

Department of Commerce

- Planned GRF transfers in the range of \$100 million in both fiscal years
- Revamped Real Estate licensure process instituted FY 2001
- New Division of Labor and Worker Safety

OVERVIEW

The Department of Commerce is a multi-functional regulatory agency that emphasizes economic development, public safety and customer service. Unlike most departments, Commerce operates with the use of little General Revenue Funds, funding most programs by assessing fees and charges on the industries that it regulates. However, the Department transfers profits and excess cash balances from these programs regularly to the GRF and other state agencies.

Commerce is organized into eight operating divisions and one administrative division. Each division is charged with carrying out specific sections of the Ohio Revised Code. The Division of Administration provides leadership, direction, and support to the seven operating divisions so that they will effectively carry out their individual missions and purposes. The chief of each operating division and administration section reports directly to the Director of Commerce. In addition to the Director, there are two assistant directors and one deputy director of administration.

Each division is organized into specific program, administrative, and support sections and has its own operating funds. For example, the Financial Institutions Division maintains separate funds for each of the banking and financing businesses it regulates. The divisions are:

The Division of Financial Institutions, whose goal is to ensure the overall safety and soundness of the financial institutions under its supervision. The Division regulates credit unions, savings banks, money transmitters, check cashers, check cashing lenders, credit service organizations, insurance premium finance companies, mortgage brokers, mortgage lenders, pawnbrokers, precious metals dealers, and small loan companies.

In the spring of 2000, the General Assembly passed S.B. 231, legislation that made several changes to the Ohio Mortgage Loan Act. Some of the more significant provisions permitted consumer finance companies to charge fees and make financial calculations using the same methods that banks, savings and loans, and mortgage lenders do.

The Division of Industrial Compliance, whose mission is to provide services that safeguard the health, safety, and welfare of Ohio's workers and citizens. The division is organized into three major bureaus: the Bureau of Construction Compliance, the Bureau of Operations & Maintenance, and the Bureau of

Licensing & Certification. The Division also houses a centralized Administration Section, as well as the Board of Building Standards, Board of Building Appeals, Ohio Construction Industry Examining Board, and the Ski Tramway Board.

Recently enacted legislation, H.B. 434, will allow certain specialty contractors regulated by the Ohio Construction Industry Examining Board, to obtain statewide licensure.

The Division of Liquor Control is responsible for controlling the manufacture, distribution and sale of all alcoholic beverages in the state. The division sells spirituous liquor through nearly 400 private contract liquor agencies in the state. The Division also permits the state's approximately 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages.

Over the FY 2002-2003 biennium, the Division will pledge about \$8.3 million of liquor profits against bonds issued to finance part of the Clean Ohio bond initiative passed by voters in November 2000.

The Division of Real Estate and Professional Licensing licenses real estate brokers, salespersons, appraisers, and auctioneers and registers foreign real estate property. It also licenses private investigators and security service providers, registers and investigates complaints involving Ohio cemeteries while supporting the Ohio Cemetery Dispute Resolution Commission. The division is charged with investigating complaints and/or allegations of fraud and misconduct made against these professions.

In the spring of 2000, the General Assembly passed H.B. 524, which imposed a new staggered renewal system on the Division's real estate licensure program and made other substantial changes to that program.

The Division of Securities administers and enforces the Ohio Securities Act, which requires the licensing of those who sell securities, provides for the registration of certain types of securities, and prohibits certain conduct in connection with the sale of securities.

The Division transfers excess cash balances to the GRF, ranging from \$5-\$15 million during the past five fiscal years. However, a major overhaul of the Division's fee structure in the upcoming biennium would make less cash available for transfer in future fiscal years.

The Division of State Fire Marshal is responsible for the protection of the citizens of Ohio from the dangers of fire and explosions and the protection of the environment from releases of petroleum from underground storage tanks. The division's general areas of responsibility include: analyzing fire-related criminal evidence, modernizing and enforcing the Ohio Fire Code, investigating the cause and origin of fires and explosions, regulating underground storage tanks, training firefighters, and providing fire safety education to business, industry, and the public.

The Division of Unclaimed Funds is responsible for the safekeeping and return of monies designated as "unclaimed". Common sources of unclaimed funds include: dormant checking and savings accounts, insurance proceeds, unclaimed wages and employment benefits, uncashed checks and money orders, undelivered stock and dividends, forgotten rent or utility deposits, and intangible contents of safe-deposit boxes.

Unclaimed funds remaining in the Division's custody are used to support economic development and housing programs within the Department of Development and other such uses.

The Division of Administration directs, administers, supports, and coordinates the activities of the seven operating divisions of the department. Within the Division of Administration are the offices of Human Resources, Information Systems and Services, Records Management, Fiscal Operations, Public Information, Quality Services, Legislative Liaison, Legal Council and the Director's Office.

The Division of Labor and Worker Safety is a new division that resulted from the merger of the Department of Human Services (HUM) and the Bureau of Employment Services (BES) at the outset of the FY 2000-2001biennium. The Department of Commerce took on oversight of the Wage and Hour section, Public Employer Risk Reduction Program (PERRP), and other workforce protection programs formerly housed in BES.

The Department is budgeted for 916 full time and 11 part-time permanent employees in addition to the numerous board members funded through its various programs. The executive has recommended FY 2002 appropriations of \$461,139,713, which is an increase of 11.7 percent over 2001 estimated expenditures of \$412,951,000. Recommended FY 2003 appropriations are \$488,602,117, or six percent above the recommended FY 2002 appropriations.

ADDITIONAL FACTS AND FIGURES

Department of Commerce Staffing Levels						
Program Series/Division	Filled Positions				Estimated FTEs	
	1998	1999	2000	2001	2002	2003
Financial Institutions					130	132
Industrial Compliance					262	262
Liquor Control					157	157
Real Estate and Professional Licensing					56	56
Securities					42	42
State Fire Marshal					147	150
Unclaimed Funds					40	40
Labor and Worker safety					64	64
Administration					64	64
Totals	837	837	858	930	962	967

The staffing levels reported from FY 1998-2001 are derived from the POSN roster maintained by the Department of Administrative Services. Figures for FY 2002-2003 shows the number of funded positions that the agency estimates it will maintain over the next biennium. The later data may fluctuate according to the agency's success in filling these positions.

ANALYSIS OF EXECUTIVE PROPOSAL

Financial Institutions

Program Series 1

Purpose The Financial Institutions Division ensures the overall safety and soundness of the financial institutions and companies under its supervision, and ensures that these institutions comply with all applicable laws and regulations.

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
4X2	800-619	Financial Institutions	\$2,020,646	\$2,134,754
544	800-612	Banks	\$6,346,230	\$6,657,997
545	800-613	Savings Institutions	\$2,790,960	\$2,894,399
552	800-604	Credit Union	\$2,368,450	\$2,477,852
553	800-607	Consumer Finance	\$2,305,339	\$2,258,822
Total funding: Financial Institutions			\$15,831,625	\$16,423,824

This analysis focuses on the following sections within the Financial Institutions program series:

- **Banks**
- **Credit Unions**
- **Savings and Loans/Savings Banks**
- **Consumer Finance**

Banks

Program Description: The Banks section regulates state-chartered banks and trust companies. The section does *not* have jurisdiction over federal thrifts or national banks. The program is responsible for approving new bank charters, mergers, branch ventures, and other activities.

Applicants for bank charters must meet minimum capital and other business requirements. They must also receive approval for deposit insurance. Existing institutions wishing to expand operations through mergers, acquisitions or branching must demonstrate their ability to do so.. In addition, any Ohio state banks and state banks headquartered in other states must receive a certificate of authority to conduct a trust business in Ohio from the Superintendent.

The program also determines the safety and soundness of each bank and monitors the institution’s adherence to applicable laws and regulations. Examinations vary in frequency from six months to two years and are dependent upon each institution’s size and/or overall conditions. Examiners, who differ from bank auditors in that they are directly responsible to the agency and not the institution, use a standard rating system (CAMELS) to determine capital adequacy, asset quality, management effectiveness, earnings levels and quality, liquidity, and sensitivity to market risk.

The program derives its authority from Chapter 1125 of the Ohio Revised Code. Established in 1908, it serves all consumers of banking services.

Funding Source: Application, examination, and investigation fees paid by banks, an assessment charged to all banks and money transmitter fees

Line Items: Fund 544 800-612 Banks.

Implication of the Executive Recommendation: Provides core budget levels needed to fulfill duties of the section.

Earmarking: n/a

Permanent and Temporary Law: n/a

Credit Unions

Program Description: The Credit Unions section monitors the financial safety and soundness of Ohio's state-chartered credit unions. The program also examines and co-regulates the private insurer American Share Insurance, formerly the National Deposit Insurance Corporation, which is located in Ohio.

During the FY 2000-2001 biennium, the Credit Unions section handled the implementation of H.B. 510, a bill that reconstituted the Credit Union Council. New rules also clarified application, comment, and appeal guidelines for certain entities that wish to form credit unions.

Funding Source: A semi-annual assessment on the gross assets of credit unions.

Line Items: Fund 552 800-604 Credit Union.

Implication of the Executive Recommendation: Provides core budget levels needed to fulfill duties of the section.

Earmarking: n/a

Permanent and Temporary Law: n/a

Savings Institutions

Program Description: In FY 2000, there were 48 savings and loans and 27 savings banks under the jurisdiction of the Savings Institution section. These institutions invest in real estate-related loans and securities. State chartered savings banks offer an important credit alternative to savings and loans and other banks as they combine the advantages found in both.

The section funds its regulatory duties by levying assessments based upon the total assets of savings banks or savings and loans, which is then divided into the appropriation of the program budget. Until the current biennium, the program was funded by two separate line items. This caused total assessment income to fluctuate because of two factors. Industry growth on the one hand increased the assessment base; on the other hand, consolidation in the savings and loan area reduced the number of institutions regulated. Such fluctuations should not be as pronounced now that a single line item and fund receives this revenue.

Funding Source: Annual assessments based upon total assets of savings banks and savings and loans.

Line Items: Fund 545 800-613 Savings Institutions.

Implication of the Executive Recommendation: Provides core budget levels needed to fulfill duties of the section.

Earmarking: n/a

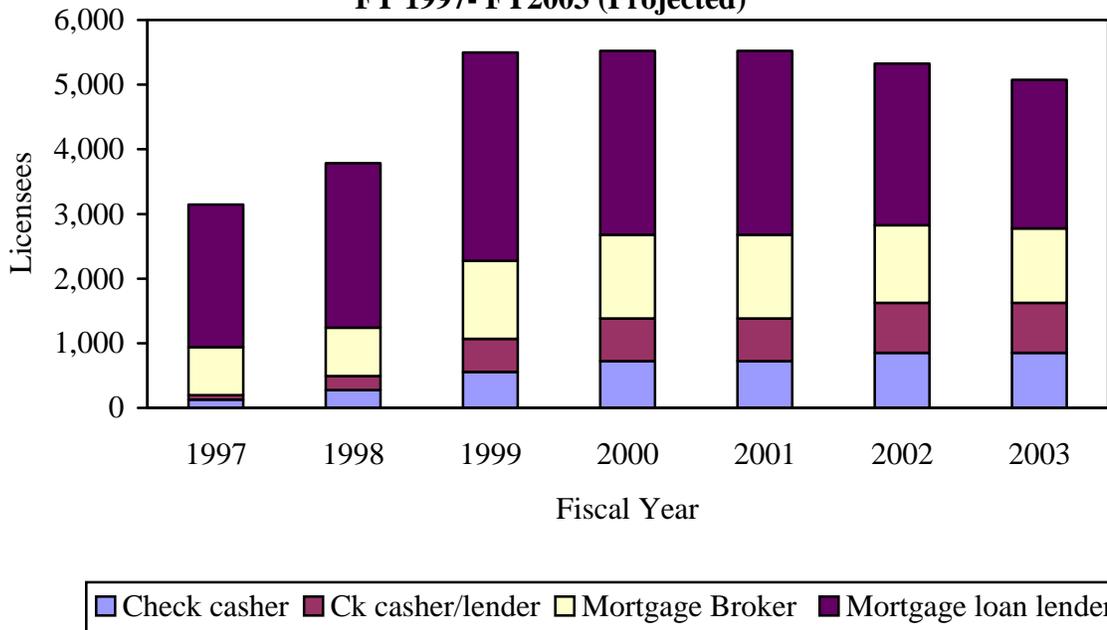
Permanent and Temporary Law: n/a

Consumer Finance

Program Description: The consumer finance section licenses and regulates consumer finance-related companies—so-called “non-depository financial services.” Consumer finance organizations include check cashing services, credit service organizations, insurance premium finance companies, mortgage brokers, pawnbrokers, precious metals dealers, second mortgage businesses, and small loan businesses.

As the chart below illustrates, growth in this sector of the financial services industry has been explosive. This is especially the case in the four areas highlighted: check cashing and lending, mortgage loaning and mortgage brokering. Licensees in these businesses grew from 3,143 in FY 1997 to 5,522 in FY 2000.

**Chart 1. Growth in Selected Consumer Finance Licensees
FY 1997- FY2003 (Projected)**



Funding Source: Investigation and annual license or registration fees charged to consumer loan companies, pawnbrokers, precious metals dealers, check-cashing businesses, mortgage brokers, and credit service organizations. One-half of the fees collected from pawnbrokers and precious metals dealers are returned to the local government in which they reside.

Line Items: Fund 553 800-607 Consumer Finance

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the section; provides supplemental funding to address growth of licensees in the industry and allows three new staff and overhead.

Earmarking: n/a

Permanent and Temporary Law: n/a

Industrial Compliance

Program Series 2

Purpose The Division of Industrial Compliance examines and approves construction plans, performs inspections at industrial facilities, licenses and certifies inspectors, operators, individuals, and equipment.

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
556	800-615	Industrial Compliance	\$22,176,840	\$23,415,776
Total funding: Industrial Compliance			\$22,176,840	\$23,415,776

This analysis of the Industrial Compliance program series focuses on the:

- **Bureau of Construction Compliance**
- **Bureau of Operations and Maintenance**
- **Bureau of Licensing and Certification**
- **Ohio Construction Industry Examining Board**

Bureau of Construction Compliance

Program Description: The Bureau inspects construction plans for commercial buildings to ensure that the structural design, electrical, and plumbing systems meet standards established by the Ohio Basic Building Code. The Bureau is responsible for inspecting buildings, plumbing, electrical wiring, pressure vessels, pressure piping, and industrialized units throughout the state.

The Bureau is seeking funding to phase-in a total plans document management system to image and store architectural and engineering plans on-line. The system will also enable the Bureau to transmit these files between customers and regional offices, as well as examiners contracted with the DIC. FY 2003 funding of \$229,100 is provided for this purpose.

Funding Source: license and permit fees.

Line Items: Fund 556 800-615 Industrial Compliance

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the Bureau; supplemental funding will allow for the implementation of a total plans document management system. Limited funding is also provided for the replacement of cars used in inspections.

Earmarking: n/a

Permanent and Temporary: n/a

Bureau of Operations and Maintenance

Program Description: The Bureau of Operations and Maintenance is responsible for the proper operation and maintenance of “critical systems” and oversees areas such as boiler operations and maintenance, elevators and bedding and upholstered furniture. The Boiler

section enforces rules regarding the construction, installation and operation of boilers and inspects over 60,000 operating boiler rooms each year, verifying safety procedures and operator credentials.

The Elevator section performs inspections of passenger, freight, special-service, tower and handicap elevators as well as escalators, dumbwaiters and belt-type manlifts. According to the division, the elevator inspection program is understaffed, its 31.5 FTEs accomplishing only 40,249 inspections of the 61,000 required. To alleviate this problem the Division sought and received additional funding of \$3.2 million over the FY 2002-2003 biennium to hire and train 23 new inspectors, whom, when fully trained, would bring the elevator inspection force up to 54 FTEs.

Funding Source: license and permit fees.

Line Items: Fund 556 800-615 Industrial Compliance

Implication of the Executive Recommendation: Provides core budget levels plus additional funding for performance of all duties associated with the Bureau.

Earmarking: n/a

Permanent and Temporary Law:

Permanent Law: (ORC section 4105.17)- This change to permanent law gives permissive authority to the Superintendent of the Division of Industrial Compliance to assess an additional fee for the re-inspection of an elevator when a previous attempt to inspect that elevator has been unsuccessful through no fault of a general inspector or the Division. The amount of the re-inspection fee would increase to \$125 and \$5 per floor of the building, up from the current \$30 and \$5 per floor re-inspection fee. It was felt that the current re-inspection fee was not sufficient to encourage property owners to schedule new elevator inspections timely.

Ohio Construction Industry Examining Board

Program Description: This board coordinates tests and issues certificates to persons who have passed state exams for the HVAC, electrical, refrigeration, and hydronics trades. In late 2000, the General Assembly passed H.B. 434 that establishes a new statewide licensure system for these trades, replacing the current “certification process.” The goal of this legislation was to allow a contractor to obtain a single statewide license and to alter the current continuing education requirements, replacing the existing system in which contractors must obtain licenses from each of the local authorities in which they do business. It is believed that this system will increase the OCIEB’s license activity over the upcoming biennium. Testing associated with this program is to be conducted by vendors selected by the Board.

Funding Source: license fees.

Line Items: Fund 556 800-615 Industrial Compliance

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the OCIEB.

Earmarking: n/a

Permanent and Temporary Law: n/a

Liquor Control

Program Series 3

Purpose The mission of the Division of Liquor Control is to provide for the safe sale, consumption and distribution of alcoholic beverages in Ohio.

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
043	800-601	Merchandising	\$322,741,245	\$341,222,192
043	800-627	Liquor Control Operating	\$16,250,400	\$15,801,163
043	800-633	Development Assistance Debt Service	\$16,134,800	\$16,141,100
043	800-636	Revitalization Debt Service	\$1,600,000	\$6,700,000
Total funding: Liquor Control			\$356,726,445	\$379,864,455

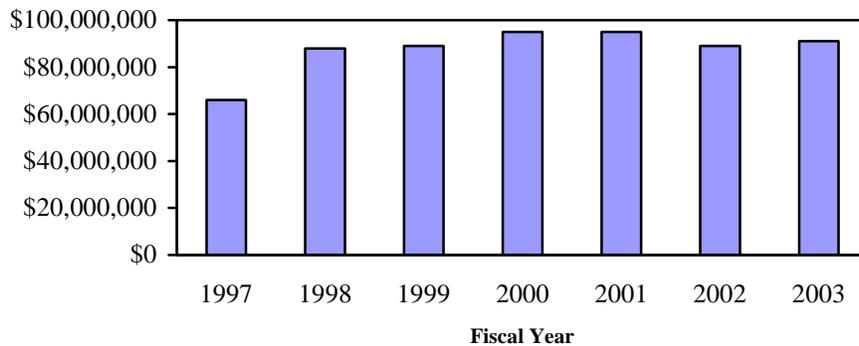
Specific programs within the Liquor Control program series that this analysis will focus on include:

- **Liquor Agency Operations**
- **Licensing**
- **Beer and Wine Compliance**

Liquor Agency Operations

Program Description: The liquor agency operations program regulates the sale of spirituous liquor through private businesses, known as liquor agencies. The Division contracts with these businesses to serve as its sales agents. Agents are paid a commission based on their amount of sales, and the state retains ownership of the inventory. Current commission rates are 6 percent of sales for retail establishments, and four percent of sales for wholesale operations. The Division had sought to increase these commission rates, but the executive recommendations do not include this request. See “Requests Not Funded” section for further detail.

Chart 2. Liquor Transfers to the GRF



Spirituous liquor sales generate a large amount of revenue, which is used by several other state agencies to fund certain programs. The revenues are used to pay for the operating expenses of the Liquor Control Commission, and an alcohol treatment program operated by

the Department of Drug and Alcohol Addiction Services, and the Department of Public Safety's Liquor Enforcement Division. After these expenses are deducted, the Division transfers the profit to 1) General Revenue Fund (about \$95 million in FY 2000); 2) the Economic Development Bond Service Account (\$15-18 million); and 3) the Department of Health for an alcohol-testing unit. Chart 2 illustrates actual transfers to the GRF for fiscal years 1997-2000, 2001 estimates and the 2002-2003 biennium projections.

For the upcoming biennium, a substantial share of the liquor profits will be pledged against bonds issued to support urban revitalization initiatives, a \$200 million portion of the "Clean Ohio Fund" bond package approved by the votes in November 2000. Although program details are still being worked out, liquor profits will provide debt service against bonds used for urban revitalization. It is estimated that debt service over the biennium will be about \$7 million.

Funding Source: Liquor sales.

Line Items: Fund 043 800-601 Merchandising, 800-627 Liquor Control Operating; 800-633 Development Assistance Debt Service; and 800-636 Revitalization Debt Service.

Implication of the Executive Recommendation: The Division had requested additional funding for several computer upgrades. The recommendations fund two such requests and provide 50 percent funding for another. These include:

\$774,570 over the biennium to convert an aging mainframe operating system to one that can be serviced by a vendor;

\$900,000 to convert the agency's licensing system to a Windows/NT environment;

\$415,408, or 50 percent of requested funding to make software and hardware upgrades of numerous desktop computers and laptops.

The Division may be able to fund a server replacement for which they received no funding. This is because the cost of the software and hardware to perform the upgrades highlighted above may be lower than expected, according to preliminary discussions with vendors. If so, some of those savings could be used to accomplish the \$986,560 server replacement.

Also note that liquor profits will be tapped for debt service on part of the Clean Ohio Fund bond package, thereby reducing the amount available for transfer to the GRF.

It appears as though the executive recommendations for the Division of Liquor Control are aimed at maximizing the available liquor profits that can be transferred to the GRF. Increased operating costs can therefore reduce the amount of surplus available for this purpose.

Earmarking: n/a

Permanent and Temporary Law:

Temporary Law: Continuing temporary law authorizes the Division to seek Controlling Board approval for increased appropriation authority in the 800-601 Merchandising line item. This will give the Division the ability to boost its inventory of alcoholic beverages if there is an increased demand.

Cash Balance Transfer – The executive has recommended abolishing the Salvage and Exchange Fund (861) and transferring the minimal balance in that account to the Liquor Control Fund (043). Salvage and Exchange proceeds include the sale of outdated and unwanted equipment.

Licensing

Program Description: The licensing program administers the state's complex liquor permitting system established by Chapters 4301, 4303, 4305, 4307, and 4399 of the Ohio Revised Code. The program reviews applications for permits to sell, manufacture, or distribute alcoholic beverages. The decision to grant or deny a permit is based on various factors including: 1) the wet or dry status of the location; 2) the number of permits allowed in a geographic area based on population density and the amount of existing permits, or "quotas"; 3) prior compliance record with legal requirements by the applicant; and 4) findings of the division's investigations.

All licenses are renewable on an annual basis. The fee revenue is divided between the local taxing districts, the General Revenue Fund, and the Department of Alcohol and Drug Addiction Services.

During the FY 2000-2001 biennium, the Division implemented a new permit, the "D-5J Community Entertainment District license. This license type permits the sale of alcohol in areas deemed "community entertainment" venues, and requires a city-wide vote—rather than a precinct-wide vote—to forbid the sale of alcoholic in these areas.

Funding Source: License fees paid by all liquor permit holders including manufacturers, distributors, retailers, and importers of alcoholic beverages.

Line Items: Fund 043 800-627 Liquor Operating.

Implication of the Executive Recommendation: Core budget levels will permit the Division to continue services provided.

Earmarking: n/a

Permanent and Temporary Law: n/a

Beer and Wine Compliance

Program Description: The program is responsible for regulating industry compliance involving the manufacture, importation, and distribution of beer, wine, and low-proof (containing 21 percent or less alcohol by volume—42 proof) beverages. Under the authority of Chapter 4301 of the Ohio Revised Code, the program must approve and register all beer, wine, and low-proof beverages sold in the state. Manufacturers and distributors (A and B permit holders), out-of-state suppliers and retail operations are inspected for compliance in the areas of advertising, pricing, the proper maintenance of draft beer dispensing equipment, and consignment or credit sales. Inspectors also investigate allegations of commercial bribery and look for tied-house violations such as exclusionary activity or inducements.

Funding Source: Fees for label registration, certificates of registration for out-of-state suppliers, solicitor registration, and coil cleaning of beer and wine dispensing equipment and revenue from liquor sales

Line Items: Fund 043 800-321 Liquor Operating.

Implication of the Executive Recommendation: Core budget level funding will permit the Division to continue services provided. The Division sought but did not receive additional funding of \$370,000 to integrate a stand-alone beer and wine database with the Division's mainframe system.

Earmarking: n/a

Permanent and Temporary Law: n/a

Real Estate and Professional Licensing

Program Series 4

Purpose The Division of Real Estate and Professional Licensing licenses and regulates real estate brokers, salespersons, appraisers, and auctioneers, and registers foreign real estate property. It also licenses private investigators and security providers, and registers and investigates complaints involving Ohio cemeteries while supporting the Ohio Cemetery Dispute Resolution Commission.

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
4B2	800-631	Real Estate Appraisal Recovery	\$69,870	\$71,267
4D2	800-605	Auction Education	\$30,476	\$30,476
4H9	800-608	Cemeteries	\$260,083	\$273,465
5B8	800-628	Auctioneers	\$346,769	\$365,390
5B9	800-632	PI & Security Guard Provider	\$1,139,377	\$1,188,716
547	800-603	Real Estate Education/Research	\$258,796	\$264,141
548	800-611	Real Estate Recovery	\$150,000	\$150,000
549	800-614	Real Estate	\$2,885,785	\$3,039,837
6A4	800-630	Real Estate Appraiser Operating	\$522,125	\$548,006
Total funding: Real Estate and Professional Licensing			\$5,663,281	\$5,931,298

This analysis of the Real Estate and Professional Licensing program series focuses on:

- **Real Estate**
- **Professional Licensing**

Real Estate

Program Description: The Section regulates about 41,000 brokers, salespersons, and appraisers across the state. Another important function of the Real Estate Section is to oversee the continuing education requirements for these various licensees. The Real Estate Section also enforces the continuing education requirements for real estate brokers, real estate salespersons, and certified and licensed appraisers. In cases of documented and proven real estate fraud, consumers may apply for compensation from the Real Estate Recovery Fund.

Over the biennium, the Section began a new electronic testing service for applicants and licensees. The testing is now provided by private vendors in eleven locations across the state.

The most significant change for the Real Estate Section is the recent passage of H.B. 524 in the summer of 2000. This bill established a staggered renewal system that spreads the renewal of the 44,000 licenses, as well as continuing education requirements, on the basis of birth dates. The system allows licensees to obtain renewal directly from the Division rather than the brokers with whom they are affiliated. Staggered renewal will also tend to even out the income derived from license applications and renewals, making for more predictable cash management.

The Real Estate Section also supports the Ohio Cemetery Dispute Resolution Committee. This support includes registering 1,700 cemeteries in Ohio and investigating complaints or disputes involving registered cemeteries.

Funding Source: license and other fees charged, interest earned on investments (real estate recovery only), and assessments against certificate holders (real estate appraisal recovery only)

Line Items: Fund 4B2 800-631, Real Estate Appraisal Recovery; Fund 4H9 800-608, Cemeteries; Fund 547 800-603, Real Estate Education/Research; Fund 548 800-611, Real Estate Recovery; Fund 549 800-614, Real Estate; Fund 6A4 800-630, Real Estate Appraiser Operating.

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the real estate licensure and other responsibilities.

Earmarking: n/a

Permanent and Temporary Law: n/a

Professional Licensing

Program Description: The Professional Licensing Section licenses and regulates auctioneers, private investigators, and security guards. The program conducts background investigations of applicants, which include criminal record checks through the state Bureau of Criminal Investigation and Identification, verification of required experience, and verification that the applicant has obtained the required insurance coverage and posted applicable bonds. In addition, the Auction Education Fund is used to educate auctioneers about the requirements of Ohio law, and to educate the public about the role of auctioneers in business transactions.

There are currently 2,986 auctioneers and apprentice auctioneers, 815 private investigators/security services providers, and 19,500 security guard registrants licensed by the Section.

Funding Source: license and permit fees.

Line Items: Fund 4D2 800-605, Auction Education; Fund 5B8 800-628, Auctioneers; Fund 5B9 800-632, PI & Security Guard Provider

Implication of the Executive Recommendation: Funds continued levels of service. Funding includes a supplement of \$300,208 over the biennium so that the private investigator and security guard licensure functions can be funded entirely out of the PI and Security Guard Provider Fund (Fund 5B9). For the previous few years, various costs have been shared by other funds under the purview of the Division.

Earmarking: n/a

Permanent and Temporary Law: n/a

Securities

Program Series 5

Purpose The Division of Securities administers the licensure of those who sell securities, registers certain types of securities, and prohibits certain conduct in connection with the sale of securities.

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 2000	FY 2001
550	800-617	Securities	\$4,611,800	\$4,864,800
Total funding: Securities			\$4,611,800	\$4,864,800

Specific sections within the Securities program series that this analysis will focus on include:

- **Securities Registration**
- **Licensing**

Securities Registration

Program Description: Under the Ohio Securities Act, all securities sold in Ohio must be either registered with the Division or meet conditions to be properly exempted from registration or the subject of a notice filing. The purpose of registration is to make sure that investment instruments are sold to buyers on fair terms. The Division estimates that approximately 6,500 filings are expected in each of fiscal years 2002 and 2003. Another function of the Registration section is to monitor the aggregate value of securities sold in the state. That figure rose to \$167 billion in FY 2000.

Funding Source: fees. Income from securities registration amounted to about \$4.59 million, or 33 percent of total fee income in FY 2000.

Line Items: Fund 550 800-617, Securities

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the Section.

Note that the Division of Securities transfers surplus balances to the GRF. These transfers have ranged from \$5 to \$15 million over the past four fiscal years. Because of the substantial changes in the Division’s fee structure, to be implemented over the FY 2002-2003 biennium, GRF transfers are expected to decline to \$6 million in each fiscal year.

Earmarking: n/a

Permanent and Temporary Law: n/a

Licensing and Examination

Program Description: The Licensing Section reviews all license applications and issues licenses only to those dealers and salespersons that meet the standard of “good business repute”. In addition, licensed dealers must be financially responsible and comply with operational and record keeping standards. FY 2000 data indicate that the Section licenses

2,505 dealers and 107,059 salespeople. The Division of Securities expects the number of licensees to increase, although the rate depends on the health of the stock market.

Field examiners within the Licensing Section conduct on-site examinations of securities dealers and issuers of securities. The focus of dealer examinations are on compliance with financial responsibility and sales practice rules, while the examination of issuers focus on compliance with the terms and conditions of a securities offering. Evidence of violations is referred to the Enforcement Section.

An important initiative over the upcoming biennium will be the Division's move toward integrating license, renewal, and filing processes with the Central Registration Depository and Investment Advisor Registration Depository. These are systems affiliated with the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers (NASD) and their registration and filing system operates on a flat fee schedule. The rationale behind this move is to keep abreast of ever-evolving federal securities laws and requirements. The Division now uses a calculated fee-based method, but will be moving toward a flat fee in order to conform to these national registration standards. The resulting revenue loss is projected to be in the \$2-3 million range. This will thus reduce the sums available for transfer to GRF to about \$6 million in each fiscal year. Overall, the Securities Fund (Fund 550) will continue to generate revenues that surpass its expenditures.

Funding Source: fees

Line Items: Fund 550 800-617, Securities

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the Section, even taking into account the declining fee revenue resulting from the move to national registration.

Earmarking: n/a

Permanent and Temporary Law: n/a

State Fire Marshal

Program Series 6

Purpose The Division protects the citizens of Ohio from the dangers of fire and explosions and protects the environment from releases of petroleum from underground storage tanks. The Division accomplishes this goal by 1) analyzing fire-related criminal evidence; 2) modernizing and enforcing the Ohio Fire Code; 3) investigating the cause and origin of fires and explosions; 4) regulating underground storage tanks; and 5) training firefighters and providing fire safety education to business, industry, and the public.

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	800-402	Grants-Volunteer Fire Departments	\$712,500	\$693,750
348	800-622	Underground Storage Tanks	\$195,008	\$195,008
348	800-624	Leaking Underground Storage Tank	\$1,850,000	\$1,850,000
4L5	800-609	Fireworks Training & Education	\$10,526	\$10,976
546	800-610	Fire Marshal	\$10,245,737	\$10,777,694
653	800-629	UST Registration/Permit Fee	\$1,072,795	\$1,121,632
Total funding: Fire Marshal			\$14,086,566	\$14,649,060

This analysis focuses on the following within the Fire Marshal program series:

- **Volunteer Fire Department Grants**
- **Ohio Fire Academy**

Volunteer Fire Department Grants

Program Description: In FY 2000, 546 fire departments applied for these grants, requesting \$7.3 million in funding, the lion’s share of which was for buying protective gear. However, only \$780,000 was available for this program, and only 107 grants were awarded.

Funding Source: GRF.

Line Items: GRF 800-402, Grants—Volunteer Fire Departments.

Implication of the Executive Recommendation: Provides \$1.4 million over the FY 2002-2003 biennium for this program, slightly below estimated expenditures of \$1.6 million over the current FY 2000-2001 biennium. The Fire Marshal had sought additional funding for this program, but the executive recommendations do not provide for this.

Earmarking: n/a.

Permanent and Temporary Law: Temporary law caps awards at \$10,000, and \$25,000 in cases where fire departments are affected by natural disasters. This is language continued from the current biennium.

Ohio Fire Academy

Program Description: The fire academy is the state's training facility for professional and volunteer fire departments. The grounds also house the Fire Marshal's headquarters. In FY 2000, the Academy trained 11,494 emergency responders and conducted 724 classes. Outreach included presentations to 13,000 volunteers in fire stations across the state.

Funding Source: .75 percent surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes, and fees from fireworks licenses and building inspections.

Line Items: SSR 546, 800-546, Fire Marshal.

Implication of the Executive Recommendation: The recommended FY 2002 appropriation of \$10,245,737 is below estimated FY 2001 spending of \$11,722,913. However, that figure is inflated because of an emergency building project approved mid-biennium. At that time, the Controlling Board approved an increase in appropriation authority of \$1.84 million to undertake the construction of a new burn building, an important training tool for firefighters. This unexpected use of *operating* funds was necessary because the State Fire Marshal could not undertake this new construction with the *capital* funding of \$198,000 that was then available for burn building renovations.

The FY 2002-2003 recommendations for Fund 546 are sufficient to cover ongoing payroll, maintenance, and equipment costs and other obligations paid from this fund.

Earmarking: n/a

Permanent and Temporary Law: n/a

Temporary Law: n/a

Unclaimed Funds

Program Series 7

Purpose The Division of Unclaimed Funds is responsible for the safekeeping and return of monies designated as “unclaimed”. In the meantime, the Division uses a portion of reported unclaimed funds to support housing loan guarantees in the Department of Development.

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
543	800-602	Unclaimed Funds-Operating	\$5,921,792	\$6,151,051
543	800-625	Unclaimed Funds-Claims	\$24,890,602	\$25,512,867
Total funding: Unclaimed Funds			\$30,812,394	\$31,663,918

Specific sections within the Unclaimed Funds program series that this analysis will focus on include:

■ **Community Outreach**

Community Outreach

Program Description: The Division of Unclaimed Funds is responsible for the safekeeping and return of moneys designated as “unclaimed”. State law requires that these funds be reported to the state for safekeeping after the owners have left the funds unclaimed for a specific period of time- usually five years. The state acts as custodian for the funds until the rightful owners or their heirs claim them. Common sources of unclaimed funds include: dormant checking and savings accounts, insurance proceeds, unclaimed wages and employment benefits, uncashed checks and money orders, undelivered stock and dividends, forgotten rent or utility deposits, and intangible contents of safe-deposit boxes. Until the rightful owner is located, unclaimed funds support economic development throughout Ohio. The Ohio Department of Development and the Ohio Housing Finance Agency use these resources to guarantee and fund low and moderate-income housing programs. Unclaimed funds also guarantee performance bonds for the Minority Business Bonding Fund. Unclaimed funds collected by the Division amounted to \$70.1 million in FY 2000, surpassing the previous record of \$53.6 million received the prior year. According to the Division, there are over two million unclaimed funds accounts, worth about \$216 million.

The Division’s community outreach program attempts to raise public awareness, thereby assisting in returning these funds to their rightful owners. The Treasure Hunt program involves employees who travel throughout the state, bringing all of the unclaimed funds account information to county fairs, shopping malls, the Ohio State Fair, and local government days. The Division also lists the names of unclaimed funds owners in annual advertisements that appear in newspapers in all 88 counties in Ohio. In addition, the Department of Commerce’s Internet site includes a searchable database of owners from the inception of the unclaimed funds law in 1968 to the present. Since Ohio has a cooperative agreement with 42 other states to exchange property reciprocally, the Internet site includes a link to search accounts from other states.

The more unclaimed funds that are reported to the Division, the greater the chance that the owners of these funds will be reunited with their lost assets. To increase the number of holders reporting unclaimed funds and the amount of accurate information contained in the holder reports, the Division engages contract auditors to conduct audits of holders, especially those located out-of-state.

The Governor's recommendations include a revamped method of paying these auditors, who are now paid on a commission basis. The Division will now establish fixed-fee payment terms and will also modify the audit process so that holders are 1) selected randomly, and 2) that these random audits yield a representative audits among small, medium, and large businesses.

Funding Source: Funds from the unclaimed funds custodial account under the Treasurer of State which receives at least 10 percent of the aggregate amount of unclaimed funds of financial and business institutions, as well as the interest earned on these funds.

Line Items: Fund 543 800-602 Unclaimed Funds- Operating; 800-625 Unclaimed Funds-Claims

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the Division. The Division sought but did not receive \$\$320,000 for a computer voice information telephone system for callers checking on the status of their claims.

Earmarking: n/a

Permanent and Temporary Law:

Temporary Law: A boilerplate provision stipulates that appropriation item 800-625, Unclaimed Funds-Claims, shall be used to pay claims. If the appropriation is not sufficient to pay all claims, the necessary funds are appropriated from the custodial account.

Labor and Worker Safety

Program Series 8

Purpose The Division was created as a result of the merger between the Bureau of Employment Services and the Department of Human Services. The Division enforces Ohio’s labor laws, including wage and hour, child labor, and employee and employer safety and health inspections.

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	800-410	Labor and Worker Safety	\$4,009,158	\$4,211,028
349	800-413	OSHA Enforcement	\$1,346,000	\$1,386,380
5K7	800-621	Penalty Enforcement	\$2,000	\$2,000
Total funding: Administration			\$5,357,158	\$5,599,408

Specifics within the Administration program series that this analysis will focus on include:

- **Public Employer Risk Reduction Program (PERRP)**
- **Safe Needle Program**

Public Employer Risk Reduction Program (PERRP)

Program Description: PERRP offers public employers free comprehensive reviews of their safety and health standards and provides training so that working conditions can be made safe. Public employers include state agencies, universities, schools, nursing homes, and prisons, but not firefighters, emergency service providers, and jail facilities. In FY 2000, the PERRP conducted over 2,369 safety and health inspections.

S.B. 183 of the 123rd General Assembly broadens the responsibilities of PERRP to include the development and implementation of a safe needle program for state and local health care facilities. PERRP will provide technical support so that these entities can adopt safe needle usage and disposal protocols. Of the recommended funding for the PERRP, \$193,973 is provided for a statistics clerk and epidemiology investigator.

Funding Source: GRF

Line Items: GRF 800-410, Labor and Worker Safety

Implication of the Executive Recommendation: Provides sufficient funding to staff conventional PERRP activities and the new safe needle initiative.

Earmarking: n/a

Permanent and Temporary Law: A provision allows the Division to use its GRF appropriation to match federal funds it is eligible to receive for the OSHA on-site consultation program.

Administration

Program Series 9

Purpose The Division of Administration directs, administers, supports, and coordinates the activities of the seven operating divisions of the department and serves as a liaison to other government, corporate, and public entities.

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
163	800-620	Division of Administration	\$5,873,604	\$6,189,578
Total funding: Administration			\$5,873,604	\$6,189,578

This analysis focuses on the following within the Administration program series:

■ **Administration**

Administration

Program Description: Within the Division of Administration are the offices of Human Resources, Information Systems and Services, Records Management, Fiscal Operations, Public Information, Quality Services, Legislative Liaison, Legal Council, and the Director’s Office. The function of the Division of Administration is to provide effective leadership and support services to ensure that the activities of the entire agency are directed towards its mission.

In order to do this, the Division must incorporate technological advancements within each separate division of the Department. Technological advancements have already created certain efficiencies within Commerce, but further initiatives require considerable training and implementation.

The chief aims of the Division for the FY 2002-2003 biennium are to carry out technology upgrades related to e-commerce initiatives throughout the agency. (This Division maintains the agency website, software packages, and servers used by other divisions.)

Funding Source: special assessment levied on the Department’s various operating funds.

Line Items: 163 800-620 Administration

Implication of the Executive Recommendation: Provides core budget levels for performance of all duties associated with the Division. The agency sought but did not receive supplemental funding for three new IT staff over the biennium to advance parts of the agency’s e-commerce strategies.

Earmarking: n/a

Permanent and Temporary Law:

Temporary Law: Boilerplate language allows the Division to charge other operating divisions assessments for centralized support services such as human resources, fiscal management, and records management.

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

(ORC Section 4105.17)—Elevator Re-Inspection Fee Increase

Current law allows the Division of Industrial Compliance to assess a \$30 and \$5 per floor "re-inspection" fee for previously-scheduled elevator and escalator inspections that are postponed through no fault of the inspection staff. This provision permits the Division to assess fees of \$125 plus \$5 per floor. Building-owner cancellations are frequent and disrupt the inspection schedules of the Division staff, which is already operating under an inspection backlog.

(ORC Section 4115.10)—Change Status of the Penalty Enforcement Fund

Current law establishes the Penalty Enforcement Fund as a *custodial* account under the aegis of the State Treasurer. This change brings the Fund under the control of the Director of Commerce, although it would remain in the State Treasury just as other such funds. This change would have no operational impact. The Fund is used to support the Division of Labor and Worker Safety's role in enforcing the state's wage and hour laws.

Temporary Law Provisions

(Section 34 of the bill)

Grants- Volunteer Fire Departments

This grant program administered by the State Fire Marshal shall be used to make annual grants to volunteer fire departments of up to \$10,000, or up to \$25,000 in cases when the volunteer fire department provides service for an area affected by a natural disaster.

Labor and Worker Safety

Temporary language allows appropriations in GRF line item 800-410, Labor and Worker Safety, to be used to match OSHA funds for on-site safety consultations conducted by the Division field staff. The temporary language is necessary because the three existing GRF line items that support the Division have been collapsed into this single line item. One of those discontinued line items is 800-413, OSHA Match. Without this language, it may have been unclear whether the Division had the authority to conduct these inspections.

Penalty Enforcement

A permanent law changed proposed in this bill would change the status of this fund from a custodial account within the State Treasury to an active fund in which the Director of Commerce may deposit fines made against businesses for violations of the state's wage and hour and other labor laws. The temporary

law requires a transfer of the existing cash balance in that account to Fund 5K7, a new fund under the control of the Director of Commerce.

Unclaimed Funds Payments

This language, which is carried over from previous years, simply allows for the Division of Unclaimed Funds to pay bone fide claims for unclaimed funds. This language is required as a safeguard to ensure that owners of unclaimed funds actually receive funds due them. Without the language, it may be that claims in FY 2002 or FY 2003 actually exceed the amounts appropriated in this budget. The temporary provision permits whatever sum is necessary to cover these claims. FY 2000 data collected by the Division indicates that 28,527 claims, totaling \$22.9 million, were paid.

Merchandising

This provision allows for the Division of Liquor Control to seek Controlling Board approval for additional appropriation authority in the 800-601, Merchandising line item. It may be that demand for liquor products exceeds sales forecasts assumed in the recommended appropriation for the upcoming biennium. These amounts are \$322,741,245 in FY 2002 and \$341,222,192 in FY 2003. Without this language, the Division would have to cease sales once these levels were reached. Overall, such a situation would affect the liquor profits available for transfer to the GRF.

Cash Balance Transfer

This language abolishes the Salvage and Exchange Fund (Fund 861), a small fund within the Liquor Control Fund Group, and transfers the cash balance to the Liquor Control Fund (Fund 043). This account received the proceeds from the sale of obsolete or unused equipment.

Development Assistance Debt Service

This language establishes that this new line item 800-633, Development Assistance Debt Service, is to pay debt service on bonds issued for to support the Chapter 166 loan program operated by the Department of Development. These debt service payments were formally paid from the 800-601, Merchandising line item.

Revitalization Debt Service

Just as above, this provision requires that the newly created 800-636, Revitalization Debt Service line item be used to pay debt service on bonds issued for the urban revitalization component of the Clean Ohio bond program, which was approved by voters in November 2000.

Administrative Assessments

This provision, continued from previous budget bills, specifies the manner in which the Administration Division of the agency charges other divisions for central services, such as payroll and fiscal administration, as well as centralized computer costs.

REQUESTS NOT FUNDED

Computer systems upgrades, overhauls, and replacement within the Liquor Control Division were a major focus of the agency's budget request. The agency sought additional funding for six individual projects; the governor's recommendations allow desired funding for two of these. The funded projects are discussed in the "Analysis of Executive Proposal" section.

Liquor Control—Mainframe Upgrade to Incorporate E-Commerce Strategies						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
043 800-627	\$656,560	\$0	\$656,560	\$330,000	\$0	\$330,000

This funding would have allowed the agency to begin a server replacement process, allowing for future adaptations and upgrades. Although the request was not funded at all, the agency may try to fund the replacement through costs savings from other funded computer projects. Preliminary research shows that some of these projects may cost less than was anticipated. If so, those savings would be directed toward the server replacement. The agency views this as a high priority project.

Liquor Control—Convert Stand-Alone Beer and Wine License System to Mainframe						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
043 800-627	\$289,500	\$0	\$289,500	\$80,500	\$0	\$80,500

The current beer and wine license tracking system operates independently of the Division's other licensing system, which uses the mainframe. This request would have allowed the Division to incorporate the beer and wine licensing system on the mainframe which tracks other liquor permit types.

Liquor Control—Personal Computer and Laptop Upgrades						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
043 800-627	\$708,164	\$354,082	\$354,082	\$122,652	\$61,326	\$61,326

This additional funding would have allowed the Division to replace the bulk of its aging desktop computers and the laptops used by field staff. The funding recommendations appear to allow for half of these desired upgrades.

Liquor Control—3 new IT employees and Updated Classifications for 8 Existing IT Staff						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
043 800-627	\$242,913	\$0	\$242,913	\$218,913	\$0	\$218,913

This request would have added three new employees to the Division's existing IT staff, and would have updated classifications for eight others. The goal of the classification upgrades is to retain good staff. Given the executive's funding recommendations, it appears as though the new staff would not be required as many of the other IT improvements that the Division sought are not funded.

Liquor Control—Increase Liquor Agency Commission Rates						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
043 800-601	\$5,106,914	\$0	\$5,106,914	\$5,401,236	\$0	\$5,401,236

The agency had sought to raise commission rates that it pays from four to five percent to liquor wholesalers and from six to seven percent for retailers. The rationale for this increase is that payroll and other operating expenses have increased wholesaler and retailer costs, squeezing their business margins. Commission rates were last increased in 1984. Agency and wholesaler commission income has ranged from \$21-24 million since FY 2000. Note that this request for increased appropriation authority in the 800-601 Merchandising line item would be funded through sales to liquor agencies and wholesalers. If enacted, this increase in commission rates would affect the sums available for transfer to the GRF.

Fire Marshal—Additional Funding for Volunteer Fire Department Grants						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 800-402	\$429,381	\$0	\$429,381	\$710,116	\$0	\$710,116

In FY 2000, the Fire Marshal was able to provide funding for 107 grants, totaling \$780,000. The executive proposal allows for \$712,500 in FY 2002 and \$693,750 in FY 2003, which equates to about 100 grants per year. The goal was to provide sufficient funding to fund 160 grants in FY 2002 and 200 in FY 2003. It appears as though the Fire Marshal would not be able to meet these goals unless the amount of each grant is reduced. In general, the grants are used for clothing and apparatus, which are costly equipment purchases for small volunteer fire departments. Temporary law in this bill limits the total value of each grant at \$10,000 in most cases, and in emergency situations to \$25,000.

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

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
<i>COM Department of Commerce</i>									
GRF	800-402	Grants-Volunteer Fire Depts.	\$803,411	\$ 712,500	\$ 912,500	13.6%	\$ 693,750	\$ 793,750	-13.0%
GRF	800-410	Labor and Worker Safety	\$0	\$ 4,009,158	\$ 3,848,792	N/A	\$ 4,211,028	\$ 4,042,587	5.0%
GRF	800-412	Prevailing/Minimum Wage and Minors	\$2,652,029	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	800-413	OSHA Match	\$165,950	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	800-417	Public Employee Risk Reduction Program	\$1,365,997	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
General Revenue Fund Total			\$ 4,987,387	\$ 4,721,658	\$ 4,761,292	-4.5%	\$ 4,904,778	\$ 4,836,337	1.6%
163	800-620	Division of Administration	\$5,127,925	\$ 5,873,604	\$ 5,873,604	14.5%	\$ 6,189,578	\$ 6,189,578	5.4%
5F1	800-635	Small Government Fire Departments	\$0	\$ 0	\$ 250,000	N/A	\$ 0	\$ 250,000	0.0%
General Services Fund Group Total			\$ 5,127,925	\$ 5,873,604	\$ 6,123,604	19.4%	\$ 6,189,578	\$ 6,439,578	5.2%
348	800-622	Underground Storage Tanks	\$195,008	\$ 195,008	\$ 195,008	0.0%	\$ 195,008	\$ 195,008	0.0%
348	800-624	Leaking Undergrnd Storage Tank	\$1,295,920	\$ 1,850,000	\$ 1,850,000	42.8%	\$ 1,850,000	\$ 1,850,000	0.0%
349	800-626	OSHA Enforcement	\$1,408,081	\$ 1,346,000	\$ 1,346,000	-4.4%	\$ 1,386,380	\$ 1,386,380	3.0%
Federal Special Revenue Fund Group Total			\$ 2,899,009	\$ 3,391,008	\$ 3,391,008	17.0%	\$ 3,431,388	\$ 3,431,388	1.2%
4B2	800-631	Real Estate Appraisal Recovery	\$68,500	\$ 69,870	\$ 69,870	2.0%	\$ 71,267	\$ 71,267	2.0%
4D2	800-605	Auction Education	\$30,476	\$ 30,476	\$ 30,476	0.0%	\$ 30,476	\$ 30,476	0.0%
4H9	800-608	Cemeteries	\$254,054	\$ 260,083	\$ 260,083	2.4%	\$ 273,465	\$ 273,465	5.1%
4L5	800-609	Fireworks Training & Education	\$10,000	\$ 10,526	\$ 10,526	5.3%	\$ 10,976	\$ 10,976	4.3%
4X2	800-619	Financial Institutions	\$1,873,615	\$ 2,020,646	\$ 2,020,646	7.8%	\$ 2,134,754	\$ 2,134,754	5.6%
543	800-602	Unclaimed Funds - Operating	\$5,663,857	\$ 5,921,792	\$ 5,921,792	4.6%	\$ 6,151,051	\$ 6,151,051	3.9%
543	800-625	Unclaimed Funds - Claims	\$24,354,796	\$ 24,890,602	\$ 24,890,602	2.2%	\$ 25,512,867	\$ 25,512,867	2.5%
544	800-612	Banks	\$5,956,369	\$ 6,346,230	\$ 6,346,230	6.5%	\$ 6,657,997	\$ 6,657,997	4.9%
545	800-613	Savings Institutions	\$2,616,829	\$ 2,790,960	\$ 2,790,960	6.7%	\$ 2,894,399	\$ 2,894,399	3.7%
546	800-610	Fire Marshal	\$11,722,913	\$ 10,245,737	\$ 10,245,737	-12.6%	\$ 10,777,694	\$ 10,777,694	5.2%
547	800-603	Real Estate Education/Research	\$254,194	\$ 258,796	\$ 258,796	1.8%	\$ 264,141	\$ 264,141	2.1%
548	800-611	Real Estate Recovery	\$271,972	\$ 150,000	\$ 150,000	-44.8%	\$ 150,000	\$ 150,000	0.0%
549	800-614	Real Estate	\$2,801,833	\$ 2,885,785	\$ 2,885,785	3.0%	\$ 3,039,837	\$ 3,039,837	5.3%
550	800-617	Securities	\$4,639,787	\$ 4,611,800	\$ 4,611,800	-0.6%	\$ 4,864,800	\$ 4,864,800	5.5%

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

<i>Fund ALI ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
COM Department of Commerce							
552 800-604 Credit Union	\$2,266,517	\$ 2,368,450	\$ 2,368,450	4.5%	\$ 2,477,852	\$ 2,477,852	4.6%
553 800-607 Consumer Finance	\$2,258,617	\$ 2,305,339	\$ 2,305,339	2.1%	\$ 2,258,822	\$ 2,258,822	-2.0%
556 800-615 Industrial Compliance	\$19,160,662	\$ 22,176,840	\$ 21,426,840	11.8%	\$ 23,415,776	\$ 22,665,776	5.8%
5B8 800-628 Auctioneers	\$335,706	\$ 346,769	\$ 346,769	3.3%	\$ 365,390	\$ 365,390	5.4%
5B9 800-632 PI & Security Guard Provider	\$969,194	\$ 1,139,377	\$ 1,139,377	17.6%	\$ 1,188,716	\$ 1,188,716	4.3%
5K7 800-621 Penalty Enforcement	\$0	\$ 2,000	\$ 2,000	N/A	\$ 2,000	\$ 2,000	0.0%
653 800-629 UST Registration/Permit Fee	\$1,014,332	\$ 1,072,795	\$ 1,072,795	5.8%	\$ 1,121,632	\$ 1,121,632	4.6%
6A4 800-630 Real Estate Appraiser Operating	\$505,137	\$ 522,125	\$ 522,125	3.4%	\$ 548,006	\$ 548,006	5.0%
State Special Revenue Fund Group Total	\$ 87,029,360	\$ 90,426,998	\$ 89,676,998	3.0%	\$ 94,211,918	\$ 93,461,918	4.2%
043 800-321 Liquor Control Operating	\$14,245,821	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
043 800-601 Merchandising	\$298,454,701	\$ 322,741,245	\$ 322,741,245	8.1%	\$ 341,222,192	\$ 341,222,192	5.7%
043 800-627 Liquor Control Operating	\$0	\$ 16,250,400	\$ 16,250,400	N/A	\$ 15,801,163	\$ 15,801,163	-2.8%
043 800-633 Development Assistance Debt Service	\$0	\$ 16,134,800	\$ 16,134,800	N/A	\$ 16,141,100	\$ 16,141,100	0.0%
043 800-636 Revitalization Debt Service	\$0	\$ 1,600,000	\$ 1,600,000	N/A	\$ 6,700,000	\$ 6,700,000	318.8%
861 800-634 Salvage and Exchange	\$105,000	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
Liquor Control Fund Group Total	\$ 312,805,522	\$ 356,726,445	\$ 356,726,445	14.0%	\$ 379,864,455	\$ 379,864,455	6.5%
Total All Budget Fund Groups	\$ 412,849,203	\$ 461,139,713	\$ 460,679,347	11.6%	\$ 488,602,117	\$ 488,033,676	5.9%

General Revenue Fund

GRF 800-402 Grants-Volunteer Fire Depts.

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$725,000	\$741,802	\$782,478	\$819,807	\$712,500	\$693,750
	2.3%	5.5%	4.8%	-13.1%	-2.6%

Source: GRF

Legal Basis: ORC 3737.22

Purpose: These funds assist volunteer fire departments by providing them with grants to purchase equipment. Current temporary law language has set the maximum at \$10,000 per grant, or \$25,000 for volunteer fire departments located in an area affected by a natural disaster. The grants are awarded based upon applicant need and are to be used for equipment and training only. The program is administered by the State Fire Marshal.

GRF 800-405 Plumbing

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$15,329	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF

Legal Basis: ORC 3703

Purpose: These funds are used to pay for plumbing inspections in public buildings and to certify and train plumbing inspectors employed by local health and building departments. The line item is now funded through Fund 556, Industrial Compliance.

GRF 800-410 Labor and Worker Safety

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$4,009,158	\$4,211,028
	N/A	N/A	N/A	N/A	5.0%

Source: GRF

Legal Basis: Created in H.B. 95, the main operating budget bill of the 124th General Assembly

Purpose: This line item collapses into one line item all operating funds for the Division of Labor and Worker Safety. Formerly, operations were funded from the 800-412 Prevailing/Minimum Wage line item, 800-413 OSHA Match, and 800-417 Public Employer Risk Reduction. Temporary law specifies that this new line item may be used to match federal funds for the state's OSHA-on site safety consultation program.

GRF 800-412 Prevailing/Minimum Wage and Minors

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$2,706,152	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: GRF

Legal Basis: ORC 4109, 4111, and 4115. Established as the result of the merger between the Department of Human Services and the Bureau of Employment Services

Purpose: Now discontinued, this line item funded the activities related to the enforcement of the state's prevailing and minimum wage laws. Funding is now contained in the 800-410, Labor and Worker Safety line item created in H.B. 95 of the 124th General Assembly.

GRF 800-413 OSHA Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$169,337	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: GRF

Legal Basis: Established in 1976 by Executive Order; cooperative agreements with the federal government.

Purpose: This line item funded state matches to federal OSHA grants for on-site consultation services. These matches may now be obtained through appropriations in GRF 800-410, Labor and Worker Safety.

GRF 800-417 Public Employee Risk Reduction Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$1,393,874	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: GRF

Legal Basis: ORC 4167

Purpose: This line item was used to fund the Public Employer Risk Reduction Program (PERRP), formerly operated by the Bureau of Employment Services. Now operated within the Division of Labor and Worker Safety, this line item is discontinued. The PERRP itself, however, remains funded under the new 800-410, Labor and Worker safety line item.

General Services Fund Group

163 800-620 Division of Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,924,973	\$4,136,693	\$4,717,076	\$5,127,925	\$5,873,604	\$6,189,578
	5.4%	14.0%	8.7%	14.5%	5.4%

Source: GSF: revenues received from indirect cost assessments applied to each operating fund of the department

Legal Basis: ORC 121.08(G)

Purpose: The purpose of this line item is to pay for the costs of administering, supporting, and coordinating the activities of the eight operating divisions of the department. Functions associated with human resources, information systems and services, records management, fiscal operations, public information, quality services, legislative liaisons, legal council and the Director's office are funded through this line item.

5F1 800-635 Small Government Fire Departments

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

Source: GSF: transfer of GRF moneys from Controlling Board appropriation item 911-436, Rural Fire Departments to Fund 5F1, Small Governments Fire Departments

Legal Basis: ORC 3737.17

Purpose: The moneys are to be used as full or partial reimbursement to local units of governments and fire departments for the cost of firefighter training and equipment or gear. A local government or fire department may apply for a loan to cover all documented costs, with priority given to fire departments that serve small villages and townships.

Federal Special Revenue Fund Group

348 800-622 Underground Storage Tanks

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$193,964	\$197,836	\$156,116	\$195,008	\$195,008	\$195,008
	2.0%	-21.1%	24.9%	0.0%	0.0%

Source: FED: CFDA 66.804, State Underground Storage Tanks Program

Legal Basis: ORC 3737.02

Purpose: The funds in this line item are used to locate certain underground storage tanks and catalog their contents. The program also seeks to prevent leaks by detecting and correcting leaking underground storage tanks. A federally mandated program, this is administered by the Bureau of Underground Storage Tank Registration (BUSTR) in the office of the State Fire Marshal.

348 800-624 Leaking Undergrnd Storage Tank

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,039,550	\$1,225,887	\$1,588,874	\$1,295,920	\$1,850,000	\$1,850,000
	17.9%	29.6%	-18.4%	42.8%	0.0%

Source: FED: CFDA 66.805, Leaking Underground Storage Tanks Trust Fund Program

Legal Basis: ORC 3737.02

Purpose: This trust fund is used to evaluate and clean up leaking underground storage tanks containing petroleum. A 10 percent state match is maintained in line item 800-629.

349 800-626 OSHA Enforcement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$1,408,081	\$1,346,000	\$1,386,380
	N/A	N/A	N/A	-4.4%	3.0%

Source: FED: funds from the Occupational Safety and Health Administration

Legal Basis: Created in H.B. 95, the main operating budget bill of the 124th General Assembly

Purpose: These funds are to be used to support the On-Site consultation program, and may be matched by GRF line item 800-410, Labor and Worker Safety.

State Special Revenue Fund Group

4B2 800-631 Real Estate Appraisal Recovery

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$68,500	\$69,870	\$71,267
	N/A	N/A	N/A	2.0%	2.0%

Source: SSR: assessments against certificate holders (assessments are made so that the account maintains a balance of approximately \$500,000)

Legal Basis: ORC 4763.15

Purpose: This fund pays claims against real estate appraisers certified by the Ohio Real Estate Appraiser Board. The account may not be used to pay punitive damages.

4D2 800-605 Auction Education

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$11,466	\$11,447	\$14,413	\$30,476	\$30,476	\$30,476
	-0.2%	25.9%	111.4%	0.0%	0.0%

Source: SSR: \$7.50 of each fee collected for either an initial or renewed auctioneer's license in Ohio

Legal Basis: ORC 4707.171

Purpose: The auction education fund is used to educate and provide research for the auction profession in Ohio.

4G8 800-606 Savings Banks

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$966,717	\$909,002	\$0	\$0	\$0	\$0
	-6.0%	-100.0%	N/A	N/A	N/A

Source: SSR: fees are assessed based upon the cost of regulating savings banks. Amounts collected, but unexpended, are then considered. Finally, the Superintendent assesses savings banks a fee based upon their total assets.

Legal Basis: ORC 1161, 1163, and 1165

Purpose: The purpose of this fund is to pay for administrative expenses incurred as a result of regulating state-chartered savings banks. Savings banks are primarily involved in residential lending.

4H9 800-608 Cemeteries

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$172,969	\$189,716	\$204,309	\$254,054	\$260,083	\$273,465
	9.7%	7.7%	24.3%	2.4%	5.1%

Source: SSR: fees from cemetery registrations and burial permits

Legal Basis: ORC 4767.03

Purpose: The funds are used to support the activities of the Cemetery Dispute Resolution Committee.

4L5 800-609 Fireworks Training & Education

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,159	\$2,400	\$9,263	\$10,000	\$10,526	\$10,976
	11.2%	286.0%	8.0%	5.3%	4.3%

Source: SSR: assessments on fireworks manufacturers and wholesalers

Legal Basis: ORC 3743.57

Purpose: These funds are used for training and educating employees of the State Fire Marshal on matters related to pyrotechnics.

4X2 800-619 Financial Institutions

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,255,875	\$1,368,828	\$1,612,763	\$1,873,615	\$2,020,646	\$2,134,754
	9.0%	17.8%	16.2%	7.8%	5.6%

Source: SSR: assessments upon the divisions of Banks, Savings Institutions, Credit Unions, Savings Banks and Consumer Finance which are prorated, reflecting the gross payroll of each division

Legal Basis: ORC 121.08 (C)(1)

Purpose: This fund provides centralized administrative support to the divisions listed above. This fund was created to streamline administrative support operations. Each retains its own regulatory functions.

543 800-602 Unclaimed Funds - Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,600,988	\$4,282,850	\$4,243,730	\$5,663,857	\$5,921,792	\$6,151,051
	18.9%	-0.9%	33.5%	4.6%	3.9%

Source: SSR: funds are allocated from the unclaimed funds custodial account under the Treasurer of State. That fund receives at least ten percent of the aggregate amount of unclaimed funds of financial institutions and businesses, as reported on their records. Earned interest is also included.

Legal Basis: ORC 169.05

Purpose: The purpose of this line item is to pay the operating and administrative expenses of the Division of Unclaimed Funds.

543 800-625 Unclaimed Funds - Claims

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$21,336,786	\$22,386,497	\$23,055,708	\$24,354,796	\$24,890,602	\$25,512,867
	4.9%	3.0%	5.6%	2.2%	2.5%

Source: SSR: unclaimed funds reported

Legal Basis: ORC 169.05

Purpose: The Unclaimed Funds line item pays claims from unclaimed funds held by the state pursuant to Chapter 169. of the Revised Code.

544 800-612 Banks

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,823,742	\$4,611,791	\$5,103,758	\$5,956,369	\$6,346,230	\$6,657,997
	-4.4%	10.7%	16.7%	6.5%	4.9%

Source: SSR: application, examination, and investigation fees paid by banks, plus an assessment charged to all banks subject to inspection and examination by the division; money transmitter fees

Legal Basis: ORC 1121.30

Purpose: These funds pay the Division of Banks' operating expenses that are incurred from regulating the banking industry in Ohio.

545 800-613 Savings Institutions

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,586,989	\$1,476,333	\$2,247,166	\$2,616,829	\$2,790,960	\$2,894,399
	-7.0%	52.2%	16.5%	6.7%	3.7%

Source: SSR: fees are assessed based upon the cost of regulating savings and loans. Amounts collected, but unexpended, are then considered. Finally, the Superintendent assesses savings and loans a fee based upon their total assets.

Legal Basis: ORC 1155.131

Purpose: Division regulatory and operating expenses are paid by this line item.

546 800-610 Fire Marshal

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$9,832,945	\$9,607,248	\$10,418,466	\$11,722,913	\$10,245,737	\$10,777,694
	-2.3%	8.4%	12.5%	-12.6%	5.2%

Source: SSR: taxes from insurance companies selling fire insurance in Ohio (tax rate is equal to one-half of 1% of the gross premium receipts received from the sale of fire insurance); 20 percent of "retaliatory" revenues (retaliatory revenues are collected and deposited in the GRF from out-of-state insurance companies that sell fire insurance in Ohio); revenue from inspection fees, hotel permits, and fireworks licenses

Legal Basis: ORC 3737.71

Purpose: These funds maintain and administer the Office of the State Fire Marshal. Any unappropriated funds at the end of the year help defray the operating costs of the Ohio Fire Academy.

547 800-603 Real Estate Education/Research

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$155,225	\$231,364	\$10,357	\$254,194	\$258,796	\$264,141
	49.1%	-95.5%	2354.3%	1.8%	2.1%

Source: SSR: \$4 from each real estate broker's and salesperson's examination, application and licensing fee

Legal Basis: ORC 4735.06

Purpose: This line item is used to advance education and research in real estate by contracting with higher education institutions in the state to conduct real estate research. It also advances loans not exceeding \$800 to applicants for salesperson's licenses to help defray the education requirement costs of ORC 4735.09.

548 800-611 Real Estate Recovery

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$200,124	\$94,754	\$39,547	\$271,972	\$150,000	\$150,000
	-52.7%	-58.3%	587.7%	-44.8%	0.0%

Source: SSR: interest earned on the principal invested by the Division of Real Estate

Legal Basis: ORC 4735.12

Purpose: These funds are used to reimburse any person (except a bonding company when it is not a principal in a real estate transaction) who obtains a court judgment against any broker or salesperson licensed under ORC 4735.

549 800-614 Real Estate

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,045,682	\$2,110,814	\$2,713,845	\$2,801,833	\$2,885,785	\$3,039,837
	3.2%	28.6%	3.2%	3.0%	5.3%

Source: SSR: license and other fees charged to real estate brokers and salesmen (the amount appropriated to the Real Estate Education and Research line item-800-603, is excluded)

Legal Basis: ORC 4735.211

Purpose: These funds pay for regulatory and operating expenses of the Division of Real Estate.

550 800-617 Securities

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,312,343	\$3,316,169	\$3,610,580	\$4,639,787	\$4,611,800	\$4,864,800
	0.1%	8.9%	28.5%	-0.6%	5.5%

Source: SSR: fees collected under ORC 1707 (Securities) and ORC 3949 (Bond Investment Companies)

Legal Basis: ORC 1707.37

Purpose: These funds provide for the operation of the Division of Securities.

552 800-604 Credit Union

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,946,129	\$1,874,517	\$1,993,769	\$2,266,517	\$2,368,450	\$2,477,852
	-3.7%	6.4%	13.7%	4.5%	4.6%

Source: SSR: a semi-annual assessment (January/February and July) on the gross assets of credit unions, with total assessment in any year determined by the division's appropriation for that year

Legal Basis: ORC 1733.321

Purpose: These funds pay for the regulatory and administrative costs incurred as a result of regulating state-chartered credit unions.

553 800-607 Consumer Finance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,129,505	\$1,238,580	\$2,050,671	\$2,258,617	\$2,305,339	\$2,258,822
	9.7%	65.6%	10.1%	2.1%	-2.0%

Source: SSR: investigation and annual license or registration fees charged to consumer loan companies, pawnbrokers, precious metals dealers, check-cashing businesses, mortgage brokers, and credit service organizations; one-half of the fees collected from pawnbrokers and precious metals dealers are returned to the local government in which they reside

Legal Basis: ORC 1321.21

Purpose: These funds pay for the regulatory and administrative costs of the Division of Consumer Finance.

556 800-615 Industrial Compliance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$16,780,287	\$15,859,170	\$18,022,110	\$19,160,662	\$22,176,840	\$23,415,776
	-5.5%	13.6%	6.3%	15.7%	5.6%

Source: SSR: revenues from the regulation of pressure piping, bedding & upholstery, steam engineers, elevators, plumbing, license occupations and travel agents

Legal Basis: ORC 4101.021

Purpose: This line item is used to pay administrative and regulatory expenses for the regulation of pressure piping, bedding & upholstery, steam engineers, elevators, plumbing, license occupations and travel agents.

5B8 800-628 Auctioneers

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$239,906	\$255,318	\$231,789	\$335,706	\$346,769	\$365,390
	6.4%	-9.2%	44.8%	3.3%	5.4%

Source: SSR: licensing fees collected from auctioneers

Legal Basis: 4707.05

Purpose: This item pays for the operating expenses related to regulating the auctioneer industry.

5B9 800-632 PI & Security Guard Provider

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$801,622	\$815,362	\$936,068	\$969,194	\$1,139,377	\$1,188,716
	1.7%	14.8%	3.5%	17.6%	4.3%

Source: SSR: licensing fees collected from private investigators and security guard providers

Legal Basis: ORC 4749.07

Purpose: This line item pays for the costs associated with regulating this industry.

5K7 800-621 Penalty Enforcement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$2,000	\$2,000
	N/A	N/A	N/A	N/A	0.0%

Source: SSR: fines resulting from violations of Ohio's labor and wage and hour laws

Legal Basis: ORC 4115; H.B. 640, the capital budget of the 123rd General Assembly

Purpose: This fund receives penalty income from violations of Ohio's labor and wage and hour violations.

653 800-629 UST Registration/Permit Fee

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$649,926	\$625,186	\$914,233	\$1,014,332	\$1,072,795	\$1,121,632
	-3.8%	46.2%	10.9%	5.8%	4.6%

Source: SSR: underground storage tank registration fees

Legal Basis: ORC 3737.02, ORC 3737.79, ORC 3737.87, and ORC 3737.88

Purpose: This fund provides money for the 10 percent required state match for federal funds line item 800-624, Leaking Underground Storage Tanks.

6A4 800-630 Real Estate Appraiser Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$347,991	\$406,202	\$465,314	\$505,137	\$522,125	\$548,006
	16.7%	14.6%	8.6%	3.4%	5.0%

Source: SSR: fees from the certification of real estate appraisers

Legal Basis: ORC 4763.15

Purpose: This line item is used to pay administrative and operating costs of the Real Estate Appraiser Board.

Liquor Control Fund Group

043 800-321 Liquor Control Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$11,972,142	\$13,864,766	\$14,606,569	\$14,245,821	\$0	\$0
	15.8%	5.4%	-2.5%	-100.0%	N/A

Source: LCF: revenue from liquor sales to agency stores and wholesalers

Legal Basis: ORC 4301.12

Purpose: This line item paid for personal services, maintenance and equipment costs associated with the Division's day-to-day operations. The line item is discontinued, replaced instead by 800-627, Liquor Control Operating. This is an accounting designation that more closely resembles the intended purpose of the line item.

043 800-601 Merchandising

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$265,944,951	\$283,690,631	\$306,282,759	\$298,454,701	\$322,741,245	\$341,222,192
	6.7%	8.0%	-2.6%	8.1%	5.7%

Source: LCF: revenue from liquor sales to agency stores and wholesalers

Legal Basis: ORC 4301.12

Purpose: This line item pays for the Division's liquor purchases, commissions paid to wholesalers and retailers, and shipping costs. Temporary law allows the Division to seek Controlling Board approval to increase the appropriation authority in this line item if sales require more liquor inventory. Note that debt service payments for the Department of Developments 166 loan program is now contained in a separate line item.

043 800-627 Liquor Control Operating

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$16,250,400	\$15,801,163
	N/A	N/A	N/A	N/A	-2.8%

Source: LCF: revenue from liquor sales to agency stores and wholesalers

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

Purpose: This new line item funds the operating expenses associated with the Division of Liquor Control. It replaces 800-321, Liquor Control Operating, and is an accounting change to more accurately describe the purpose of the funds within this line item. 600-series line items designate self-supporting programs.

043 800-633 Development Assistance Debt Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$16,134,800	\$16,141,100
	N/A	N/A	N/A	N/A	0.0%

Source: LCF: revenue from liquor sales to agency stores and wholesalers

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

Purpose: This line item funds the debt service payments on bonds issued to support the Department of Development's Chapter 166 loan program. Previously, the debt service was paid out of the 800-601, Merchandising line item. This change allows for the estimated debt service payments to be tracked more readily.

043 800-636 Revitalization Debt Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$1,600,000	\$6,700,000
	N/A	N/A	N/A	N/A	318.8%

Source: LCF: revenue from liquor sales to agency stores and wholesalers

Legal Basis: Section 2 O of Article VIII of the Ohio Constitution; H.B. 95, the budget bill of the 124th General Assembly

Purpose: This line item funds the debt service payments associated with the \$200 million urban revitalization component of the Clean Ohio bond program.

861 800-634 Salvage and Exchange

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$81,462	\$29,390	\$9,285	\$105,000	\$0	\$0
	-63.9%	-68.4%	1030.9%	-100.0%	N/A

Source: LCF: revenue from the sale of the division's unwanted material and equipment

Legal Basis: ORC 4301.10

Purpose: This fund provided the division with a means to sell unused or out-dated equipment and materials. It is discontinued under H.B. 95, the budget bill of the 124th General Assembly. Temporary law requires any remaining cash balances in this fund to be transferred to the Liquor Control Fund (043).

As Introduced*

In House Finance and Appropriations

Permanent Law Changes**Subject: Exclusion from Unclaimed Funds Law****section: 169.01**

No provision.

No provision.

Subject: Elevator Re-Inspection Fees**section: 4105.17**

Increases the base fee for an elevator re-inspection from \$30 to \$125. The existing supplement of \$5 per floor remains unchanged. The re-inspection fee applies when an inspector is forced to return to the site because of problems or delays not caused by the Division of Industrial Compliance. It is unclear how many such re-inspections there are annually, and thus what amount of additional revenue this provision would generate.

No change.

As Introduced*

In House Finance and Appropriations

Permanent Law Changes**Subject: Penalty Enforcement Fund****section: 4115.10**

Establishes the Penalty Enforcement Fund as an active, revenue-accruing fund in the state treasury, rather than its current status as a non-revenue custodial account. Revenues would consist of penalties assessed on violations of the Prevailing Wage Law. Revenue would depend on the number and amount of fines assessed for such violations.

No change.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes**Subject: Grants - Volunteer Fire Departments****Section: 34****ALI: 800-402**

Requires that appropriation item 800-402, Grants - Volunteer Fire Departments, be used to make grants available to volunteer fire departments. These grants are limited to \$10,000, unless any of the volunteer fire departments receiving grants serve areas affected by natural disasters. In that case, the grant awards are limited to \$25,000. The provision requires the State Fire Marshal to adopt the rules for this grant program.

Section: 32

Requires a cash transfer of \$200,000 in FY 2002 and \$100,000 in FY 2003 from the Industrial Compliance Fund (Fund 556) within the State Special Revenue Fund Group to the GRF. These earmarks would be used to make additional grants. Total appropriations for this program are thus increased to \$912,500 in FY 2002 and \$793,750 in FY 2003.

Subject: Labor and Worker Safety**Section: 34****ALI: 800-410**

Allows the Director to use a portion of appropriation item 800-410, Labor and Worker Safety, to match federal funding for the OSHA on-site consultation program.

Section: 32

No change.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes**Subject: Small Government Fire Departments****Section: 34****ALI: 800-635**

No provision.

Section: 32

Requires the transfer of \$250,000 in each fiscal year from the Industrial Compliance Fund (Fund 556) within the State Special Revenue Fund Group to the Small Government Fire Departments Fund (Fund 5F1) within the General Services Fund Group. The provision allows that the appropriation be used to provide loans to private fire departments in addition to public ones.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes**Subject: Penalty Enforcement****Section: 34****ALI: 800-621**

Requires appropriation item 800-621, Penalty Enforcement, be used to enforce sections 4115.03 to 4115.16 of the Revised Code. Requires the Director of Budget and Management, on July 1, 2001, or as soon thereafter as possible, to transfer any remaining balance in the Penalty Enforcement Fund under the custody of the Treasurer of State to the Penalty Enforcement Fund (Fund 5K7) within the Department of Commerce. This temporary provision is required to effectuate the cash transfer. Revenues consist of penalties received from employers for wage and hour violations.

(See also Permanent Law Changes under subject, "Penalty Enforcement Fund".)

Section: 32

No change.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes

Subject: Unclaimed Funds Payments

Section: 34

ALI: 800-625

Requires appropriation item 800-625, Unclaimed Funds-Claims, be used to pay bona fide claims made on the state's unclaimed funds program maintained by the agency pursuant to section 169.08 of the Revised Code. If it is determined that additional amounts are necessary, the amounts are appropriated.

Section: 32

No change.

Subject: Increased Appropriation Authority - Merchandising

Section: 34

ALI: 800-601

Allows the Director of Commerce, with the agreement of the Director of Budget and Management, to seek Controlling Board approval for increased appropriation authority in appropriation item 800-601, Merchandising.

Section: 32

No change.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes**Subject: Cash Balance Transfer****Section: 34****ALIs: 800-627, 800-634**

Requires the Director of Budget and Management to transfer any fund balance remaining on or after July 1, 2001 in the Salvage and Exchange Fund (Fund 861) to the Liquor Control Fund (Fund 043) and abolishes Fund 861. The Director of Budget and Management is required to cancel any existing encumbrances against appropriation item 800-634, Salvage and Exchange, and reestablish them against appropriation item 800-627, Liquor Control Operating.

Section: 32

No change.

Subject: Development Assistance Debt Service**Section: 34****ALI: 800-633**

Requires that appropriation item 800-633, Development Assistance Debt Service, be used to pay debt service payments on the Development Assistance bond program under the auspices of the Department of Development. The appropriation for debt service is limited to \$32,275,900 over the biennium; if required, additional amounts can be appropriated so long as they do not exceed \$25 million in each fiscal year, except as may be needed for obligations issued to meet guarantees.

Section: 32

No change.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes**Subject: Revitalization Debt Service****Section: 34****ALI: 800-636**

Requires that appropriation item 800-636, Revitalization Debt Service, be used to make debt service payments and financing costs associated with bonds issued to support part of the Clean Ohio Bond program authorized by Section 2o of Article VIII of the Ohio Constitution.

Implementing legislation has not yet been introduced; thus, the provision also allows further appropriation adjustments if necessary.

Section: 32

No change.

Subject: Administrative Assessments**Section: 34****ALI: 800-620**

Requires the Director of Commerce to establish assessments charged to other agency divisions for centralized personnel, legal, fiscal, and support services provided by the Division of Administration.

Section: 32

No change.