

Lake Erie Commission

- No GRF funding.
- Funding is increased 5.0% in FY02 and 3.2% in FY03.

OVERVIEW

The Lake Erie Commission (LEC) is responsible for coordinating state policies and programs that are related to Lake Erie and its surrounding areas. LEC's role is to preserve Lake Erie's natural resources, protect the quality of its waters and ecosystem, and promote the development of the North Coast. The Commission is comprised of the directors of the Ohio Environmental Protection Agency and the Departments of Agriculture, Development, Health Natural Resources, and Transportation. The Commission established the Lake Erie Office, located in Toledo, to implement its duties required under Revised Code sections 1506.21 through 1506.24.

LEC began as an Ohio Water Development Authority grant administered through the Ohio Environmental Protection Agency (EPA). The Commission maintains two accounts. First, the Lake Erie Protection Fund (State Special Revenue Fund 4C0) receives thousands of individual donations, primarily through the Lake Erie license plate program. This fund is used solely to award grants and contracts through a competitive proposal process.

The Great Lakes Protection Fund is an interstate trust fund established in 1990 to protect and restore the Great Lakes. States contiguous to the Great Lakes deposit money to the fund for projects and programs related to the Great Lakes. One-third of the annual earnings of this fund is transferred to the states. Ohio's portion is placed into the Commission's second account, the Lake Erie Resources Fund (State Special Revenue Fund 5D8). These moneys are used to fund the operations of LEC and its Office. The LEC and the Ohio Lake Erie Office receive no General Revenue Funds.

The Lake Erie Office consists of the Executive Director, an Executive Secretary, a Public Information Specialist, a Fiscal Specialist, a part-time Secretary, and a part-time college Intern. An Environmental Specialist will be hired in FY 2001.

The Office performs the following activities: advises the Governor and the Commission on the development, coordination, and implementation of Lake Erie programs; represents Ohio in regional, national and international forums relating to the Great Lakes; assists in the Coastal Zone Management program; facilitates compliance with the Great Lakes Water Quality Agreement and Great Lakes Toxic Substances Control Agreement; and manages the distribution of funds from the Lake Erie Protection

Fund. Specifically, LEC has developed a strategic plan, the Lake Erie Protection and Restoration Plan, to guide its efforts in the upcoming biennium and beyond.

ADDITIONAL FACTS AND FIGURES

Lake Erie Commission Staffing Levels						
Program Series/Division	1998	1999	2000	2001	Estimated	
					2002	2003
Executive Director	1	1	1	1	1	1
Executive Secretary	1	1	1	1	1	1
Environmental Specialist	0	0	0	1	1	1
College Intern	1.5	1	.5	.5	.5	.5
Secretary	.5	.5	.5	.5	.5	.5
Public Information Specialist	1	1	1	1	1	1
Fiscal Specialist	1	1	1	1	1	1
Total	6	5.5	5	6	6	6

The Lake Erie Office consists of five full-time and two part-time staff: the Executive Director, an Executive Secretary, a Public Information Specialist, a Fiscal Specialist, a part-time Secretary, an Administrative Assistant, an Environmental Specialist (to be hired in FY 2001), and a part-time college Intern. The part-time Secretary is funded through the U.S. Department of Agriculture to provide support for the resident Great Lakes Coordinator of the Natural Resources Conservation Service (NRCS).

COASTWEEKS

The Lake Erie Commission sponsors an annual public outreach program, Coastweeks, to promote the preservation and protection of Lake Erie. This program takes place along the Lake Erie shore and features volunteer clean-up activities and exhibits of materials related to Lake Erie conservation and development. Over 100 Coastweeks events have taken place in the current biennium resulting in some 28,000 pounds of debris being removed from the lake shoreline by 1,150 volunteers. Two annual conferences were conducted and over 400 citizens attended the conferences.

Coastweeks 2000 Projects (As of November 2000)

Name of Cleanup	# of Participants	Weight in Pounds	Distance in Miles
Put-in-Bay	172	1,044	0.30
Maumee Bay	16	40	5
USS Cod	50	42	0.20
Sheldon Marsh	10	500	1
East Harbor	4	30	3
Aqua Amigos	20	180	0.25
Arcola Creek	12	120	0.10
Clean Your Streams	106	4,800	Unknown
GRAND TOTALS	390	6,756 lbs.	14.35 miles

ANALYSIS OF EXECUTIVE PROPOSAL

LAKE ERIE COMMISSION

Single Program Agency

Purpose The Lake Erie Commission (LEC) is responsible for coordinating state policies and programs that are related to Lake Erie and its surrounding areas. LEC's role is to preserve Lake Erie's natural resources, protect the quality of its waters and ecosystem, and promote the development of the North Coast.

The following table shows the line items that are used to fund the Lake Erie Commission, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
4C0	780-601	Lake Erie Protection Fund	\$1,044,854	\$1,070,975
5D8	780-602	Lake Erie Resources Fund	\$661,009	\$689,004
Total funding: Lake Erie Commission			\$1,705,863	\$1,759,979

OHIO LAKE ERIE COMMISSION

Program Description: The Lake Erie Commission works to protect Lake Erie's natural resources, restore degraded elements of the Lake Erie ecosystem, and promote economic development of Ohio's North Coast. The Commission also oversees the management of the Lake Erie Protection Fund, which was established to protect and enhance Lake Erie through research, restoration, and education. Members of the Commission include the directors of the Ohio Environmental Protection Agency and Departments of Agriculture, Development, Health, Natural Resources, and Transportation. Authority for the Lake Erie Commission is given under Ohio Revised Code Sections 1506.21, 1506.23 and 4503.53. The Commission was established in 1990.

Lake Erie Grants: The Lake Erie Commission selects grant recipients through a competitive process. The Commission has a small grant cycle for research projects, and a large grant cycle for implementation projects. Once the applications are received, they go through a review process that includes both outside researchers and state agency officials to determine the viability and applicability of each of the grant proposals. The LEC Grants Committee (made up of a designee from each of the Commission Agencies) does a final review prior to approval by the Commission. Proposals are reviewed and judged according to technical quality, their relevance to the Commission's stated goals, and the degree to which the proposal will result in real improvements to the Lake Erie watershed. Examples of typical projects include: restoration of wetlands or habitat; ecology research; monitoring of manufacturing and/or chemical plants; and the implementation of Best Management Practices (BMPs). Grants are awarded to private organizations, nonprofit organizations, academic groups, or state/local government agencies. Grants are applicable for up to three years, and a ten percent match is required. Over the 1999-2001 biennium, approximately 35 grants will have been awarded totaling \$1.5 million.

Over the next biennium, the Commission expects to award approximately 65 grants worth another \$1.5 million. Projects involving research and implementation in the priority areas of pollution prevention, habitat restoration, and exotic species prevention will be awarded grants. In addition, a program will be established to assess the effectiveness of the grants program.

Lake Erie Protection and Restoration Plan: A priority during the next biennium will be to implement the objectives of the Commission's strategic plan, the Lake Erie Protection and Restoration Plan. This report was released in September 2000 and includes 84 actions that promote the environmental, recreational, and economic resources of Lake Erie and its watershed. The 84 actions are categorized into broader initiatives, as follows:

- Establish the Governor's Balanced Growth Blue Ribbon Task Force to develop recommendations for Lake Erie conservation;
- Designate other awards for sound environmental or development practices;
- Create and publish a *Lake Erie Model Zoning Ordinance* and *Building Code*;
- Establish a program to promote cultural and ecological tourism in partnership with local tourism bureaus;
- Provide for buffers on 80% of Lake Erie watershed ditches, streams, and tributaries;
- Develop a Lake Erie educational program for middle schools.

For the upcoming biennium, activities will include establishing an Ohio Lake Erie Heritage Area Taskforce and a comprehensive Ohio Lake Erie Monitoring Plan to gauge the health of the watershed. Action coordinators will seek to develop a Lake Erie radio consortium to feature weekly spots about the Great Lakes.

The Lake Erie Coastal Resources Inventory and Lake Erie Quality Index will be updated. These documents are used to examine the status and quality of Lake Erie resources.

Lake Erie License Plates: A continuing challenge for the Commission is to generate enough revenue to maintain operations and the grants program. Revenues from the Lake Erie license plate program have decreased from a high of \$912,210 in FY 1997 to \$781,000 in FY 2000, due to increased competition in specialty license plates. Overall, license plate revenues are declining at a rate of five percent annually.

To help cover grants, the Commission is requesting a transfer of excess moneys from the Lake Erie Resources Fund to the Lake Erie Protection Fund (see *Permanent and Temporary Law*). Although this measure will help fund some grants, it does not fully address the concern of insufficient revenues for the grant program in light of decreasing revenues from the license plate program. However, because specialty license plate purchases appear to be partially driven by the state of the economy, Lake Erie license plate revenues may increase as the economy strengthens. The Commission's research has found that Lake Erie license plate customers tend to be loyal and earn high enough incomes that they are not easily affected by economic downturns. In addition, the Lake Erie Resources Fund produces an average of \$250,000 in surplus moneys each year. In future budget years, transfers from the Lake Erie Resources Fund could be reexamined to assess the long-term benefits to the Lake Erie Protection Fund.

In FY 1999, the Lake Erie Office commissioned a comprehensive marketing research evaluation of its revenue-generating programs. In keeping with their findings, the Commission intends to raise \$10 million toward a Lake Erie Protection Fund Endowment over the next biennium. In addition, the Commission will pursue new license plate initiatives, as well as a marketing campaign aimed at reversing the decreasing sales trends. LEC plans to introduce three new plate designs, including lighthouses, in the new biennium and will also consider releasing a cooperative plate with the Department of Natural Resources (revenues from this design would benefit both agencies).

The Commission has developed a biennial Customer Report postcard that is now sent to LEC customers to inform them of what progress has been made with their donations. The Commission saved \$50,000 by replacing the former Lake Erie Calendar with this postcard.

Policy and Management Meetings: The Commission conducts quarterly meetings that provide a forum for Ohio citizens and organizations and allow for the coordination of policies and management activities. In addition, Commission members represent the state of Ohio at other regional and international meetings about the Great Lakes.

Public Education Program: The Commission's public education program informs students and citizens about the benefits and concerns of Lake Erie. The Ohio Coastweeks program (see *Additional Facts and Figures*), the publication of the State of the Lake Report, and the Commission's newsletter and website are used to meet education goals.

Funding Source: The Commission maintains two funds. In 1990, Substitute House Bill 804 established the Lake Erie Protection Fund, Fund 4C0. The Lake Erie Protection Fund receives thousands of individual donations, primarily through the Lake Erie license plate and Lake Erie credit card programs, gifts, donations and bequests. This fund is used solely to award competitive grants and contracts for projects that protect and enhance Lake Erie. This is accomplished through research, monitoring, demonstration and education projects concerning Lake Erie, its shoreline and watershed. Of particular interest to the Lake Erie Protection Fund are projects that further the objectives of Ohio's state, national, and international plans and commitments.

The Lake Erie Resources Fund, Fund 5D8, receives Ohio's share of the earnings from the Great Lakes Protection Fund, an interstate trust fund established in 1990 to protect and restore the Great Lakes. These moneys are used to fund the operations of the Ohio Lake Erie Commission and Office.

The Lake Erie Commission receives no General Revenue Fund money.

Line Items: 780-601, 780-602.

Implication of Recommendation: Funding is increased by \$80,612 in FY 2002 (5.0% above estimated expenditures for FY 2001) and by \$54,116 in FY 2003 (3.2% above FY 2002). The recommended levels will allow the Commission to maintain its operations and work toward satisfying the objectives of the Lake Erie Protection and Restoration Plan. In addition, \$25,000 in each fiscal year is available for creating and publishing the second biennial State of the Lake Report-Lake Erie Quality Index. The increases for this biennium follow a decrease of 17.7% from FY 1999 to 2000 and an increase of 2.4% in FY 2001.

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

There are no permanent law provisions with fiscal effects on this agency.

Temporary Law Provisions

Transfer of excess funds from the Lake Erie Resources Fund to the Lake Erie Protection Fund

This language would allow the Lake Erie Commission to transfer excess funds from the Lake Erie Resources Fund (Fund 5D8) to the Lake Erie Protection Fund (Fund 4C0). The Lake Erie Protection Fund is used for research and program grants that support the protection and restoration of Lake Erie. The fund has experienced a decrease in revenues from its license plate sales over the last three years. In order to help support ongoing and future grants, the transfer from the Lake Erie Resources Fund, the Commission's operating fund, is requested. Am. Sub. H.B. 215 of the 122nd G.A. authorized the transfer of \$750,000 *from* the Lake Erie Protection Fund *to* the Lake Erie Resources Fund to supplement operations. This transfer would also allow for the repayment of those funds.

REQUESTS NOT FUNDED

The executive budget recommendation fully funds the program series included in the FY 2002-2003 budget request for the Lake Erie Commission. Total recommended appropriations are \$1,705,863 for FY 2002, and \$1,759,979 for FY 2003.

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

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Revised Estimated 2001</i>	<i>As Introduced 2002</i>	<i>House Sub Bill 2002</i>	<i>% Change Est. 2001 to House 2002</i>	<i>As Introduced 2003</i>	<i>House Sub Bill 2003</i>	<i>% Change House 2002 to House 2003</i>
<i>LEC Lake Erie Commission</i>									
4C0	780-601	Lake Erie Protection	\$1,022,362	\$ 1,044,854	\$ 1,044,854	2.2%	\$ 1,070,975	\$ 1,070,975	2.5%
5D8	780-602	Lake Erie Resources	\$602,889	\$ 661,009	\$ 661,009	9.6%	\$ 689,004	\$ 689,004	4.2%
State Special Revenue Fund Group Total			\$ 1,625,251	\$ 1,705,863	\$ 1,705,863	5.0%	\$ 1,759,979	\$ 1,759,979	3.2%
Total All Budget Fund Groups			\$ 1,625,251	\$ 1,705,863	\$ 1,705,863	5.0%	\$ 1,759,979	\$ 1,759,979	3.2%

State Special Revenue Fund Group

4C0 780-601 Lake Erie Protection

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$894,876	\$810,978	\$889,835	\$1,022,362	\$1,044,854	\$1,070,975
	-9.4%	9.7%	14.9%	2.2%	2.5%

Source: SSR: revenues generated from the issuance of Lake Erie license plates; and donations, gifts, bequests and other moneys received for the purposes of this section

Legal Basis: ORC 1506.23

Purpose: Funds in this line item are used to 1) accelerate the pace of research into the economic, environmental, and human health effects of contamination of Lake Erie and its tributaries; 2) fund cooperative research and data collection regarding Lake Erie water quality and toxic contamination; 3) develop improved methods of measuring water quality and establishing a firm scientific base for implementing a basin-wide system of water quality management for Lake Erie and its tributaries; 4) support research to improve the scientific knowledge on which protection policies are based and devising new and innovative cleanup techniques for toxic contaminants; 5) supplement state commitments to policies and programs pertaining to Lake Erie water quality and resource protection in a stable and predictable manner; 6) encourage cooperation with and among leaders from state legislatures, state agencies, political subdivisions, business and industry, labor, institutions of higher education, environmental organizations, and conservation groups within the Lake Erie basin; 7) award grants to any agency of the United States, any state agency, as defined in division (A)(2) of section 111.15 of the Revised Code, any political subdivision, any educational institution, or any nonprofit organization for the development and implementation of projects and programs that are designed to protect Lake Erie by reducing toxic contamination of or improving water quality in Lake Erie; 8) pay expenses authorized by the Ohio Lake Erie commission necessary to implement this chapter.

5D8 780-602 Lake Erie Resources

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$708,875	\$484,181	\$479,414	\$602,889	\$661,009	\$689,004
	-31.7%	-1.0%	25.8%	9.6%	4.2%

Source: SSR: revenues generated from the Lake Erie credit card, gifts, bequests and other donations, as well as moneys awarded to the state from the Great Lakes Protection Fund

Legal Basis: ORC 1506.24

Purpose: Funds in this line item are used to support operating expenses of the Lake Erie Commission and Office.

As Introduced*

In House Finance and Appropriations

Temporary Law Changes**Subject: Cash Transfer****Section: 65****ALI: 780-602**

Requires the Executive Director of the Ohio Lake Erie Office, with the approval of the Lake Erie Commission, to, not later than November 30th of each fiscal year, certify to the Director of Budget and Management the cash balance in the Lake Erie Resources Fund (Fund 5D8) in excess of amounts needed to meet operating expenses of the Lake Erie Office. Allows the Ohio Lake Erie Office to request that the Director of Budget and Management transfer excess funds from the Lake Erie Resources Fund (Fund 5D8) to the Lake Erie Protection Fund (Fund 4C0). The Director of Budget and Management may transfer the requested amount or a different amount up to the certified amount. Cash transferred must be used for the purposes described in division (A) of section 1506.23 of the Revised Code. Provides that the amount transferred is appropriated to appropriation item 780-601, Lake Erie Protection Fund, which is to be increased by the amount transferred.

The Lake Erie Protection Fund is used for research and program grants that support the protection and restoration of Lake Erie. The fund has experienced a decrease in revenues from its license plates sales over the last three years. In order to help support ongoing and future grants, the transfer from the Lake Erie Resources Fund, which funds operations, is requested. Am. Sub. H.B. 215 of the 122nd General Assembly authorized the transfer of

Section: 65

No change.

As Introduced***In House Finance and Appropriations**

Temporary Law Changes

\$750,000 from the Lake Erie Protection Fund to the Lake Erie Resources Fund to supplement operations. The Lake Erie Commission anticipates transferring \$1,000,000 in FY 2002.
