-603 Housing and Urban Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$18,371,395	$11,980,814	$21,055,780	$34,895,700	**$5,000,000**	**$5,000,000**
	-34.8%	75.7%	65.7%	**-85.7%**	**0.0%**

Source: FED: CFDA 14.241, Housing Opportunities for Persons with AIDS; CFDA 14.231, Emergency Shelter Grant Program

Legal Basis: originally established by Controlling Board on October 24, 1968

Purpose: Funds in this line item provide community development services according to federal guidelines contained in each grant. The Housing for People with AIDS (HOPWA) program provides formula and project grants for the creation of rental housing, supportive services, housing finance counseling, and other services for persons with Acquired Immune Deficiency Syndrome (AIDS). The McKinney Emergency Shelter Grants (ESG) program provides formula grants to local governments and non-profit organizations that create or rehabilitate housing for the homeless and provide supportive services for the homeless. Prior to FY 2002, the HOME Investment Partnerships (HOME) program was also funded through this item. Effective FY 2002, the HOME program is funded in Fund 3V1, ALI 195-601, HOME Program.

308 195-605 Federal Projects

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$6,593,759	$6,820,238	$8,258,893	$7,855,501	**$7,855,501**	**$7,855,501**
	3.4%	21.1%	-4.9%	**0.0%**	**0.0%**

Source: FED: CDFA No. 81.042, Weatherization Assistance for Low-Income Persons

Legal Basis: originally established by Controlling Board on September 30, 1977

Purpose: Home Weatherization Assistance funds are used for weatherization of low-income households throughout the state.

308 195-609 Small Business Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$4,317,346	$3,080,257	$2,910,691	$4,001,900	**$3,799,626**	**$3,799,626**
	-28.7%	-5.5%	37.5%	**-5.1%**	**0.0%**

Source: FED: CDFA 59.037, Small Business Development Center (SBDC); Child Day Care Grant Program

Legal Basis: originally established by Am. Sub. H.B. 298 of the 119th General Assembly.

Purpose: The SBDC grant requires equal matching funds or in-kind services from both state and local sources ($1 Federal: $1 State: $1 Local). The Child Day Care Grant program is operated in partnership with the Ohio Department of Human Services, which passes federal block grant funds to Development for disbursement.

308 195-616 Technology Programs

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$140,322	$81,373	$0	$0	**$0**	**$0**
	-42.0%	-100.0%	N/A	**N/A**	**N/A**

Source: FED: one-time federal grants in the areas of Pollution Prevention Control, Defense Conversion Assistance, and Environmental Technology Initiatives.

Legal Basis: originally established by Am. Sub. H.B. 117 of the 121st General Assembly.

Purpose: Funds in this line item support research and technical assistance for these new initiatives.

308 195-618 Energy Federal Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,541,002	$2,019,290	$2,209,115	$2,803,560	**$2,803,560**	**$2,803,560**
	31.0%	9.4%	26.9%	**0.0%**	**0.0%**

Source: FED: CDFA No. 81.041, State Energy Conservation; CFDA 81.105, Energy Conservation for Institutional Buildings; National Industrial Competitiveness (NICE 3) grant

Legal Basis: originally established by Am. Sub. H.B. 100 of the 115th General Assembly.

Purpose: Moneys in this line item fund various energy projects including energy conservation programs.

308 195-642 International Trade Promotion

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$25,131	$6,500	$0	$0	**$0**	**$0**
	-74.1%	-100.0%	N/A	**N/A**	**N/A**

Source: FED: CFDA 59.037, Small Business Development Center (SBDC)

Legal Basis: originally established by Am. Sub. H.B. 152 of the 120th General Assembly.

Purpose: This line item received limited funding from the U.S. Small Business Administration to develop a model export initiative to focus on export finance, foreign trade show subsidies and technical assistance for Ohio businesses.

335 195-610 Oil Overcharge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$5,238,447	$5,774,983	$6,423,482	$8,500,000	**$8,500,000**	**$8,500,000**
	10.2%	11.2%	32.3%	**0.0%**	**0.0%**

Source: FED: CFDA 99.999, Oil Overcharge, which is from out-of-court legal settlements between the federal government and major oil companies, resulting from allegations claiming that oil companies overcharged consumers during the 1970's through a disregard of federal pricing policies

Legal Basis: originally established by Controlling Board action on November 17, 1983

Purpose: Funds are distributed to the states by the federal government according to formulas based on each oil company's share of the market in each state. Funds are earmarked for energy conservation programs found in items 195-605, Federal Projects, 195-611, Home Energy Assistance Program, and 195-618, Energy Grants. Each time a state wishes to receive these funds, it must submit plans which demonstrate that the proposed conservation programs:

1. Benefit the class of consumers injured by the oil company's overcharges, and

2. Expand conservation efforts, not supplant existing funds ear-marked for conservation.

The courts also require that interest earned on these funds be used to support the same programs that are eligible to receive the funds.

380 195-622 Housing Development Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,560,119	$3,010,855	$4,087,992	$6,370,556	**$4,507,212**	**$4,696,198**
	17.6%	35.8%	55.8%	**-29.2%**	**4.2%**

Source: FED: CFDA 14.156, Section 8 HAP Administration. This line item receives an administrative fee equal to 3 percent of the average fair market rent for a two-bedroom unit.

Legal Basis: originally established by Am. Sub. H.B. 291 of the 115th G.A. (previously, the line item was established by ORC 128.03)

Purpose: The Ohio Housing Finance Agency receives fees as payment for administering the federal Housing Assistance Program for 119 housing projects. Fair market rents are determined by the U.S. Department of Housing and Urban Development (HUD).

3K8 195-613 Community Development Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$52,731,546	$54,372,017	$63,913,759	$65,000,000	**$65,149,441**	**$65,088,961**
	3.1%	17.5%	1.7%	**0.2%**	**-0.1%**

Source: FED: CFDA 14.228, Community Development Block Grant

Legal Basis: The grant provides funds to community action programs and state economic opportunity offices to help low-income persons achieve self-sufficiency. Federal guidelines limit administration costs to 5 percent of the total grant amount. The remaining 95 percent is passed on to providers according to a formula specified in the current CSBG State Plan.

Purpose: The moneys provide community development block grants for small cities and related programs. The CDBG program requires a 50:50 state match (item 195-497, State Match - CDBG) for all administrative costs.

3K9 195-611 Home Energy Assistance Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$48,842,498	$45,682,096	$57,520,858	$55,000,000	**$62,000,000**	**$62,000,000**
	-6.5%	25.9%	-4.4%	**12.7%**	**0.0%**

Source: FED: CFDA 93.568, Low-Income Energy Assistance (established by the "Low-Income Energy Assistance Act of 1981," 95 Stat. 893, 42 U.S.C.A. 862)

Legal Basis: originally established by Am. H.B. 1266 of the 113th G.A. (fund 3K9 established by H.B. 152 of the 120th G.A.)

Purpose: Funds are used to assist low-income households in meeting energy costs. The block grant allows up to 10 percent of the total grant amount to pay for administrative expenses. Temporary language also dedicates 15 percent of the grant to item 195-614, HEAP Weatherization.

3K9 195-614 HEAP Weatherization

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$7,575,938	$7,302,374	$7,988,610	$10,412,041	**$10,412,041**	**$10,412,041**
	-3.6%	9.4%	30.3%	**0.0%**	**0.0%**

Source: FED: CFDA 93.568, Low-Income Home Energy Assistance (fifteen percent set-aside for weatherization)

Legal Basis: originally established by Am. H.B. 1266 of the 113th G.A. (fund 3K9 established by H.B. 152 of the 120th G.A.)

Purpose: Moneys in this line item fund home weatherization projects for low-income households throughout the state.

3L0 195-612 Community Services Block Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$19,002,975	$20,801,387	$19,805,175	$20,090,000	**$22,135,000**	**$22,135,000**
	9.5%	-4.8%	1.4%	**10.2%**	**0.0%**

Source: FED: CFDA 93.569, Community Services Block Grant; CFDA 93.571, CSBG/Community Food & Nutrition

Legal Basis: originally established by Controlling Board in October 26, 1981 (fund 3L0 established by H.B. 152 of the 120th G.A.)

Purpose: The grant provides funds to community action programs and state economic opportunity offices to help low-income persons achieve self-sufficiency. Federal guidelines limit administration costs to 5 percent of the total grant amount. The remaining 95 percent is passed on to providers according to a formula specified in the current CSBG State Plan.

3V1 195-601 HOME Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$40,000,000**	**$40,000,000**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: FED: CFDA 14.239, HOME Investment Partnerships Program

Legal Basis: H.B. 95 of the 124th General Assembly.

Purpose: This fund provides grants for housing rehabilitation, tenant-based rental assistance, assistance to homebuyers, acquisition of housing, and new construction of housing. Funding may also be used for the development of non-luxury housing and for site acquisition, site improvements, demolition, and relocation. Up to ten percent of grant may be used for administrative costs. For rental housing, at least 90% must benefit families with incomes at or below 60% of the area median income and the other 10% must benefit families earning less than 80% of the area median income. For owner-occupied housing, families earning less than 80% of the area median income are eligible for assistance. A match of 25% is required. Until FY 2002 this program was funded through Fund 308, ALI 195-603, Housing and Urban Development.

State Special Revenue Fund Group

444 195-607 Water and Sewer Commission Loans

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$168,541	$1,180,616	$446,668	$500,000	**$511,000**	**$523,775**
	600.5%	-62.2%	11.9%	**2.2%**	**2.5%**

Source: SSR: seed moneys from the G.A. and loan repayments from local governments

Legal Basis: ORC 1525.11 (originally established by Am. Sub. H.B. 946 of the 106th G.A)

Purpose: Moneys in the line item are used to make loans in the form of advances to boards of county commissioners. These loans are used to meet that part of the cost of extending water and sewer lines which is financed by deferred sewer and water tax assessments provided for agricultural land.

At any point during the 20-year loan period, repayment was required if the land became nonagricultural; after the 20-year period, repayment was due even if the land remained agricultural. Am. Sub. S.B. 78, effective June 29, 1982, altered this program to exempt agricultural land from the collection of sewer and water assessments. This act requires repayment only if the exempted land later becomes nonagricultural.

445 195-617 Housing Finance Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,881,474	$3,619,254	$4,015,392	$4,110,022	**$3,782,808**	**$3,968,184**
	25.6%	10.9%	2.4%	**-8.0%**	**4.9%**

Source: SSR: agency-generated revenues (received a GRF appropriation in FY 1983)

Legal Basis: originally established by Am. Sub. H.B. 1 of the 115th General Assembly.

Purpose: Moneys in this line item are used to support the administration of the following 6 programs: 1) First-time Homebuyer, 2) Down payment Assistance, 3) Mortgage Credit Certificate, 4) Housing Tax Credit, 5) Affordable Housing Loan and 6) Multifamily Housing Loan.

450 195-624 Minority Business Bonding Program Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$25,381	$0	$0	$12,947	**$13,232**	**$13,563**
	-100.0%	N/A	N/A	**2.2%**	**2.5%**

Source: SSR: premiums charged and collected by the Minority Development Financing Advisory Board (MDFAB); interest income earned from the moneys held in trust for the Minority Business Bonding Fund

Legal Basis: ORC 122.88(C)

Purpose: Administrative expenses of the minority business bonding program are paid from this line item. Any moneys in this line item which exceed the amount needed to fund the appropriation authority are held as a loss reserve to pay claims arising from defaults on surety bonds underwritten in accordance with ORC 122.89.

451 195-625 Economic Development Financing Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$1,441,614	$1,596,560	$1,345,403	$1,970,014	**$2,062,451**	**$2,143,918**
	10.7%	-15.7%	46.4%	**4.7%**	**4.0%**

Source: SSR: loan and loan guarantee application fees, processing fees and loan servicing fees

Legal Basis: originally established by Am. Sub. S.B. 227 of the 115th General Assembly.

Purpose: Funds in this line item are used to develop and monitor financial assistance programs to aid the expansion of Ohio business, manufacturing, and research enterprises. Fund 037 reimburses this fund for actual expenditures, with Controlling Board approval. In FY 2000-2001, reduced appropriations reflect the shift of administrative funds from this account to line item 195-654, Volume Cap Administration.

4F2 195-639 State Special Projects

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$837,855	$805,700	$297,589	$1,530,100	**$1,052,762**	**$1,079,082**
	-3.8%	-63.1%	414.2%	**-31.2%**	**2.5%**

Source: SSR: 1) vendor fees from utility companies, 2) payments from utility companies facilitated by the Public Utilities Commission of Ohio, and 3) funds from the Department of Human Services

Legal Basis: originally established by Controlling Board action on June 29, 1992

Purpose: This line item is used as a general account for the deposit of private sector funds from utility companies and other miscellaneous state funds. Private sector moneys pay for expenses incurred by the Home Energy Assistance Program (HEAP), which verifies income eligibility criteria for clients who also participate in their utilities Percent of Income Payment Plan. The line also pays for the administration of the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program. Finally, the line pays for the marketing of economic development opportunities via certain agreements facilitated by the Public Utilities Commission of Ohio.

4F4 195-640 Employment Service Training

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$32,926	$17,849	$0	$0	**$0**	**$0**
	-45.8%	-100.0%	N/A	**N/A**	**N/A**

Source: SSR: one-time transfer of funds from Fund 4A9, Unemployment Compensation Special Administrative Fund in the Bureau of Employment Services

Legal Basis: originally established by Controlling Board on October 30, 1992

Purpose: The Employment Service Training Program provides training opportunities for businesses to promote employment through industry growth, reemployment through job creation and training, and to prevent unemployment through job retention.

4H4 195-641 First Frontier

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$239,241	$531,683	$492,219	$500,000	**$600,000**	**$650,000**
	122.2%	-7.4%	1.6%	**20.0%**	**8.3%**

Source: SSR: funds from local governments or local economic development organizations to participate in First Frontier marketing initiatives

Legal Basis: originally established by Controlling Board on August 3, 1992

Purpose: The First Frontier program supports partnerships that develop and execute marketing programs for economic development purposes. The program pays for national and international advertising and promotional activities pertaining to local economic development opportunities, which benefit both the region and the state. Originally available only in Ohio's Appalachian counties, the program was funded through item 195-641, First Frontier, and item 195-605, Supportive Services.

During the 1993-1995 biennium, this program was expanded to include communities in counties with a population under 175,000 residents. Funds received by this line item are to be matched on a 1:1 basis with funds from item 195-414, First Frontier.

4S0 195-630 Enterprise Zone Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$232,759	$249,575	$227,064	$323,355	**$211,900**	**$211,900**
	7.2%	-9.0%	42.4%	**-34.5%**	**0.0%**

Source: SSR: application fees and penalties collected as required by the Ohio Enterprise Zone and Community Reinvestment Area Programs

Legal Basis: originally established by Controlling Board action on September 26, 1994 (originally established by Am. Sub. S.B. 19 of the 120th G.A. which created the Community Reinvestment Area (CRA) Program Administration Fund and the Enterprise Zone Program Administration Fund)

Purpose: Funds are used to pay the administrative costs of these programs, through the Office of Tax Exemption Incentives, in accordance with ORC 5709.68 (C) and ORC 3735.672 (C).

4S1 195-634 Job Creation Tax Credit Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$204,064	$234,896	$244,265	$258,423	**$372,700**	**$375,800**
	15.1%	4.0%	5.8%	**44.2%**	**0.8%**

Source: SSR: application and servicing fees from recipients of tax credits through the Ohio Job Creation Tax Credit Program

Legal Basis: originally established by Controlling Board on July 27, 1994 (originally established by Sub. S.B. 363 of the 119th G.A. the Ohio Job Creation Tax Credit Program)

Purpose: Moneys in this account pay the administrative costs of operating the Tax Credit Program, including professional and technical staff necessary to carry out program provisions. The program allows qualifying companies that promise to create at least 25 full-time jobs, to receive a credit against their state corporate income or franchise tax.

4W1 195-646 Minority Business Enterprise Loan

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$241,585	$540,813	$714,458	$2,472,953	**$2,572,960**	**$2,580,597**
	123.9%	32.1%	246.1%	**4.0%**	**0.3%**

Source: SSR: Facilities Establishment Fund

Legal Basis: originally established by Am Sub H.B. 117 of the 121st General Assembly.

Purpose: Provides funding for loans processed by the Minority Development Financing Advisory Board, (formerly the Minority Development Financing Commission-MDFC). Prior to the 1995-1997 biennium, this program was funded through GRF line item 195-511, Ohio Minority Development Financing Commission.

586 195-653 Scrap Tire Loans and Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$3,468,077	$1,000,000	**$0**	**$0**
	N/A	N/A	-71.2%	**-100.0%**	**N/A**

Source: SSR: funds transferred from the Ohio Environmental Protection Agency

Legal Basis: established as a new line item in Am. Sub. H.B. 283 of the 123rd G. A. The Scrap Tire Loan and Grant Program was established by Am. Sub. S.B. 165 of the 120th G.A.

Purpose: The Scrap Tire Loan and Grant program provides funding for public and private projects that recover or recycle energy from scrap tires. Prior to FY 2000, these funds were part of line item 195-615, Facilities Establishment.

This program is being transferred to the Department of Natural Resources in FY 2002.

5M4 195-659 Universal Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$145,841,116	**$160,000,000**	**$160,000,000**
	N/A	N/A	N/A	**9.7%**	**0.0%**

Source: SSR: revenues from the surcharge on retail electric service; customer payments under the PIPP; revenues remitted from municipal electric utilities and rural cooperatives

Legal Basis: Originally established by Controlling Board action on September 25, 2000

Purpose: Provides funding for low-income customer assistance and consumer education programs.

5M5 195-660 Energy Efficiency Revolving Loan

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$0	$0	**$12,000,000**	**$12,000,000**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: SSR: surcharges on retail electric distribution rates, based on the aggregate revenue target for a given year divided by the number of customers of electric distribution utilities; revenues from loan repayments; revenues remitted by municipal electric companies and rural electric cooperatives

Legal Basis: Sub. S.B. 3 of the 123rd General Assembly.

Purpose: Supports investments in products, technologies, or services for residential, small business, local government, non-profit, agricultural, or other such entities to improve energy efficiency.

611 195-631 Water and Sewer Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$645	$1,059	$245	$15,000	**$15,330**	**$15,713**
	64.2%	-76.9%	6022.4%	**2.2%**	**2.5%**

Source: SSR: two percent of all loans made from line item 195-607, Water and Sewer

Legal Basis: originally established by Am. S.B. 363 of the 116th General Assembly.

Purpose: Moneys pay for administrative costs of the Water and Sewer Loan program.

617 195-654 Volume Cap Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$91,337	$196,640	**$200,000**	**$200,000**
	N/A	N/A	115.3%	**1.7%**	**0.0%**

Source: SSR: applicaton fees and deposits for program participation

Legal Basis: Established as a new line item in Am. Sub. H.B. 283 of the 123rd General Assembly.

Purpose: Funds will be used to pay for program operations. Before FY 2000, this program was funded from line item 195-625, Economic Development Financing Operating.

646 195-638 Low and Moderate Income Housing Trust

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$13,871,959	$14,197,851	$20,758,724	$30,097,500	**$21,539,552**	**$22,103,807**
	2.3%	46.2%	45.0%	**-28.4%**	**2.6%**

Source: SSR: GRF appropriation transfers (195-441, Low and Moderate Income Housing), grants, gifts and private contributions; also, one-time transfers from various sources, as designated by the General Assembly; as of FY 2002 GRF appropriations will be available only in 195-441

Legal Basis: originally established by Controlling Board action on June 29, 1992

Purpose: The LMIHTF provides grants and loans for qualifying housing projects serving low and moderate-income persons. Beginning in FY 2000, the release of funds from this account will require Controlling Board approval.

Coal Research/Development Fund

046 195-632 Coal Research & Development Fd

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$4,250,131	$5,068,779	$9,380,000	$12,570,624	**$12,847,178**	**$13,168,357**
	19.3%	85.1%	34.0%	**2.2%**	**2.5%**

Source: 046: coal bond proceeds

Legal Basis: originally established by Am. Sub. H.B. 750 of the 116th General Assembly.

Purpose: The moneys are used to fund programs that seek to find ways to burn Ohio coal in a manner that meets federal clean air standards.

Highway Operating Fund Group

4W0 195-629 Roadwork Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$11,352,742	$14,400,983	$9,466,950	$12,499,900	**$12,699,900**	**$12,699,900**
	26.9%	-34.3%	32.0%	**1.6%**	**0.0%**

Source: HOF: Department of Transportation item 770-706, Resurfacing, Rehabilitation and Restoration (Appropriations are contained in H.B. 73 of the 124th G.A., the transportation budget act.)

Legal Basis: originally established by Am. Sub. H.B. 201 of the 119th General Assembly.

Purpose: Road Work Development moneys are used for road improvements associated with economic development opportunities that retain or attract business for Ohio. The Department of Transportation, under the direction of the Department of Development, provides these funds in accordance with all guidelines and requirements established for item 195-412, Business Development. Moneys in the line item may be spent only after the Controlling Board approves the agency's planned use of funds.

Facilities Establishment Fund

037 195-615 Facilities Establishment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$49,057,974	$36,175,007	$30,338,049	$58,481,100	**$56,701,684**	**$58,119,226**
	-26.3%	-16.1%	92.8%	**-3.0%**	**2.5%**

Source: 037: 1) economic development bond proceeds (backed by liquor profits), 2) loan repayments, 3) investment interest, 4) service fees charged for direct loans or loan guarantees, and 5) escrow fees

Legal Basis: originally established by Sub. S.B. 313 of the 112th General Assembly

Purpose: Commonly known as the "Liquor Profits" line item, this item in the State Treasury provides funds for loans to businesses to help support numerous economic development activities, e.g. land purchase, acquiring or improving existing facilities, constructing new business facilities, machinery and equipment purchase. This account also provides funding for Minority Business Enterprise Loans, the Rural Industrial Park Loan Program, Port Authority Bond Reserves, Urban Redevelopment Loans and the Family Farm Loan Program.

4Z6 195-647 Rural Industrial Park Loan

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$465,720	$435,000	$0	$5,000,000	**$5,000,000**	**$5,000,000**
	-6.6%	-100.0%	N/A	**0.0%**	**0.0%**

Source: 037: 1) economic development bond proceeds (backed by liquor profits), 2) loan repayments, 3) investment interest, 4) service fees, and 5) escrow fees

Legal Basis: established by Am. Sub. H.B. 440 of the 121st General Assembly.

Purpose: This item was created to make loans to eligible applicants as provided for in sections 122.19 to 122.22 of the Revised Code. Loans under the Rural Industrial Park Loan program may be used in an eligible area for land acquisition, infrastructure improvements, or construction, renovation or improvements of existing industrial park buildings. This program is scheduled to sunset on June 30, 2003.

This program is being transferred to the Department of Agriculture during FY 2002.

5D1 195-649 Port Authority Bond Reserves

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$2,000,000	$2,000,000	$0	$2,500,000	**$2,500,000**	**$2,500,000**
	0.0%	-100.0%	N/A	**0.0%**	**0.0%**

Source: 037: 1) economic development bond proceeds (backed by liquor profits), 2) loan repayments, 3) investment interest, 4) service fees, and 5) escrow fees

Legal Basis: Am. Sub. H.B. 215 of the 122nd General Assembly.

Purpose: Created in FY 1998, this account is used to assist any port authority in establishing or supplementing bond reserve funds for any bond issuance permitted under Chapter 4582 of the Revised Code. The Director of Development shall develop program guidelines for the transfer and release of funds. No port authority shall receive more than $2 million. The transfer and release of funds are subject to Controlling Board approval.

5D2 195-650 Urban Redevelopment Loans

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$0	$202,000	$10,000,000	**$10,000,000**	**$10,475,000**
	N/A	N/A	4850.5%	**0.0%**	**4.8%**

Source: 037: 1) economic development bond proceeds (backed by liquor profits), 2) loan repayments, 3) investment interest, 4) service fees, and 5) escrow fees

Legal Basis: Am. Sub. H.B. 215 of the 122nd General Assembly.

Purpose: Funding in this item is used to assist in urban core redevelopment. Program guidelines for the transfer and release of funds requires, among other things, the completion of all appropriate environmental assessments before state assistance is committed. The transfer and release of funds are subject to Controlling Board approval.

5H1 195-652 Family Farm Loan Guarantee

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
$0	$492,050	$1,108,699	$2,246,375	**$2,246,375**	**$2,246,375**
	N/A	125.3%	102.6%	**0.0%**	**0.0%**

Source: 037: 1) economic development bond proceeds (backed by liquor profits), 2) loan repayments, 3) investment interest, 4) service fees, and 5) escrow fees

Legal Basis: Am. Sub. H. B. 621 of the 122nd General Assembly

Purpose: Moneys in this line item support the Family Farm Loan and Grant program administered by the Department of Agriculture. Eligible projects may include land acquisition, construction, reconstruction, rehabilitation, renovation or enlarging of agricultural buildings, or machinery and equipment acquisition. This program will sunset on July 1, 2003.

This program is being transferred to the Department of Agriculture during FY 2002.