

Department of Commerce

Senate Finance and Financial Institutions Committee

*Jason Phillips, Budget Analyst
Legislative Service Commission*

May 10, 2007

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LSC Redbook
for the
Department of Commerce

Senate Finance and Financial Institutions Committee

Jason Phillips, Budget Analyst

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ATTACHMENTS:

- Catalog of Budget Line Items
- LSC Budget Spreadsheet By Line Item: Executive to House Passed
- Comparison Document: Permanent and Temporary Law

May 10, 2007

Department of Commerce

- Planned GRF transfers from liquor profits in the range of \$147 million in FY 2008 and \$141 million in FY 2009
- Executive recommendation of \$667.1 million in FY 2008 and \$706.0 million in FY 2009

OVERVIEW

The Department of Commerce is a multi-functional regulatory agency that emphasizes economic development, public safety, and customer service. Commerce operates with the use of little General Revenue Funds (GRF), 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 eight operating divisions. The chief of each operating division and administration section report directly to the Director of Commerce. Each division is organized into specific program, administrative, and support sections and has its own operating funds. The divisions are:

The Division of Financial Institutions ensures the overall safety and soundness of the financial institutions under its supervision. The Division regulates state-chartered banks, credit unions, savings banks, and savings and loan associations as well as 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.

The Division of Industrial Compliance provides services that safeguard the health, safety, and welfare of Ohio's workers and citizens. The Division is organized along function lines with the Bureau of Construction Compliance providing plan review and construction site inspection services. The Bureau of Operations and Maintenance provides regulatory services to ensure the safety of systems such as elevators and boilers through initial and annual compliance and safety inspections, licensing, and certification. The Division also provides administrative support for five independent boards: the Board of Building Standards, Board of Building Appeals, Ohio Construction Industry Licensing Board, Ski Tramway Board, and the Historical Boilers Licensing Board.

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 430 private contract liquor agencies in the state. The Division also issues permits to the state's approximately 25,000 privately owned and operated manufacturers, distributors, and retailers of alcoholic beverages.

The Division of Real Estate and Professional Licensing licenses real estate brokers, salespersons, appraisers, and registers foreign real estate property. It also 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.

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 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 moneys 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 stocks 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 has over 3.2 million accounts worth more than \$970 million.

The Division of Labor and Worker Safety enforces Ohio's wage and hour laws. The Division, through the Bureau of Wage and Hour, investigates prevailing wage complaints and upon making determinations, collects back wages and penalties owed to workers. Also, the minimum wage and minor program investigates employers that are alleged to have not paid workers minimum wage and/or overtime and claims of minors who may be working in hazardous occupations and/or are working beyond a maximum number of hours per week.

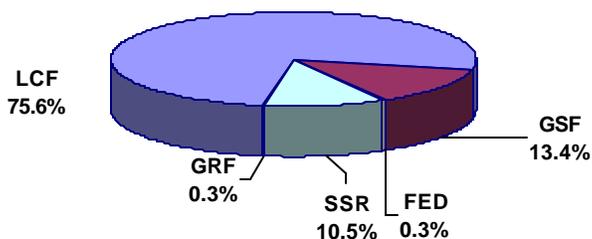
The Division of Administration directs, administers, supports, and coordinates the activities of the eight operating divisions of the Department. Within the Division of Administration are the offices of Human Resources, Information Systems and Services, Records Management, Fiscal Operations, Public Information,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

FYs 2008-2009 Executive Recommendation

The executive recommends FY 2008 appropriations of \$667,141,151, an increase of approximately 6.3% over FY 2007 estimated spending of \$627,819,517 (largely based on FY 2007 adjusted appropriations). Recommended FY 2009 appropriations are \$706,017,859, or 5.8% above the recommended FY 2008 appropriations. Much of the increase in the Department's recommended appropriations in FY 2008 and FY 2009 are due to increases in funding for the Division of Liquor Control to purchase additional spirituous liquor, which is sold through more than 400 private liquor agencies under contract with the Division. These additional amounts enable the Division to meet projected increases in spirituous liquor sales in the upcoming biennium. Also contributing to the increased appropriations are additional funding for the consolidation of the Department's IT operations and additional amounts appropriated to pay unclaimed funds claims in FY 2009.

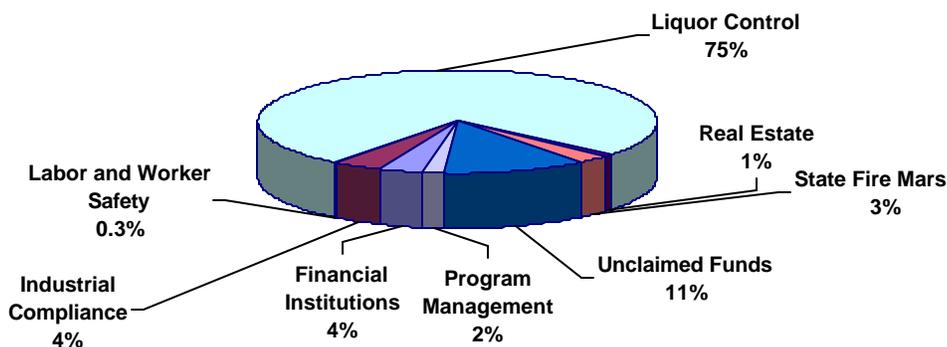
As the first chart below illustrates, less than 1% of the Department's budget comes from GRF funds. The Liquor Control Fund comprises approximately 75% of the agency's budget. The State Special Revenue Fund Group makes up most of the remainder of Commerce's budget. This is fee revenue that finances some or all of five of the Department's nine divisions.

Chart 1: FYs 2008-2009 Recommended Funding by Fund Group



Another way to look at funding is how it is spread among program series. As Chart 2 below also indicates, Liquor Control, through the administration of the sale of spirituous liquor in Ohio, is the program series with the greatest amount of funding, followed by Unclaimed Funds.

Chart 2: FYs 2008-2009 Recommended Funding by Program Series



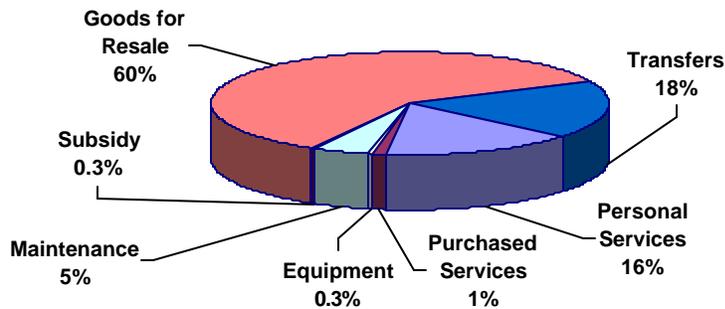
However, when the Liquor Control program series is removed from Commerce's budget, a different picture of the Department's funding can be seen. The following table illustrates the share of funding for each program series when the Liquor Control portion is removed from the budget. The Liquor Control program series accounts for \$502,780,403 in FY 2008 and \$534,661,698 in FY 2009 for a biennium total of \$1,037,442,101.

Table 1: Department of Commerce Non-Liquor Control Budget

	FY 2008 Rec. Funding	FY 2009 Rec. Funding	Biennium Total	Percent
Financial Institutions	\$24,869,226	\$25,414,716	\$50,283,942	15.0%
Industrial Compliance	\$25,033,908	\$25,570,011	\$50,603,919	15.1%
Real Estate	\$4,752,509	\$4,846,642	\$9,599,151	2.9%
State Fire Marshal	\$18,619,053	\$19,048,458	\$37,667,511	11.2%
Unclaimed Funds	\$77,880,468	\$83,049,937	\$160,930,405	47.9%
Labor and Worker Safety	\$2,232,397	\$2,232,397	\$4,464,794	1.3%
Program Management	\$10,973,187	\$11,194,000	\$22,167,187	6.6%
Total Non-Liquor Budget	\$164,360,748	\$171,356,161	\$335,716,909	100.0%

Chart 3 below illustrates Commerce's budget by object of expense. As the other charts have also demonstrated, the sale of spirituous liquor is the largest aspect of Commerce's operations and, as such, the purchase of spirituous liquor merchandise comprises 60% of the agency's budget. Personal services such as payroll and fringe benefit costs and transfers (primarily from claims from the Unclaimed Funds program and debt service payments on economic development and environmental clean-up bonds) account for the majority of the rest of the budget, together comprising approximately 34% of the budget. Maintenance, purchased services, equipment, and subsidies account for the rest of the Department's spending.

Chart 3: FYs 2008-2009 Recommended Budget by Object Code

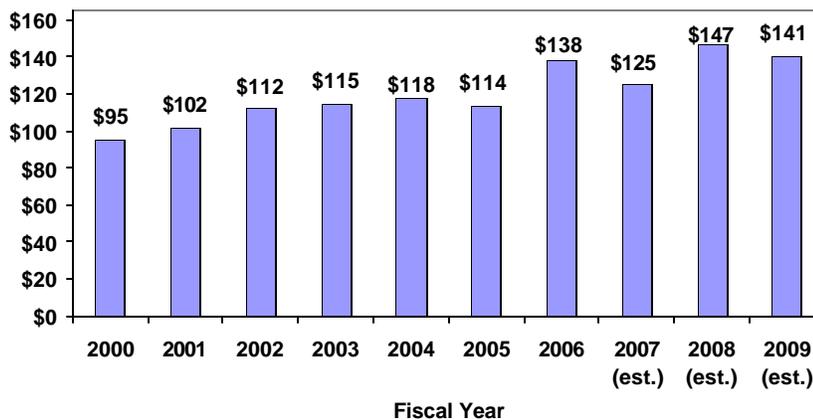


Issues of Interest

Liquor Sales Projections

Sales of spirituous liquor are expected to reach \$699.6 million in FY 2008 and \$736.2 million in FY 2009. A portion of these proceeds is transferred to the GRF. Chart 4 below illustrates the Division of Liquor Control's annual GRF transfer from FY 2000 to FY 2009. The transfer of liquor sales proceeds to the GRF has been estimated at \$147.0 million in FY 2008 and \$141.0 million in FY 2009.

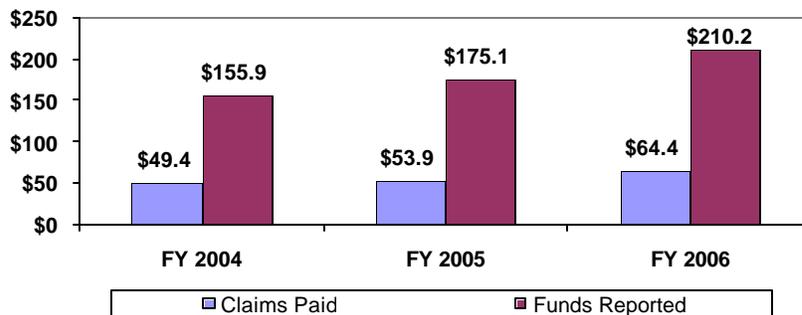
Chart 4: Annual GRF Transfer (in Millions), FYs 2000-2009



Unclaimed Funds

In FY 2006, the Division of Unclaimed Funds paid a record \$64.4 million in unclaimed funds claims to current or former residents of Ohio. The number of claims paid in FY 2006 was also a record at 43,714. In that same fiscal year, the Division collected a record amount of unclaimed funds reported (\$210.2 million).

Chart 5: Unclaimed Funds Paid and Collected (in Millions),
FYs 2004-2006



Recently Enacted Legislation

Several pieces of legislation impacted the Department during the 126th General Assembly. Am. Sub. S.B. 185, which took effect January 1, 2007, strengthened the state's predatory lending laws by bringing mortgage brokers under the Consumer Sales Practices Act (CSPA). Among other provisions, that bill also required criminal background checks of mortgage brokers, loan officer and real estate appraiser applicants, an Internet database of enforcement actions against mortgage brokers and loan officers, pre-licensing education for mortgage brokers and loan officers, and the creation of the Consumer Finance Education Board. Since the bill became effective, the Division of Financial Institutions (DFI) reports that the number of new loan officer license applications has dropped by approximately 90%. While DFI is uncertain whether this recent trend of reduced license applications will continue, the decline has had an impact on the revenue to the Consumer Finance Fund (Fund 553).

Am. Sub. H.B. 690 implemented the provisions in Section 34a of Article II in the Ohio Constitution, which was approved in the general election held November 7, 2006. That constitutional amendment increased the minimum wage to \$6.85 per hour beginning January 1, 2007 and required that the minimum wage be indexed to inflation every September 30th thereafter. A person alleging a violation may either file a complaint with the U.S. Department of Labor or the Ohio Department of Commerce. However, it is likely more people will file complaints with the state because an employee whose complaint has been substantiated will receive higher back wages with a state complaint due to the state's minimum wage being higher than the federal minimum wage. Since the constitutional amendment has taken effect, the Department has experienced a significant increase in the number of minimum wage complaints received.

Sub. H.B. 454 became effective in April 2007, revising the statutes relating to money transmitters in an effort to allow the Department to better supervise foreign and domestic money transmitters operating in Ohio. Sub. H.B. 81, which became effective in April 2006, revised parity of treatment provisions for state-chartered financial institutions, gave more powers to credit unions in carrying out their functions, and made some modifications to credit union operations.

Capital Improvements

The most recent capital appropriations act, Am. Sub. H.B. 699 of the 126th General Assembly, appropriated \$4,120,000 from the State Fire Marshal's Fund (Fund 546) for FYs 2007-2008 for a variety of projects on the State Fire Marshal's campus. Funded projects included emergency generator replacement, information technology infrastructure improvement, new fencing and a security gate, a driver training area for firefighters to practice and refine driving skills, fire training grounds road improvements, and the purchase of some forensic laboratory equipment. The State Fire Marshal's Ohio Fire Academy facility expansion and renovation project is scheduled for completion in May 2007. This project includes a two-story dorm addition that will house 72 new dorm rooms, a multi-purpose room addition that can be subdivided or used as large class rooms, and a two-story office addition. Overall, 35,000 sq. ft. of existing space will be renovated.

Other Highlights

In the current biennium, the Department has realigned the Information Technology Group (ITG) section in the Division of Administration from a functional and reporting standpoint. The intent of this initiative was to gain better controls and accountability for information technology management as the needs of the department's customer base as well as its own staff place ever more importance on information technology. The executive recommendation provides the final phase of the project through centralized funding of the agency's information technology budget.

In addition, a new comprehensive fire code was promulgated in the Ohio Administrative Code in the summer of 2005. The Division of Real Estate and Professional Licensing, Division of Financial Institutions, and Ohio Construction Industry Licensing Board implemented web-based licensing applications providing for online license renewals, electronic submittals of continuing education information, electronic case tracking, and so on. The Division of Industrial Compliance established a centralized Dispatch and Communications Center, which increased the Division's ability to meet customer requests for inspections by 25% and developed an electronic plans submission process to provide for more timely plans review, inspections, and information for customer access.

Staffing Levels

Commerce Staffing Levels						
Division	Filled Positions				Estimated Employees	
	2004	2005	2006	2007	2008	2009
Financial Institutions	113.5	119	121	126	127	127
Securities	38	39	37	38	38	38
Industrial Compliance	243	231	218	227	248*	248
Liquor Control	148	150	145	145	123**	123
Real Estate	49	48	50	50	50	50
State Fire Marshal	131	134	168	171	265***	265
Unclaimed Funds	38	38	42	44	40	40
Labor and Worker Safety	87.75	79.75	24	22	23	22
Administration	49	49	49	49	49	49
Information Technology	22	22	22	22	50****	50
Total	919.25	909.75	876	894	1,013	1,012

* The increase in Division of Industrial Compliance positions from FY 2007 to FY 2008 represents unfilled vacancies, the vast majority of which are field inspector positions, that may be filled in the upcoming biennium. Division of Industrial Compliance administration will assess the Division's needs and fill positions in the biennium as needed.

** The decrease in Division of Liquor Control positions between FY 2007 and FY 2008 represents the consolidation of funding for personnel in the Information Technology Group (ITG). Currently, many ITG positions are funded through the operating funds of Commerce's various divisions, including the Division of Liquor Control. For FY 2008, the Governor's recommendation centrally funds ITG personnel through appropriation item 800-637, Information Technology.

*** The increases in FY 2005 through FY 2009 in the State Fire Marshal area are a result of trainers who were previously paid on contract and are now being added as intermittent employees (counted as 0.5 FTE).

**** The increase in the Information Technology section in FY 2008 and FY 2009 is due to the consolidation of staff from the various divisions to the Division of Administration as well as an increase in staff due to an increase in the program's budget.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	800-410	Labor and Worker Safety	\$2,132,397	\$2,132,397
		<u>Program Series 7: Labor and Worker Safety</u>	\$2,132,397	\$2,132,397
		Program 7.01: Wage, Hour and Minor Law Enforcement	\$2,132,397	\$2,132,397
General Revenue Fund Subtotal			\$2,132,397	\$2,132,397
General Services Fund Group				
163	800-620	Division of Administration	\$4,323,037	\$4,413,037
		<u>Program Series 8: Program Management</u>	\$4,323,037	\$4,413,037
		Program 8.01: Program Management	\$4,323,037	\$4,413,037
163	800-637	Information Technology	\$6,650,150	\$6,780,963
		<u>Program Series 8: Program Management</u>	\$6,650,150	\$6,780,963
		Program 8.02: Information Technology Group	\$6,650,150	\$6,780,963
5F1	800-635	Small Government Fire Departments	\$300,000	\$300,000
		<u>Program Series 5: State Fire Marshal</u>	\$300,000	\$300,000
		Program 5.07: Fire Department Assistance	\$300,000	\$300,000
543	800-602	Unclaimed Funds- Operating	\$7,880,468	\$8,049,937
		<u>Program Series 6: Unclaimed Funds</u>	\$7,880,468	\$8,049,937
		Program 6.01: Unclaimed Funds	\$7,880,468	\$8,049,937
543	800-625	Unclaimed Funds- Claims	\$70,000,000	\$75,000,000
		<u>Program Series 6: Unclaimed Funds</u>	\$70,000,000	\$75,000,000
		Program 6.01: Unclaimed Funds	\$70,000,000	\$75,000,000
General Services Fund Group Subtotal			\$89,153,655	\$94,543,937
Federal Special Revenue Fund Group				
348	800-622	Underground Storage Tanks	\$195,008	\$195,008
		<u>Program Series 5: State Fire Marshal</u>	\$195,008	\$195,008
		Program 5.06: Bureau of Underground Storage Tanks	\$195,008	\$195,008
348	800-624	Leaking Underground Storage Tank	\$1,850,000	\$1,850,000
		<u>Program Series 5: State Fire Marshal</u>	\$1,850,000	\$1,850,000
		Program 5.06: Bureau of Underground Storage Tanks	\$1,850,000	\$1,850,000
Federal Special Revenue Fund Group Subtotal			\$2,045,008	\$2,045,008

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund Group				
4B2	800-631	Real Estate Appraisal Recovery	\$35,000	\$35,000
		<u>Program Series 4: Real Estate</u>	\$35,000	\$35,000
		Program 4.02: Real Estate Appraisers	\$35,000	\$35,000
4H9	800-608	Cemeteries	\$273,465	\$273,465
		<u>Program Series 4: Real Estate</u>	\$273,465	\$273,465
		Program 4.03: Cemetery Registration	\$273,465	\$273,465
4X2	800-619	Financial Institutions	\$2,474,414	\$2,523,918
		<u>Program Series 1: Financial Institutions</u>	\$2,474,414	\$2,523,918
		Program 1.01: Banks	\$837,502	\$854,255
		Program 1.02: Consumer Affairs	\$209,088	\$213,271
		Program 1.03: Consumer Finance	\$692,835	\$706,698
		Program 1.04: Credit Unions	\$395,256	\$403,165
		Program 1.05: Money Transmitters	\$44,540	\$45,430
		Program 1.06: Savings Institutions	\$295,193	\$301,099
5K7	800-621	Penalty Enforcement	\$100,000	\$100,000
		<u>Program Series 7: Labor and Worker Safety</u>	\$100,000	\$100,000
		Program 7.01: Wage, Hour and Minor Law Enforcement	\$100,000	\$100,000
544	800-612	Banks	\$6,516,507	\$6,703,253
		<u>Program Series 1: Financial Institutions</u>	\$6,516,507	\$6,703,253
		Program 1.01: Banks	\$6,118,442	\$6,304,917
		Program 1.05: Money Transmitters	\$398,065	\$398,336
545	800-613	Savings Institutions	\$2,244,370	\$2,286,616
		<u>Program Series 1: Financial Institutions</u>	\$2,244,370	\$2,286,616
		Program 1.06: Savings Institutions	\$2,244,370	\$2,286,616
546	800-610	Fire Marshal	\$13,104,393	\$13,579,150
		<u>Program Series 5: State Fire Marshal</u>	\$13,104,393	\$13,579,150
		Program 5.01: Ohio Fire Academy	\$2,742,085	\$2,824,274
		Program 5.02: Code Enforcement	\$3,119,981	\$3,259,542
		Program 5.03: Investigations	\$2,319,814	\$2,426,184
		Program 5.04: Fire Prevention	\$1,001,444	\$1,045,380
		Program 5.05: Forensic Lab	\$665,030	\$695,138
		Program 5.08: State Fire Marshal Program Administration	\$3,256,039	\$3,328,632
546	800-639	Fire Department Grants	\$1,647,140	\$1,647,140
		<u>Program Series 5: State Fire Marshal</u>	\$1,647,140	\$1,647,140
		Program 5.07: Fire Department Assistance	\$1,647,140	\$1,647,140
546	800-640	Homeland Security Grants	\$10,000	\$10,000
		<u>Program Series 5: State Fire Marshal</u>	\$10,000	\$10,000
		Program 5.01: Ohio Fire Academy	\$10,000	\$10,000

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
547	800-603	Real Estate Education/Research	\$250,000	\$250,000
		<u>Program Series 4: Real Estate</u>	\$250,000	\$250,000
		Program 4.01: Real Estate	\$250,000	\$250,000
548	800-611	Real Estate Recovery	\$50,000	\$50,000
		<u>Program Series 4: Real Estate</u>	\$50,000	\$50,000
		Program 4.01: Real Estate	\$50,000	\$50,000
549	800-614	Real Estate	\$3,480,038	\$3,574,171
		<u>Program Series 4: Real Estate</u>	\$3,480,038	\$3,574,171
		Program 4.01: Real Estate	\$3,480,038	\$3,574,171
550	800-617	Securities	\$4,312,453	\$4,473,094
		<u>Program Series 1: Financial Institutions</u>	\$4,312,453	\$4,473,094
		Program 1.07: Securities	\$4,312,453	\$4,473,094
552	800-604	Credit Union	\$3,521,037	\$3,627,390
		<u>Program Series 1: Financial Institutions</u>	\$3,521,037	\$3,627,390
		Program 1.04: Credit Unions	\$3,521,037	\$3,627,390
553	800-607	Consumer Finance	\$5,800,445	\$5,800,445
		<u>Program Series 1: Financial Institutions</u>	\$5,800,445	\$5,800,445
		Program 1.02: Consumer Affairs	\$1,676,184	\$1,571,132
		Program 1.03: Consumer Finance	\$4,124,261	\$4,229,313
556	800-615	Industrial Compliance	\$25,033,908	\$25,570,011
		<u>Program Series 2: Industrial Compliance</u>	\$25,033,908	\$25,570,011
		Program 2.01: Building Code Compliance	\$6,766,506	\$7,040,595
		Program 2.02: Operations and Maintenance	\$8,719,717	\$9,329,855
		Program 2.03: Building Code	\$2,361,885	\$2,439,894
		Program 2.04: Ohio Construction Industry Licensing Board	\$1,094,903	\$1,163,772
		Program 2.05: Industrial Compliance Program Administration	\$6,090,897	\$5,595,895
6A4	800-630	Real Estate Appraiser Operating	\$664,006	\$664,006
		<u>Program Series 4: Real Estate</u>	\$664,006	\$664,006
		Program 4.02: Real Estate Appraisers	\$664,006	\$664,006
653	800-629	UST Registration/Permit Fee	\$1,512,512	\$1,467,160
		<u>Program Series 5: State Fire Marshal</u>	\$1,512,512	\$1,467,160
		Program 5.06: Bureau of Underground Storage Tanks	\$1,342,062	\$1,296,710
		Program 5.08: State Fire Marshal Program Administration	\$170,450	\$170,450
State Special Revenue Fund Subtotal			\$71,029,688	\$72,634,819
Liquor Control Fund				
043	800-601	Merchandising	\$440,499,979	\$464,027,015
		<u>Program Series 3: Liquor Control</u>	\$440,499,979	\$464,027,015
		Program 3.01: Liquor Agency Operations	\$440,499,979	\$464,027,015

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
043	800-627	Liquor Control Operating	\$15,980,724	\$16,334,583
		<u>Program Series 3: Liquor Control</u>	\$15,980,724	\$16,334,583
		Program 3.01: Liquor Agency Operations	\$3,199,761	\$3,299,411
		Program 3.02: Permit Licensing & Compliance	\$6,064,594	\$6,316,579
		Program 3.04: Liquor Control Program Administration	\$6,716,369	\$6,718,593
043	800-633	Development Assistance Debt Service	\$33,678,800	\$38,616,800
		<u>Program Series 3: Liquor Control</u>	\$33,678,800	\$38,616,800
		Program 3.03: Debt Service Payments	\$33,678,800	\$38,616,800
043	800-636	Revitalization Debt Service	\$12,620,900	\$15,683,300
		<u>Program Series 3: Liquor Control</u>	\$12,620,900	\$15,683,300
		Program 3.03: Revitalization Debt Service	\$12,620,900	\$15,683,300
		Liquor Control Fund Subtotal	\$502,780,403	\$534,661,698
Agency Total Funding			\$667,141,151	\$706,017,859

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: Financial Institutions and Services

Purpose: The Financial Institutions and Services program series ensures the overall safety and soundness of the banks, credit unions, savings institutions, securities, securities professionals, and various consumer finance organizations. This program series also provides education regarding home mortgage lending practices to reduce the number of consumers falling victim to abusive lending practices.

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

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund Group				
4X2	800-619	Financial Institutions	\$2,474,414	\$2,523,918
544	800-612	Banks	\$6,516,507	\$6,703,253
545	800-613	Savings Institutions	\$2,244,370	\$2,286,616
552	800-604	Credit Union	\$3,521,037	\$3,627,390
553	800-607	Consumer Finance	\$5,800,445	\$5,800,445
550	800-617	Securities	\$4,312,453	\$4,473,094
Total Funding: Financial Institutions			\$24,869,226	\$25,414,716

The Financial Institutions program series contains the following programs:

- **Program 1.01: Banks**
- **Program 1.02: Consumer Affairs**
- **Program 1.03: Consumer Finance**
- **Program 1.04: Credit Unions**
- **Program 1.05: Money Transmitters**
- **Program 1.06: Savings Institutions**
- **Program 1.07: Securities**

Banks

Program Description: The Banks program regulates state-chartered banks and trust companies. In FY 2006, the Banks program supervised 98 state-chartered commercial banks and 2 trust-only banks with over \$91.31 billion in assets. 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.

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 Revised Code. Established in 1908, it serves all consumers of banking services.

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

Line Items: Fund 544 800-612, Banks; Fund 4X2 800-619, Financial Institutions

Implication of Executive Recommendation: The executive recommendation funds the Banks program at \$6,955,944 in FY 2008 and \$7,159,172 in FY 2009. The Governor's proposal grants \$51,977 less in FY 2008 than the Department requested for this program, but \$115,150 more than requested in FY 2009. The Department stated that it would be able to absorb the reduction in FY 2008 without a decrease in service levels. The amount recommended for FY 2009 allows for an increase in joint training sessions for examination staff that are held with federal regulators.

Temporary and Permanent Law Provisions

None

Consumer Affairs

Program Description: The Consumer Affairs section, through the Office of Consumer Affairs, educates Ohioans on how to protect themselves in the mortgage lending process, receives complaints from those who have been victimized, and acts as a referral service to organizations that can assist the borrower. If lending laws have been violated, the Office initiates enforcement actions and refers criminal cases for prosecution. In FY 2006, this program received nearly 2,200 telephone inquiries and over 1,460 formal complaints. The program also produced and distributed educational materials and conducted 30 educational programs that reached 750 citizens.

Funding Source: Annual license fees for all consumer finance licensees, investigatory fees for new consumer finance licenses, and related examination fees

Line Items: Fund 553 800-607, Consumer Finance; Fund 4X2 800-619, Financial Institutions

Implication of Executive Recommendation: The executive recommendation fully funds the Consumer Affairs program with a recommended funding level of \$1,885,272 in FY 2008 and \$1,784,403 in FY 2009. The Governor's proposal includes an additional \$47,613 in FY 2008 and \$42,715 in FY 2009 over what was requested for the program to allow the Consumer Finance Education Board to distribute financial assistance to address increasing foreclosure rates.

Temporary and Permanent Law Provisions

None

Consumer Finance

Program Description: The Consumer Finance section is responsible for licensing, regulating, and ensuring the safety and soundness of consumer finance organizations including check cashing services, check casher lenders, credit service organizations, insurance premium finance companies, mortgage brokers, mortgage broker loan officers, pawnbrokers, precious metals dealers, second mortgage businesses, and small loan businesses. In FY 2006, the Consumer Finance section regulated 16,095 organizations and individuals.

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

Line Items: Fund 553 800-607, Consumer Finance; Fund 4X2 800-619, Financial Institutions

Implication of Executive Recommendation: The executive recommendation fully funds the Consumer Finance program with a recommendation of \$4,817,096 in FY 2008 and \$4,936,011 in FY 2009. The Governor's proposal includes an additional \$157,770 in FY 2008 and \$141,543 in FY 2009 over what was requested for the program. These amounts allow the program to conduct over 1,800 examinations of licensees, issue settlement agreements for continuing education noncompliance, deny or revoke over 300 license applications if necessary, and resolve cases on enforcement issues.

Temporary and Permanent Law Provisions

None

Credit Unions

Program Description: The Credit Unions section monitors the financial safety and soundness of Ohio's state-chartered credit unions. The supervision and regulation of state-chartered credit unions includes on-site field examinations, off-site surveillance and monitoring, and coordination of supervisory activities with the appropriate federal agency, the National Credit Union Administration. The program supervises and regulates 203 state-chartered credit unions with total aggregated assets of \$9 billion.

Funding Source: A semiannual assessment on the gross assets of credit unions

Line Items: Fund 552 800-604, Credit Union; Fund 4X2 800-619, Financial Institutions

Implication of Executive Recommendation: The executive recommends \$3,916,293 in FY 2008 and \$4,030,555 in FY 2009 for the Credit Unions program, which is \$110,329 less than what was requested for FY 2008 and \$89,866 less than requested in FY 2009. The Department stated that it would likely be able to absorb the reduction in funding by not filling vacancies. Despite the reduction, the program will likely be able to maintain current service levels while funding mandated salary increases and special counsel related to the United Telephone Credit Union (UTCU) litigation.

Temporary and Permanent Law Provisions

None

Money Transmitters

Program Description: The Money Transmitters program provides for the licensing, supervision, and regulation of 55 domestic and foreign money transmitters in Ohio, including financing networks that may be potential threats to Homeland Security.

Funding Source: Annual license fees (including new and renewal) for both domestic and foreign money transmitters and investigatory fees for new money transmitter licenses in accordance with section 1315.02 of the Ohio Revised Code. However, Sub. H.B. 454 of the 126th General Assembly, which becomes effective on April 6, 2007, introduces a single money transmitter license for any person who receives money or its equivalent for transmission from a person located in this state. According to the

Department, the annual fee associated with this license would take into account both the numbers of authorized delegates and the volume of business of each money transmitter to spread the cost equitably among licensees.

Line Items: Fund 544 800-612, Banks; Fund 4X2 800-619, Financial Institutions

Implication of Executive Recommendation: The executive recommendation fully funds the Money Transmitters program and allows it to maintain current service levels with a recommendation of \$442,605 in FY 2008 and \$443,766 in FY 2009.

Temporary and Permanent Law Provisions

None

Savings Institutions

Program Description: The Savings Institution program is responsible for the supervision and regulation of 29 state-chartered savings and loan associations and 27 state-chartered savings banks with combined assets of approximately \$9.5 billion. The section ensures the safety and soundness of these institutions and compliance with the law through regular examinations, surveillance, and monitoring along with coordination and enforcement of supervisory actions.

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 Executive Recommendation: The executive recommends \$2,539,563 in FY 2008 and \$2,587,715 in FY 2009 for the Savings Institutions program, which is \$126,245 less than what the Department requested in FY 2008 and \$121,192 less than requested in FY 2009. Despite the reduction, the Department states that the Savings Institution program can maintain current service levels at the recommended amounts by prioritizing spending for the program and by not filling vacancies.

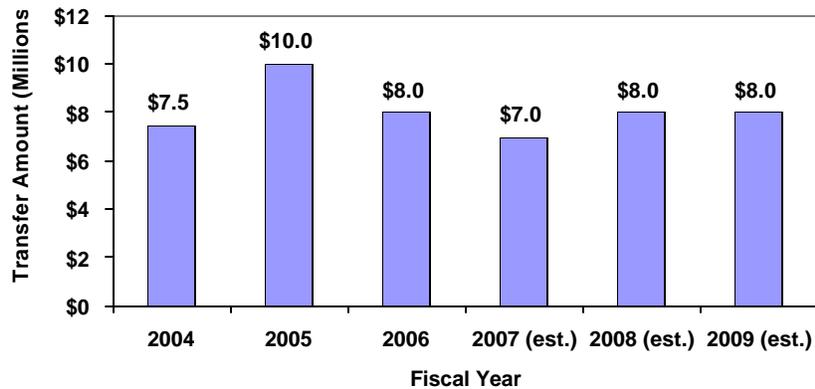
Temporary and Permanent Law Provisions

None

Securities

Program Description: The Securities program promotes investor education, regulates the sale of securities in Ohio, and licenses securities professionals in Ohio who sell securities and give advice about investing in securities. It engages in administrative sanctions against those persons and entities violating the securities laws in Ohio and makes referrals for criminal prosecution. In FY 2006, the Division of Securities reviewed over 7,000 securities registration and exemption filings and licensed over 133,000 securities salespersons. The Division expects to collect fees each year of the upcoming biennium in excess of the total funds required to operate the Division. The cash in excess of that needed to defray Division expenses as determined by the Director of OBM and the Director of Commerce is transferred to the GRF. The Division estimates these transfers to be \$8 million each year of the upcoming biennium. The graph below illustrates the GRF transfers from the Division of Securities.

Division of Securities GRF Transfers, FYs 2004-2009



Funding Source: Fees; income from securities registration and licensing amounted to about \$12.97 million in total fee income in FY 2006

Line Items: Fund 550, 800-617, Securities

Implication of Executive Recommendation: The executive recommends \$4,312,453 in FY 2008 and \$4,473,094 in FY 2009, which is \$287,547 less than what the Department requested for FY 2008 and \$336,906 less than requested for FY 2009. At these levels, the Division would absorb the reduction by prioritizing spending for the program and by not filling vacancies. However, it is likely that the program can maintain current service levels.

Temporary and Permanent Law Provisions

None

Program Series**2: Industrial Compliance**

Purpose: The Industrial Compliance program series is responsible for code development, inspection, plan review, licensing, and permit services related to the commercial building and construction industry.

The following table shows the line items that are used to fund Industrial Compliance as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund Group				
556	800-615	Industrial Compliance	\$25,033,908	\$25,570,011
Total Funding: Industrial Compliance			\$25,033,908	\$25,570,011

The Industrial Compliance program series contains the following programs:

- **Program 2.01: Building Code Compliance**
- **Program 2.02: Operations and Maintenance**
- **Program 2.03: Building Code**
- **Program 2.04: Ohio Construction Industry Licensing Board**
- **Program 2.05: Program Administration**

Building Code Compliance

Program Description: This program, through the Bureau of Construction Compliance, inspects construction plans for all state buildings, commercial buildings, and residential dwellings of four or more units not falling under the jurisdiction of a local certified building department to ensure that the structural design, electrical, and plumbing systems meet standards established by the Ohio Basic Building Code. The program is responsible for inspecting buildings, plumbing, electrical wiring, pressure vessels, and pressure piping throughout the state. The Bureau reviews nearly 5,000 sets of architectural plans and provides over 40,000 electrical, structural, and plumbing inspections.

Funding Source: Application fees

Line Items: Fund 556 800-615, Industrial Compliance

Implication of Executive Recommendation: The executive recommendation fully funds the Building Code Compliance program at \$6,766,506 in FY 2008 and \$7,040,595 in FY 2009. The Governor's proposal includes an extra \$50,429 in FY 2008 and an extra \$153,389 in FY 2009 over what the Department requested for the program. These additional amounts will be used to implement information technology initiatives such as a database project to automate scheduling and dispatching for field operations; an e-commerce initiative for plans, inspections, and reporting processes; and a mobile office initiative, all of which will likely produce operating efficiencies for the program.

Temporary and Permanent Law Provisions

None

Operations and Maintenance

Program Description: The Operations and Maintenance program is responsible for the proper operation and maintenance of critical systems including boilers, elevators, and escalators. The program also performs inspections of bedding and upholstered furniture, licenses and certifies steam engineers and boiler operators, and conducts ski lift inspections and roller rink registrations. This program provides for the inspection of over 14,200 boilers, 51,000 elevators and escalators, and approximately 6,700 pieces of bedding and upholstered furniture articles.

Funding Source: License and permit fees

Line Items: Fund 556 800-615, Industrial Compliance

Implication of Executive Recommendation: The executive recommends \$8,719,717 in FY 2008 and \$9,329,855 in FY 2009 for the Operations and Maintenance program. While the executive recommendation provided \$75,946 less than what the Department requested for this program in FY 2008, it also included \$274,136 more than what the Department requested in FY 2009. The Department stated that it would be able to absorb the reduction in FY 2008 without a decrease in service levels. The executive recommendation provides funds for the implementation of information technology initiatives such as a database project to automate scheduling and dispatching for field operations; an e-commerce initiative for plans, inspections, and reporting processes; and a mobile office initiative, all of which will likely produce operating efficiencies for the program.

Temporary and Permanent Law Provisions

None

Building Code

Program Description: The Building Code program supports the Board of Building Standards (BBS), which formulates and adopts rules governing building construction and maintenance to ensure building safety. The Board also certifies local building code enforcement departments. This section also supports the Board of Building Appeals, which reviews appeals of orders issued by the Department's Bureau of Construction Compliance or a certified city or county building department. The Board of Building Appeals may reverse or modify an order of the enforcing agency if it is found contrary to a fair interpretation or application of the governing regulations. This program certifies over 3,300 building department personnel, design professionals and contractors, and reviews more than 660 appeals.

Funding Source: The Board of Building Appeals receives funding through a \$200 fee for each building appeal. The Board of Building Standards receives funding through various fees.

Line Items: Fund 556 800-615, Industrial Compliance

Implication of Executive Recommendation: The executive recommends \$2,361,885 in FY 2008 and \$2,439,894 in FY 2009 for the Building Code program. The amount recommended for FY 2008 is slightly less (\$17,224) than what the Department requested, while the recommendation for FY 2009 is slightly more than requested by \$16,598. It is likely, that at the recommended amounts, the Building Code program will be able to maintain current service levels.

Temporary and Permanent Law Provisions

None

Ohio Construction Industry Licensing Board

Program Description: This program provides for the testing, licensing, and continuing education of electrical, heating, ventilation, and air conditioning (HVAC), hydronic, plumbing, and refrigeration contractors. The program issues over 19,000 licenses to individuals in the above trades.

Funding Source: License, examination, and continuing education fees

Line Items: Fund 556 800-615, Industrial Compliance

Implication of Executive Recommendation: The executive recommends \$1,094,903 in FY 2008 and \$1,163,772 in FY 2009 for the Ohio Construction Industry Licensing Board program. The Governor's proposal recommends \$20,336 less than what the Department requested in FY 2008 and \$7,007 less than requested in FY 2009. It is likely that the Construction Industry Licensing Board will be able to maintain current service levels.

Temporary and Permanent Law Provisions

None

Program Administration

Program Description: Program administration oversees the general management and direction of the Division of Industrial Compliance activities on a daily basis. The program also is responsible for the planning and future direction of the Division. The program provides the Division with administrative support through fiscal management, legal counsel, inspector dispatching operations and communications, automated computer programs for task management, and reporting and performance management. Division administration is responsible for these services to over 250 staff members.

Funding Source: Administrative charge based on cumulative annual payroll assessed to all boards and sections within the Division of Industrial Compliance

Line Items: Fund 556 800-615, Industrial Compliance

Implication of Executive Recommendation: The executive recommendation fully funds the Program Administration program and allows it to maintain current service levels with a recommended funding level of \$6,090,897 in FY 2008 and \$5,595,895 in FY 2009. The Governor's proposal includes \$59,728 more than what the Department requested for this program in FY 2008 and \$95,638 more than requested in FY 2009. The additional amounts will be used to implement information technology initiatives such as a database project to automate scheduling and dispatching for field operations; an e-commerce initiative for plans, inspections, and reporting processes; and a mobile office initiative, all of which will likely produce operating efficiencies.

Temporary and Permanent Law Provisions

None

Program Series**3: Liquor Control**

Purpose: The Liquor Control program series is responsible for controlling the manufacture, distribution, and sale of all alcoholic beverages in Ohio. The Division of Liquor Control is the state's sole purchaser and distributor of spirituous liquor (intoxicating liquor containing more than 21% alcohol by volume).

The following table shows the line items that are used to fund Liquor Control as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Liquor Control Fund				
043	800-601	Merchandising	\$440,499,979	\$464,027,015
043	800-627	Liquor Control Operating	\$15,980,724	\$16,334,583
043	800-633	Development Assistance Debt Service	\$33,678,800	\$38,616,800
043	800-636	Revitalization Debt Service	\$12,620,900	\$15,683,300
Total Funding: Liquor Control			\$502,780,403	\$534,661,698

The Liquor Control program series contains the following programs:

- **Program 3.01: Liquor Agency Operations**
- **Program 3.02: Liquor Permit Licensing and Compliance**
- **Program 3.03: Debt Service Payments**
- **Program 3.04: Liquor Control Program Administration**

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. This program funds all of the spirituous liquor purchased for resale in the state, expenses for agency commissions, auditing, and trucking liquor to the liquor agencies. Agents are paid a commission based on their amount of sales, and the state retains ownership of the inventory. Current commission rates are 6% of sales for retail establishments and 4% of sales for wholesale operations.

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 profits to (1) the Department of Health for an alcohol-testing unit, (2) the Development Assistance Debt Service Account, and (3) the General Revenue Fund. The program contributed \$138 million to GRF in FY 2006 from excess liquor profits.

Funding Source: Liquor sales profits

Line Items: Fund 043 800-601, Merchandising; 800-627, Liquor Control Operating

Implication of Executive Recommendation: The executive recommends \$443,699,740 in FY 2008 and \$467,326,426 in FY 2009 for the Liquor Agency Operations program. While the

Governor's proposal fully funds the Department's request to purchase enough merchandise to meet expected increases in consumption, it recommends \$124,596 less than requested in FY 2008 and \$164,721 less than requested in FY 2009 out of the program's liquor control operating line item. The Department stated that it would look for ways to increase operating efficiencies to allow the program to maintain current service levels at the recommended amounts.

Temporary Law Provision

Increased Appropriation Authority - Merchandising (Section 245.10). A provision in temporary law allows the Division of Liquor Control to use appropriation item 800-601, Merchandising, to pay for liquor products pursuant to section 4301.12 of the Revised Code. It also provides for additional appropriations that may be necessary as a result of increased sales.

Liquor Permit Licensing and Compliance

Program Description: The Liquor Permit Licensing program administers the state's liquor permitting and compliance system. 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 is divided between the GRF (45%), local taxing districts for liquor law enforcement (35%), and the Department of Alcohol and Drug Addiction Services to fund treatment and education efforts statewide (20%). In FY 2006, the Division collected \$36.6 million in permit fees as a result of the issuance of 9,203 new, transferred, or temporary permits and the renewal of 23,038 existing permits. The program also oversees compliance in the manufacture and distribution of beer, wine, and low-proof mixed beverages.

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 Control Operating

Implication of Executive Recommendation: The executive recommends \$6,064,594 in FY 2008 and \$6,316,579 in FY 2009 for the Liquor Permit Licensing and Compliance program. The amount recommended is \$236,266 less than what the Department requested for the program for FY 2008 and \$315,504 less than requested for FY 2009. At these levels, the program would absorb the reduction by prioritizing spending for the program and by not filling vacancies. However, it is likely that the program can maintain current service levels.

Temporary and Permanent Law Provisions

None

Debt Service Payments

Program Description: The Debt Service Payments program provides debt service payments on bonds issued under the authority of the Ohio Revised Code Chapters 151. and 166. to support various economic development initiatives and environmental clean-up initiatives that are appropriated in the Department of Development. In FY 2006, \$28.9 million in liquor profits was pledged to retire economic development bonds and \$5.3 million was devoted to retire Clean Ohio revitalization bonds. For the upcoming biennium, a share of liquor profits will again be pledged against bonds issued to support urban revitalization initiatives and development assistance. The costs of debt service are controlled by the bond market and managed by OBM and the Treasurer's Office. The executive budget provides for \$33,678,800 in FY 2008 and \$38,616,800 in FY 2009 for development assistance debt service and \$12,620,900 in FY 2008 and \$15,683,300 in FY 2009 for revitalization debt service.

Funding Source: Revenue from the sale of spirituous liquor

Line Items: Fund 043 800-633, Development Assistance Debt Service; and Fund 043 800-636, Revitalization Debt Service

Implication of Executive Recommendation: The executive recommendation provides required payments on bonds issued to support economic development and environmental revitalization initiatives with a recommended funding level of \$46,299,700 in FY 2008 and \$54,300,100 in FY 2009.

Temporary Law Provisions

Development Assistance Debt Service (Section 245.10). A temporary law provision in the bill allows for the required payment of bond service charges on obligations issued under Chapter 166. of the Revised Code for Development Assistance Debt Service and appropriates any additional amounts that are necessary for this purpose.

Revitalization Debt Service (Section 245.10). A temporary law provision in the bill allows for the required payment of bond service charges on obligations issued under Chapter 151. of the Revised Code for Revitalization Debt Service and appropriates any additional appropriations that are necessary for this purpose.

Liquor Control Program Administration

Program Description: This program provides administrative support for the other Division of Liquor Control programs. In addition to Division administration functions, the program also provides communications and information technology and pays for equipment costs, building rent and utilities, workers' compensation costs, and divisional assessment costs.

Funding Source: Revenue from the sale of spirituous liquor

Line Items: Fund 043 800-627, Liquor Operating

Implication of Executive Recommendation: The executive recommendation fully funds Liquor Control Program Administration at \$6,716,369 in FY 2008 and \$6,718,593 in FY 2009, which will allow the program to maintain current service levels.

Temporary and Permanent Law Provisions

None

Program Series**4: Real Estate and Professional Licensing**

Purpose: The Real Estate and Professional Licensing program series licenses and regulates real estate brokers, salespersons, appraisers, and registers foreign real estate property. It also 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 Real Estate and Professional Licensing as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund Group				
4B2	800-631	Real Estate Appraisal Recovery	\$35,000	\$35,000
4H9	800-608	Cemeteries	\$273,465	\$273,465
547	800-603	Real Estate Education/Research	\$250,000	\$250,000
548	800-611	Real Estate Recovery	\$50,000	\$50,000
549	800-614	Real Estate	\$3,480,038	\$3,574,171
6A4	800-630	Real Estate Appraiser Operating	\$664,006	\$664,006
Total Funding: Real Estate and Professional Licensing			\$4,752,509	\$4,846,642

The Real Estate and Professional Licensing program series contains the following programs:

- **Program 4.01: Real Estate**
- **Program 4.02: Real Estate Appraisers**
- **Program 4.03: Cemetery Registration**

Real Estate

Program Description: The Real Estate program licenses and regulates real estate brokers and salespersons across the state as well as foreign real estate brokers and salespersons (dealing in properties located outside of Ohio but marketed to Ohio residents). The program also registers foreign real estate property. The Real Estate program 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. The Real Estate Education and Research Fund finances the activities of the Education and Research Committee, a committee of the Ohio Real Estate Commission that recommends funding of research and other educational projects aimed at the advancement of the real estate profession. Triennial renewal for real estate brokers and salespersons licenses began on January 1, 2007. In FY 2006, the Real Estate program licensed and regulated 35,317 real estate salespersons and 5,626 real estate brokers.

Funding Source: License and other fees charged. The Real Estate Education and Research Fund (Fund 547) receives \$4 from each real estate broker and salesperson application fee. The Real Estate Recovery Fund (Fund 548) receives fines and civil penalties against persons participating in unlicensed activity. Prior to FY 2006, the Real Estate Recovery Fund received interest earnings, but those earnings are now directed into the GRF.

Line Items: Fund 547 800-603, Real Estate Education/Research; Fund 548 800-611, Real Estate Recovery; Fund 549 800-614, Real Estate

Implication of Executive Recommendation: The executive recommends \$3,780,038 in FY 2008 and \$3,874,171 in FY 2009 for the Real Estate program. The Governor's proposal is \$125,854 less than what the Department requested for this program for FY 2008 and \$31,721 less than requested for FY 2009. At these levels, the program would absorb the reduction by prioritizing spending for the program and by not filling vacancies. While the Department stated that it should be able to maintain current service levels at the recommended amounts, there is little room in the Real Estate program to reduce spending.

Temporary Law Provision

Cash Transfer to Real Estate Operating Fund (Section 245.10). A provision in the bill provides for the transfer of up to \$100,000 in cash from the Real Estate Recovery Fund (Fund 548) and up to \$350,000 in cash from the Real Estate Appraiser Recovery Fund (Fund 4B2) to the Real Estate Operating Fund (Fund 549) during the upcoming biennium. This provision is intended to buttress the Real Estate Operating Fund, which has been depleted due to revenue shortfalls.

Real Estate Appraisers

Program Description: The Real Estate Appraisers program licenses and certifies all general and residential appraisers in the state. In addition, the program monitors applicant compliance with education, experience and testing requirements for each level of registration, license or certification, and oversees the continuing education requirements of the industry. The program also investigates complaints against licensees, and initiates disciplinary hearings as required. The program protects consumers who have been harmed during a real estate transaction by a licensee through the Real Estate Appraiser Recovery Fund. In FY 2006, the program regulated 3,588 real estate appraisers and 757 real estate appraiser assistants.

The program has experienced a significant increase in the number of complaints filed against appraisers from 69 in FY 2003 to an estimated 290 in FY 2006. The rise in complaints is attributed to the focus on the number of foreclosures and predatory loans occurring in Ohio through faulty or fraudulent appraisals. To handle the increase in cases, the program has reallocated its resources from licensing to enforcement and added an investigator to its staff in FY 2006.

Funding Source: License and permit fees. The Real Estate Appraiser Recovery Fund (Fund 4B2) is funded through a \$100 assessment on new real estate appraiser license/certification applications. Prior to FY 2006, the Real Estate Appraiser Recovery Fund received interest earnings, but those earnings are now directed to the GRF.

Line Items: Fund 4B2 800-631, Real Estate Appraisal Recovery; Fund 6A4 800-630, Real Estate Appraiser Operating

Implication of Executive Recommendation: The executive recommendation fully funds the Real Estate Appraiser program and allows it to maintain current service levels with a recommended funding level of \$699,006 in FY 2008 and \$699,006 in FY 2009.

Temporary Law Provision

Cash Transfer to Real Estate Operating Fund (Section 245.10). A provision in the bill provides for the transfer of up to \$100,000 in cash from the Real Estate Recovery Fund (Fund 548) and up to \$350,000 in cash from the Real Estate Appraiser Recovery Fund (Fund 4B2) to the Real Estate Operating Fund (Fund 549) during the upcoming biennium. This provision is intended to buttress the Real Estate Operating Fund, which has been depleted due to revenue shortfalls.

Cemetery Registration

Program Description: The Cemeteries section registers all active cemeteries in Ohio, and investigates complaints or disputes involving registered cemeteries. Complaints against cemeteries are investigated and referred to the Ohio Cemetery Dispute Resolution Committee. There are nearly 3,400 cemeteries registered. The main source of funding for this program is from burial permit fees issued in Ohio. During FY 2006, revenue from burial permits was nearly \$265,000.

Funding Source: Fees generated from registering and renewing registrations of cemeteries (\$25 each) and from burial permit fees (\$2.50 each)

Line Items: Fund 4H9 800-608, Cemeteries

Implication of Executive Recommendation: The executive recommendation fully funds the Cemetery Registration program and allows it to maintain current service levels with a recommended funding level of \$273,465 in each fiscal year of the biennium.

Temporary and Permanent Law Provisions

None

Program Series**5: State Fire Marshal**

Purpose: The State Fire Marshal program series 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 program 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 the State Fire Marshal as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund Group				
546	800-610	Fire Marshal	\$13,104,393	\$13,579,150
546	800-639	Fire Department Grants	\$1,647,140	\$1,647,140
546	800-640	Homeland Security Grants	\$10,000	\$10,000
653	800-629	UST Registration/Permit Fee	\$1,512,512	\$1,467,160
State Special Revenue Fund Group Subtotal			\$16,274,045	\$16,703,450
General Services Fund Group				
5F1	800-635	Small Government Fire Departments	\$300,000	\$300,000
General Services Fund Group Subtotal			\$300,000	\$300,000
Federal Special Revenue Fund Group				
348	800-622	Underground Storage Tanks	\$195,008	\$195,008
348	800-624	Leaking Underground Storage Tanks	\$1,850,000	\$1,850,000
Federal Special Revenue Fund Group Subtotal			\$2,045,008	\$2,045,008
Total Funding: State Fire Marshal			\$18,619,053	\$19,048,458

The State Fire Marshal program series contains the following programs:

- **Program 5.01: Ohio Fire Academy**
- **Program 5.02: Code Enforcement**
- **Program 5.03: Investigations**
- **Program 5.04: Fire Prevention**
- **Program 5.05: Forensic Lab**
- **Program 5.06: Bureau of Underground Storage Tanks**
- **Program 5.07: Fire Department Assistance**
- **Program 5.08: State Fire Marshal Program Administration**

Ohio Fire Academy

Program Description: The Ohio Fire Academy program conducts fire-related training courses for more than 15,000 emergency responders annually. The program also funds replacement of vehicles and specialized firefighting equipment. Training, which is conducted at the Academy facilities and on-site throughout the state, includes firefighting, anti-terrorism response, and urban search and rescue.

Funding Source: 0.75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes on out-of-state insurance companies, and fees from fireworks licenses and building inspections. The program is also funded through course fees and federal and state grants.

Line Items: SSR 546 800-610, Fire Marshal; SSR 546 800-640, Homeland Security Grants

Implication of Executive Recommendation: The executive recommends \$2,752,085 in FY 2008 and \$2,834,274 in FY 2009 for the Ohio Fire Academy program. Of this amount, \$10,000 is slated for each fiscal year to provide specialized weapons of mass destruction courses made possible through Homeland Security Grants. The recommendations are \$91,272 less than what the Department requested in FY 2008 and \$96,400 less than requested in FY 2009. The total requested amount would have been used to support increases in mandated salary and fringe benefit costs as well as an increase in the cafeteria services contract due to the expansion of the State Fire Marshal's dormitories, which are part of its current expansion and renovation. At the recommended amounts, it may be that some equipment will not be purchased and/or empty positions remain vacant.

Temporary and Permanent Law Provisions

None

Code Enforcement

Program Description: The Code Enforcement section performs fire safety inspections at hotels, motels, hospitals, schools, nursing homes, new construction, and other buildings and events. It also enforces the Ohio Fire Code at fireworks facilities, manufacturers, and exhibitions and conducts plan review and inspections for flammable and combustible liquid storage tanks not regulated by the Bureau of Underground Storage Tanks Regulations or the local fire department. This program conducts approximately 9,500 fire safety inspections and 5,500 re-inspections annually.

Funding Source: 0.75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes, and fees from fire safety inspections and flammable and combustible liquid permits

Line Items: SSR 546 800-610, Fire Marshal

Implication of Executive Recommendation: The executive recommends \$3,119,981 in FY 2008 and \$3,259,542 in FY 2009 for the Code Enforcement program, which fully funds the program's budget request. The recommended amounts enable the Code Enforcement program to handle increasing caseloads by retaining essential staff through the granting of funds to pay for contractual salary and fringe benefit cost increases.

Temporary and Permanent Law Provisions

None

Investigations

Program Description: The Investigations program is responsible for investigating the cause, origin, and circumstances of fires, explosives, and fireworks incidents in Ohio. It is also responsible for the prosecution of persons believed to be guilty of arson or a similar crime. This program provides these services to any fire department or law enforcement agency in the state, as many small municipalities and townships do not have trained arson investigators to conduct such highly specialized investigations. In

addition to routine investigations, the Fire and Explosion Investigation Bureau (FEIB) has three accelerant detection canine teams to assist in recovering evidence at arson crime scenes and operates the Major Incident Response Vehicle (MIRV), which has sensitive and specialized communications equipment to be used in any type of disaster or fire, arson, or bombing incident. This program conducts approximately 1,000 fire and explosion investigations annually. In FY 2006, the Investigations program determined that 405 of the 1,159 incidents investigated were a result of arson.

Funding Source: 0.75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes on out-of-state insurance companies, and fees from fireworks licenses and building inspections. The program is also funded through course fees and federal and state grants.

Line Items: SSR 546 800-610, Fire Marshal

Implication of Executive Recommendation: The executive recommends \$2,319,814 in FY 2008 and \$2,426,184 in FY 2009 for the Investigations program, which is \$72,757 less than what the department requested for the program in FY 2008 and \$21,279 less than requested for FY 2009. The executive recommendation would cover most of the additional cost of (1) increases in contractually mandated salary and fringe benefit costs, (2) services provided by four additional arson investigator positions approved by the Controlling Board in FY 2007, and (3) vehicles for the new inspectors. At the recommended amounts, the Department noted that while there would likely be a reduction in spending for equipment, the program will be able to maintain current levels of service.

Temporary and Permanent Law Provisions

None

Fire Prevention

Program Description: The Fire Prevention program creates fire safety publications and conducts fire safety education outreach at schools, senior centers, health care facilities, and other locations as requested. The program compiles and analyzes statistical data collected through the Ohio Fire Information Reporting System regarding the nature and causes of fire. The Fire Prevention program also operates the Public Fire Safety Decal program for volunteer firefighters, provides fire safety courses for health care facility certification, smoke alarms to high-risk families, support for special public recognition events, support of fire safety fairs, and trains local fire department personnel. The Fire Prevention program conducts approximately 3,600 fire safety programs for 80,000 Ohioans and distributes about 600,000 pieces of fire safety literature annually.

Funding Source: 0.75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes on out-of-state insurance companies, and fees from fireworks licenses and building inspections. The program is also funded through course fees and federal and state grants.

Line Items: SSR 546 800-610, Fire Marshal

Implication of Executive Recommendation: The executive recommends \$1,001,444 in FY 2008 and \$1,045,380 in FY 2009 for the Fire Prevention program. The Governor's proposal is slightly less than what the Department requested for this program. The Department requested \$1,014,223 in FY 2008 and \$1,054,323 in FY 2009. The Department noted that, at the recommended amounts, there would likely be a reduction in the number of publications printed. However, the Department is exploring different, more cost-effective options to expand outreach in an effort to cut costs for the program.

Temporary and Permanent Law Provisions

None

Forensic Lab

Program Description: The Forensic Lab program provides scientific examination of ignitable liquids, fire debris, explosives, latent fingerprints, and general examination of any physical evidence involved in a suspected arson, fire explosive incident, or hazardous situation. The laboratory issues a written report including findings and opinions as to the nature of the situation. Laboratory examiners may be asked to testify in court about laboratory findings. During FY 2006, the laboratory examined nearly 692 cases consisting of over 2,300 pieces of evidence.

Funding Source: 0.75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes on out-of-state insurance companies, and fees from fireworks licenses and building inspections. The program is also funded through course fees and federal and state grants.

Line Items: SSR 546 800-610, Fire Marshal

Implication of Executive Recommendation: The executive recommends \$665,030 in FY 2008 and \$695,138 in FY 2009 for the Forensic Lab program, which fully funds the program and allows it to maintain current service levels by supporting increases in contractually mandated salary and fringe benefit costs.

Temporary and Permanent Law Provisions

None

Bureau of Underground Storage Tanks

Program Description: The Bureau of Underground Storage Tanks program regulates the safe installation, operation, maintenance, and removal of underground storage tank (UST) systems as well as the investigation and cleanup of petroleum products released from UST systems into the environment. This program has been delegated the authority to administer and enforce the UST program by the U.S. EPA. Recent changes in federal law will require an on-site inspection of registered UST systems at least once every three years beginning August 2007. Prior to this change, there was no required time frame for inspecting these systems, only requirements consisting of "periodic" inspections as well as reporting of compliance rates with inspected systems. This program regulates 23,562 registered UST systems at 8,188 facilities in the state. Five field inspectors inspect approximately 1,200 facilities with registered UST systems each year.

Funding Source: Tank registration fees, permit and licensing fees, enforcement penalties, and federal grants

Line Items: FED 348 800-622, Underground Storage Tanks; FED 348 800-624, Leaking Underground Storage Tanks; SSR 653, 800-629, UST Registration/Permit Fee

Implication of Executive Recommendation: The executive recommends \$3,387,070 in FY 2008 and \$3,341,718 in FY 2009 for the Bureau of Underground Storage Tanks program, which is \$156,729 less than what the Department requested for the program in FY 2008 and \$118,855 less than requested in FY 2009. Despite the reduction, the Department noted that the executive recommendation would likely

provide sufficient funds for an additional five inspectors to allow for an increase in the number of inspections to meet the new federal requirements mentioned above.

Temporary and Permanent Law Provisions

None

Fire Department Assistance

Program Description: The Fire Department Assistance program provides grants and no-interest loans to local fire departments to offset the cost of training and equipment. The grants and loans are for small government fire departments with population service areas under 25,000. This program also makes grants available to fire departments to assist with the conversion to the National Fire Incident Reporting System (NFIRS). In FY 2006, the Fire Department Assistance program awarded 103 equipment grants with the average grant being \$7,871. There were also 529 training reimbursement grants awarded averaging \$1,167.

Funding Source: Loan repayments and cash transfers from Fund 546

Line Items: Fund 546 800-639, Fire Department Grants; Fund 5F1 800-635, Small Government Fire Departments

Implication of Executive Recommendation: The executive recommendation fully funds the Fire Department Assistance program with a recommended appropriation of \$1,947,140 in FY 2008 and \$1,947,140 in FY 2009. The executive recommendation increases the number of loans for fire departments from two to three by providing an additional \$50,000 in loans to expedite purchases of major equipment for firefighting, ambulance, emergency medical, or rescue services along with construction or repairs to an existing building.

Temporary Law Provisions

Small Government Fire Departments (Section 245.10). A temporary law provision in the bill allows appropriation item 800-635, Small Government Fire Departments (Fund 5F1), to be used to provide loans to private fire departments.

Fire Department Grants (Section 245.10). A provision in the bill earmarks up to \$760,000 in each fiscal year to make annual grants to volunteer fire departments of up to \$10,000, or up to \$25,000 if the volunteer fire department provides service for an area affected by a natural disaster. Up to \$687,000 in each fiscal year is to be used as full or partial reimbursement to local units of government and fire departments for the cost of firefighter training and equipment or gear. Priority is given to fire departments that serve small villages and townships. Up to \$200,000 in each fiscal year shall be used to make grants to fire departments to assist in the conversion of existing data systems to the NFIRS 5 electronic fire reporting system. These awards shall have a maximum of \$50,000 per fire department and shall be based on a point system that includes factors such as consideration of the fire department's information technology and operating budgets, population and area served, number of incidents, data conversion and implementation methods, and readiness.

State Fire Marshal Program Administration

Program Description: This program provides for the administration of the Division of State Fire Marshal and its eight operating bureaus. The program funds salaries and fringe benefits of administration, which consists of senior staff, administrative and facility operations staff, and the Explosive and Pyrotechnics unit. The Explosives and Pyrotechnics unit provides training and annual licensing for Ohio's fire and law enforcement communities, shippers, manufacturers, and retailers.

Funding Source: 0.75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes on out-of-state insurance companies, and fees from fireworks licenses and building inspections. The program is also funded through course fees and federal and state grants.

Line Items: SSR 546 800-610, Fire Marshal; SSR 653 800-629, UST Registration/Permit Fee

Implication of Executive Recommendation: The executive recommends \$3,426,489 in FY 2008 and \$3,499,082 in FY 2009 for State Fire Marshal Program Administration. Overall, the Governor proposes \$436,752 less than what the Department requested for the program for FY 2008 and \$352,923 less than requested for FY 2009. Despite the reduction, the Department noted that current levels of service could be maintained at the recommended amounts. However, in order to absorb the reductions, the program would likely prioritize equipment purchases, not fill vacancies, and/or consolidate empty positions to reduce payroll costs.

Permanent Law Provision

Tax on Fire Insurance from Foreign Insurers (R.C. 3901.86). A provision in permanent law reduces from 20% to 10% the amount apportioned to the State Fire Marshal's Fund (Fund 546) from the retaliatory tax collected from foreign insurers that sell fire insurance premiums to residents of Ohio, effective July 1, 2007. Fiscal effect: Projected loss of revenue to the State Fire Marshal Fund (Fund 546) of \$5.7 million in FY 2008 and \$5.8 million in FY 2009 and a corresponding gain in revenue to the GRF.

Program Series**6: Unclaimed Funds**

Purpose: The Unclaimed Funds program series is responsible for the safekeeping and return of moneys designated as "unclaimed." In the meantime, the Division of Unclaimed Funds 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 Unclaimed Funds as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund Group				
543	800-602	Unclaimed Funds - Operating	\$7,880,468	\$8,049,937
543	800-625	Unclaimed Funds - Claims	\$70,000,000	\$75,000,000
Total Funding: Unclaimed Funds			\$77,880,468	\$83,049,937

Unclaimed Funds

Program Description: The Unclaimed Funds program is responsible for the safekeeping and return of moneys designated as "unclaimed." Each year, due to death, inadvertence, or forgetfulness, more than 200,000 people and organizations lose track of moneys and intangible property in Ohio. 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 a 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. In FY 2006, the program set records regarding the amount collected and the number and amount of claims paid. Specifically, the program collected \$210.2 million, paid 43,714 claims, and returned \$64.3 million to current or former Ohio residents.

Funding Source: Funds from the unclaimed funds custodial account under the Treasurer of State which receives at least 10% of the aggregate amount of unclaimed funds of financial and business institutions, as well as the interest earned on these funds. A 5% administrative fee is assessed to each claimed account to help offset the expenses of the Division.

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

Implication of Executive Recommendation: The executive recommends \$77,880,468 in FY 2008 and \$83,049,937 in FY 2009 for the Unclaimed Funds program. Although the Governor's proposal recommends \$15 million more in FY 2008 and \$20 million more in FY 2009 than what the Department requested for the payment of unclaimed funds claims in the upcoming biennium (in the Unclaimed Funds – Claims line item) to account for expected increases in unclaimed funds claims, it does not fully fund the program's request for funding to conduct fixed fee contract audits (in the Unclaimed Funds – Operating line item). Specifically, the Governor's proposal provides \$529,417 in FY 2008 and

\$698,886 in FY 2009 to increase the number of audits of businesses for reporting of unclaimed funds, which the Department notes would help to continue the record increases in collections and pay outs of unclaimed funds. The Department had requested \$1,100,000 in each fiscal year for these purposes. Therefore, it is likely that fewer additional fixed fee contract audits are conducted, which would reduce the amount of unclaimed funds collected and returned to owners.

Temporary Law Provisions

Unclaimed Funds Payments (Section 245.10). The bill includes a temporary law provision that appropriates additional funding to appropriation item 800-625, Unclaimed Funds – Claims, if it is necessary to pay claims.

Unclaimed Funds Transfers (Section 245.10). The bill includes a temporary law provision that would require a transfer of up to \$25 million in each fiscal year of unclaimed funds to GRF, irrespective of the allocation of unclaimed funds under section 169.05 of the Revised Code.

Program Series**7: Labor and Worker Safety**

Purpose: The Labor and Worker Safety program series promotes the safety of minors in the workplace and overall compliance with wage laws.

The following table shows the line items that are used to fund the Labor and Worker Safety program as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	800-410	Labor and Worker Safety	\$2,132,397	\$2,132,397
General Revenue Fund Subtotal			\$2,132,397	\$2,132,397
State Special Revenue Fund Group				
5K7	800-621	Penalty Enforcement	\$100,000	\$100,000
State Special Revenue Fund Group Subtotal			\$100,000	\$100,000
Total Funding: Labor and Worker Safety			\$2,232,397	\$2,232,397

Wage, Hour, and Minor Law Enforcement

Program Description: The Wage, Hour, and Minor Law Enforcement program enforces minimum wage and minor labor laws. The program also enforces Ohio's prevailing wage, which is the wage rate that must be paid to employees who are working on any type of public works or public improvement construction project. The program investigates complaints and, upon making determinations, collects back wages and penalties owed to workers. In FY 2006, this program collected approximately \$942,281 in prevailing wage back wages, \$98,799 in minimum and overtime back wages, and \$13,863 in prevailing wage penalties.

Section 34a of Article II in the Ohio Constitution, which was approved in the general election held November 7, 2006, increased the minimum wage to \$6.85 per hour beginning January 1, 2007 and required that the minimum wage be indexed to inflation every September 30th, thereafter. Since the constitutional amendment has taken effect, the Department has experienced a significant increase in the number of minimum wage complaints received.

Funding Source: General Revenue Funds; statutory penalties assessed against companies that have violated the prevailing wage laws

Line Items: GRF 800-410, Labor and Worker Safety; SSR 5K7 800-621, Penalty Enforcement

Implication of Executive Recommendation: The executive recommends \$2,232,397 in each fiscal year of the biennium for the Wage, Hour, and Minor Law Enforcement program, which fully funds the Department's request for the program. The executive recommendation provides an increase of \$50,000 in the program's Penalty Enforcement Fund (Fund 5K7), which will partially fund a position to enforce prevailing wage laws. Increased costs for the program would likely be absorbed through attrition.

Temporary Law Provision

Penalty Enforcement (Section 245.10). A provision in the bill stipulates that the appropriation for line item 800-621, Penalty Enforcement, must be used to enforce the prevailing wage laws, which are found in sections 4115.03 to 4115.16 of the Revised Code.

Program Series**8: Program Management**

Purpose: The Program Management program series directs, administers, supports, and coordinates the activities of the Department's operating divisions and serves as a liaison to other government, corporate, and public entities.

The following table shows the line items that are used to fund Program Management as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund Group				
163	800-620	Division of Administration	\$4,323,037	\$4,413,037
163	800-637	Information Technology	\$6,650,150	\$6,780,963
Total Funding: Program Management			\$10,973,187	\$11,194,000

The Program Management program series contains the following programs:

- **Program 8.01: Program Management**
- **Program 8.02: Information Technology Group**

Program Management

Program Description: Program Management provides communications, fiscal administration, human resources, legal, legislative affairs, quality control, training, employee development, and support services for the more than 900 Department employees.

Funding Source: Special assessment levied on the Department's various operating funds. The assessment is a percentage of the actual payroll costs incurred by each of the individual funds within the Department and is collected on a monthly basis (a month in arrears). The percentage is established annually.

Line Items: GSF Fund 163 800-620, Administration

Implication of Executive Recommendation: The executive recommends \$4,323,037 in FY 2008 and \$4,413,037 in FY 2009 for Program Management, which is \$4,269,177 less than the Department requested for the program in FY 2008 and \$4,513,229 less than requested for FY 2009. The large difference is mostly attributable to the way the fiscal and support services are funded, which is currently through Division operating funds. The program's budget request would have consolidated 70 fiscal, information technology, and support staff in the Division of Administration while also centralizing the funding to support the salary and fringe benefit costs of these staff. The goal of the consolidation plan is to provide a more efficient and effective management structure along with better control and accountability for budgetary matters and information technology management. While the Governor's proposal did not centralize the funding for the Department's fiscal and support services staff, the Department indicated that the restructuring plan could continue while the positions are funded in the same manner as they are currently. It is likely that current service levels can be maintained with the recommended funding for this program.

Temporary Law Provision

Administrative Assessments (Section 245.10). A provision in the bill entitles the Division of Administration to receive assessments from all operating funds of the Department. This is the source of operating revenue for the Program Management function.

Information Technology Group

Program Description: The Information Technology Group (ITG) program provides information technology support to all of the Department's employees. Currently, the ITG program plans, coordinates and submits the agency IT plan to the Department of Administrative Services' Office of Information Technology (OIT), provides technical support via the Department of Commerce Help Desk, provides direction to Division staff on industry standards regarding the purchase of hardware and software, provides infrastructure support for the many agency-wide IT databases and systems, develops and maintains the existing Commerce web site and provides efficient internal support for the creation and implementation of systems using new technology. In the current biennium, structural consolidation of IT staff within the Department has been an ongoing project.

Funding Source: Special assessment levied on the Department's various operating funds. The assessment is a percentage of the actual payroll costs incurred by each of the individual funds within the Department and is collected on a monthly basis (a month in arrears). The percentage is established annually and has steadily increased as a result of the expansion of Commerce's services provided to each of the operating divisions.

Line Items: GSF Fund 163 800-637, Information Technology

Implication of Executive Recommendation: The executive recommends \$6,650,150 in FY 2008 and \$6,780,963 in FY 2009 for the Information Technology Group program. The Governor's proposal grants \$251,850 less than what the Department requested for the program in FY 2008 and \$193,893 less than requested in FY 2009. The executive recommendation funded five of eight additional IT positions the program requested, which accounts for the reduction noted above. The Governor's proposal also provides the final component in a departmental initiative to consolidate IT staff in the Division of Administration, which is the centralized funding of these positions through appropriation item 800-637, Information Technology.

Temporary Law Provision

Administrative Assessments (Section 245.10). A provision in the bill entitles the Division of Administration to receive assessments from all operating funds of the Department. This is the source of operating revenue for the Program Management function.

REQUESTS NOT FUNDED

The Requests Not Funded section highlights the programs where a significant portion of the program's budget request was not included in the Governor's recommendations.

Program 1.04: Financial Institutions – Credit Unions						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
4X2 800-619	\$305,250	\$395,256	\$90,006	\$322,416	\$403,165	\$80,749
552 800-604	\$3,721,372	\$3,521,037	(\$200,335)	\$3,798,005	\$3,627,390	(\$170,615)
Total	\$4,026,622	\$3,916,293	(\$110,329)	\$4,120,421	\$4,030,555	(\$89,866)

The executive recommends \$3,916,293 in FY 2008 and \$4,030,555 in FY 2009 for the Credit Unions program, which is \$110,329 less than what was requested for FY 2008 and \$89,866 less than requested in FY 2009. The department stated that it would likely be able to absorb the reduction in funding by not filling vacancies. Despite the reduction, the program will likely be able to maintain current service levels while funding mandated salary increases and special counsel related to the United Telephone Credit Union (UTCU) litigation.

Program 1.06: Financial Institutions – Savings Institutions						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
545 800-613	\$2,665,808	\$2,539,563	(\$126,245)	\$2,708,907	\$2,587,715	(\$121,192)

The executive recommends \$2,539,563 in FY 2008 and \$2,587,715 in FY 2009 for the Savings Institutions program, which is \$126,245 less than what the Department requested in FY 2008 and \$121,192 less than requested in FY 2009. Despite the reduction, the Department states that the Savings Institution program can maintain current service levels at the recommended amounts by prioritizing spending for the program and by not filling vacancies.

Program 1.07: Financial Institutions – Securities						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
550 800-617	\$4,600,000	\$4,312,453	(\$287,547)	\$4,810,000	\$4,473,094	(\$336,906)

The executive recommends \$4,312,453 in FY 2008 and \$4,473,094 in FY 2009, which is \$287,547 less than what the Department requested for FY 2008 and \$336,906 less than requested for FY 2009. At these levels, the Division would absorb the reduction by prioritizing spending for the program and by not filling vacancies. However, it is likely that the program can maintain current service levels.

Program 3.01: Liquor Control – Liquor Agency Operations						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
043 800-627	\$3,324,357	\$3,199,761	(\$124,596)	\$3,464,132	\$3,299,411	(\$164,721)

The executive recommends \$443,699,740 in FY 2008 and \$467,326,426 in FY 2009 for the Liquor Agency Operations program. While the Governor's proposal fully funds the Department's request to purchase enough merchandise to meet expected increases in consumption, it recommends \$124,596

less than requested in FY 2008 and \$164,721 less than requested in FY 2009 out of the program's liquor control operating line item. The Department stated that it would look for ways to increase operating efficiencies to allow the program to maintain current service levels at the recommended amounts.

Program 3.02: Liquor Control – Permit Licensing and Compliance						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
043 800-627	\$6,300,000	\$6,064,594	(\$236,266)	\$6,632,083	\$6,316,579	(\$315,504)

The executive recommends \$6,064,594 in FY 2008 and \$6,316,579 in FY 2009 for the Liquor Permit Licensing and Compliance program. The amount recommended is \$236,266 less than what the Department requested for the program for FY 2008 and \$315,504 less than requested for FY 2009. At these levels, the program would absorb the reduction by prioritizing spending for the program and by not filling vacancies. However, it is likely that the program can maintain current service levels.

Program 4.01: Real Estate and Professional Licensing – Real Estate						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
549 800-614	\$3,605,892	\$3,480,038	(\$125,854)	\$3,605,892	\$3,574,171	(\$31,721)

The executive recommends \$3,480,038 in FY 2008 and \$3,574,171 in FY 2009 for the Real Estate program from appropriation item 800-614, Real Estate. The Governor's proposal is \$125,854 less than what the Department requested for this program for FY 2008 and \$31,721 less than requested for FY 2009. At these levels, the program would absorb the reduction by prioritizing spending for the program and by not filling vacancies. While the Department stated that it should be able to maintain current service levels at the recommended amounts, it also noted that there is little room in the Real Estate program to reduce spending.

Program 5.01: Fire Marshal – Ohio Fire Academy						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
546 800-610	\$2,843,357	\$2,742,085	(\$91,272)	\$2,930,674	\$2,824,274	(\$96,400)

The executive recommends \$2,742,085 in FY 2008 and \$2,824,274 in FY 2009 for the Ohio Fire Academy program from appropriation item 800-610, Fire Marshal. While the executive partially funded a budget appeal for the program, the recommendations are \$91,272 less than what the Department requested in FY 2008 and \$96,400 less than requested in FY 2009. At the recommended amounts, it may be that some equipment will not be purchased and/or empty positions remain vacant.

Program 5.06: Fire Marshal – Bureau of Underground Storage Tanks						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
653 800-629	\$1,498,791	\$1,342,062	(\$156,729)	\$1,415,565	\$1,296,710	(\$118,855)

The executive recommends \$1,342,062 in FY 2008 and \$1,296,710 in FY 2009 for Bureau of Underground Storage Tanks program out of appropriation item 800-629, UST Registration/Permit Fee, which is \$156,729 less than what the Department requested for the program in FY 2008 and \$118,855 less than requested in FY 2009. Despite the reduction, the Department noted that the executive recommendation would likely provide sufficient funds for an additional five inspectors to allow for an

increase in the number of inspections to meet increased federal requirements related to underground storage tank inspections.

Program 5.08: Fire Marshal – Program Administration						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
546 800-610	\$3,692,791	\$3,256,039	(\$436,752)	\$3,681,555	\$3,328,632	(\$352,923)

The executive recommends \$3,426,489 in FY 2008 and \$3,499,082 in FY 2009 for State Fire Marshal Program Administration. Overall, the Governor proposes \$436,752 less than what the Department requested for the program for FY 2008 and \$352,923 less than requested for FY 2009. Despite the reduction, the Department noted that current levels of service could be maintained at the recommended amounts. However, in order to absorb the reductions, the program would likely prioritize equipment purchases, not fill vacancies, and/or consolidate empty positions to reduce payroll costs.

Program 6.01: Unclaimed Funds						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
543 800-602	\$8,451,051	\$7,880,468	(\$570,583)	\$8,451,051	\$8,049,937	(\$401,114)

The executive recommends \$77,880,468 in FY 2008 and \$83,049,937 in FY 2009 for the Unclaimed Funds program. Although the Governor's proposal recommends \$15,000,000 more in FY 2008 and \$20,000,000 more in FY 2009 than what the Department requested for the payment of unclaimed funds claims in the upcoming biennium, it does not fully fund the program's request for funding to conduct fixed fee contract audits. Specifically, the Governor's proposal provides \$529,417 in FY 2008 and \$698,886 in FY 2009 to increase the number of audits of businesses for reporting of unclaimed funds, which the Department notes would help to continue the record increases in collections and pay outs of unclaimed funds. The Department requested \$1,100,000 in each fiscal year for these purposes. Therefore, it is likely that fewer additional fixed fee contract audits are conducted than originally planned, which would reduce the amount of unclaimed funds collected and returned to owners.

Program 8.01: Program Management						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
163 800-620	\$8,592,214	\$4,323,037	(\$4,269,177)	\$8,926,266	\$4,413,037	(\$4,513,229)

The executive recommends \$4,323,037 in FY 2008 and \$4,413,037 in FY 2009 for Program Management, which is \$4,269,177 less than the Department requested for the program in FY 2008 and \$4,513,229 less than requested for FY 2009. The large difference is mostly attributable to the way the fiscal and support services are funded, which is currently through Division operating funds. The program's budget request would have consolidated 70 fiscal, information technology, and support staff in the Division of Administration while also centralizing the funding to support the salary and fringe benefit costs of these staff. The goal of the consolidation plan is to provide a more efficient and effective management structure along with better control and accountability for budgetary matters and information technology management. While the Governor's proposal did not centralize the funding for the Department's fiscal and support services staff, the Department indicated that the restructuring plan could continue while the positions are funded in the same manner as they are currently. It is likely that current service levels can be maintained with the recommended funding for this program.

Program 8.02: Program Management – Information Technology Group						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
163 800-637	\$6,902,000	\$6,650,150	(\$251,850)	\$6,974,856	\$6,780,963	(\$193,893)

The executive recommends \$6,650,150 in FY 2008 and \$6,780,963 in FY 2009 for the Information Technology Group program. The Governor's proposal grants \$251,850 less than what the department requested for the program in FY 2008 and \$193,893 less than requested in FY 2009. The executive recommendation only funded five of eight additional IT positions the program requested, which accounts for the reduction noted above.

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General Revenue Fund

GRF 800-402 Grants-Volunteer Fire Departments

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$622,035	\$609,076	\$0	\$0	\$0	\$0
	-2.1%				

Source: GRF

Legal Basis: Discontinued line item (originally established in ORC 3737.22)

Purpose: These funds assisted volunteer fire departments by providing them with grants for equipment and training. The State Fire Marshal administers this program through the 800-639, Fire Department Grants, line item.

GRF 800-410 Labor and Worker Safety

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$3,315,130	\$3,402,076	\$1,978,124	\$2,032,396	\$2,032,396	\$2,032,396
	2.6%	-41.9%	2.7%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 4109, 4111, 4115, and 4167; (originally authorized by Executive Order and cooperative agreements with the federal government)

Purpose: This line item supports the Division of Labor and Worker Safety, which consists of the Wage and Hour Bureau. The Wage and Hour Bureau enforces the minimum wage, prevailing wage and minor labor laws. Formerly, operations were funded from the 800-412 Prevailing/Minimum Wage line item, 800-413, OSHA Match, and 800-417, Public Employer Risk Reduction. Am. H.B. 67 of the 126th G.A. transferred the OSHA On-Site Consultation program and Public Employees Risk Reduction Program (PERRP) to the Bureau of Workers' Compensation.

General Services Fund Group

163 800-620 Division of Administration

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$4,013,146	\$4,051,319	\$4,056,336	\$4,368,037	\$4,323,037	\$4,413,037
	1.0%	0.1%	7.7%	-1.0%	2.1%

Source: GSF: Revenues received from indirect cost assessments applied to each operating fund of the Department

Legal Basis: ORC 121.08(G); Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The appropriation pays for the costs of administering, supporting, and coordinating the activities of the eight operating divisions of the Department. Functions associated with human resources, support services, fiscal operations, public information, employee training and development, legislative services, legal counsel and the director's office are funded through this line item.

163 800-637 Information Technology

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,953,654	\$2,401,469	\$2,831,759	\$2,785,045	\$6,650,150	\$6,780,963
	22.9%	17.9%	-1.6%	138.8%	2.0%

Source: GSF: Indirect cost assessments applied to each operating fund of the Department

Legal Basis: ORC 121.08(G)

Purpose: The funds are used to pay for the costs associated with departmental information technology infrastructure that were previously paid from 800-620, Division of Administration, and various other operating line items.

543 800-602 Unclaimed Funds-Operating

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$13,698,709	\$11,152,976	\$14,379,499	\$7,351,051	\$7,880,468	\$8,049,937
	-18.6%	28.9%	-48.9%	7.2%	2.2%

Source: GSF: Funds are allocated from the unclaimed funds custodial account under the Treasurer of State. That fund receives at least 10% 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; Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

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

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$49,175,417	\$53,867,433	\$64,281,118	\$70,000,000	\$70,000,000	\$75,000,000
	9.5%	19.3%	8.9%	0.0%	7.1%

Source: GSF: Unclaimed funds reported

Legal Basis: ORC 169.05; Sections 203.75 and 203.99.54 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The Unclaimed Funds line item pays claims from unclaimed funds held by the state pursuant to Chapter 169 of the Revised Code. Am. Sub. H.B. 119 of the 127th G.A. proposes to authorize the Director of Budget and Management to transfer up to \$58,550,000 of unclaimed funds over the FYs 2008-2009 biennium to the GRF. Am. Sub. H.B. 119 of the 127th G.A. also proposes to authorize the Director of Budget and Management to transfer \$29,400,000 of unclaimed funds over the biennium to the Job Development Initiatives Fund (Fund 5AD) in the Department of Development and \$5,000,000 over the biennium to the State Special Projects Fund (Fund 4F2), also in the Department of Development.

5F1 800-635 Small Government Fire Departments

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$310,500	\$84,000	\$250,000	\$300,000	\$300,000
		-72.9%	197.6%	20.0%	0.0%

Source: GSF: repayments of zero percent interest loans made to small governments

Legal Basis: ORC 3737.17; Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The moneys are used to make loans to small governments for up to 95% of the cost of firefighter equipment or the construction or renovation of fire department buildings.

Federal Special Revenue Fund Group

348 800-622 Underground Storage Tanks

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$193,900	\$192,244	\$190,210	\$196,800	\$195,008	\$195,008
	-0.9%	-1.1%	3.5%	-0.9%	0.0%

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

Legal Basis: ORC 3737.02(B)

Purpose: These funds are used for the regulation of underground storage tanks, including the permitting of installation, removal, upgrade or major repair. In addition, the program monitors leaking underground tank sites. A federally mandated program, this is administered by the Bureau of Underground Storage Tank Registration (BUSTR) in the office of the State Fire Marshal. A 25% match is maintained in State Special Revenue line item 800-629, UST Registration/Permit Fee.

348 800-624 Leaking Underground Storage Tanks

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,325,340	\$1,592,879	\$1,491,032	\$1,850,000	\$1,850,000	\$1,850,000
	20.2%	-6.4%	24.1%	0.0%	0.0%

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

Legal Basis: ORC 3737.02(B)

Purpose: These funds are used to evaluate and clean up leaking underground storage tanks containing petroleum. A 10% state match is maintained in State Special Revenue line item 800-629, UST Registration/Permit Fee.

349 800-626 OSHA Enforcement

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,510,685	\$1,423,415	\$0	\$0	\$0	\$0
	-5.8%				

Source: FED: Occupational Safety and Health Administration; CFDA 17.504, OSHA Consultation Agreements

Legal Basis: Discontinued line item (originally established by Section 29 of Am. Sub. H.B. 95 of the 125th G.A.)

Purpose: These funds supported the On-Site consultation program, which provides small, private employers with services relating to work place safety and health. These employers are of a high-hazard nature and vary in size, with a target of no more than 250 employees. Am. H.B. 67 of the 126th G.A. transferred the program and its funding to the Bureau of Workers' Compensation.

State Special Revenue Fund Group

4B2 800-631 Real Estate Appraisal Recovery

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$35,000	\$35,000	\$35,000
			N/A	0.0%	0.0%

Source: SSR: Assessments against certificate holders (assessments may be made so that the account maintains a balance of at least \$500,000.)

Legal Basis: ORC 4763.16; 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: These funds are used to reimburse any person (except a bonding or insurance company or partnership, corporation, or association employing an appraiser) who obtains a court judgment against an appraiser licensed or certified under ORC 4763. The account may not be used to pay punitive damages. Am. Sub. H.B. 119 of the 127th G.A. would allow a transfer of \$350,000 from this fund to the Real Estate Operating Fund (Fund 549) to offset a revenue shortfall.

4H9 800-608 Cemeteries

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$239,891	\$252,343	\$260,608	\$273,465	\$273,465	\$273,465
	5.2%	3.3%	4.9%	0.0%	0.0%

Source: SSR: Fees from cemetery registrations and burial permits

Legal Basis: ORC 4767.03

Purpose: The funds are used to support the registration of cemeteries, enforcement of cemetery laws, and the administration of the Cemetery Dispute Resolution Commission.

4L5 800-609 Fireworks Training & Education

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$3,815	\$4,800	\$0	\$0	\$0	\$0
	25.8%				

Source: SSR: Assessments on fireworks manufacturers and wholesalers

Legal Basis: Discontinued line item (originally established in ORC 3743.57)

Purpose: These funds were used for training and educating fireworks manufacturers, wholesalers, and employees of the State Fire Marshal on matters related to pyrotechnics. Am. Sub. H.B. 66 of the 126th G.A. closed this fund and transferred the remaining balance of about \$5,964 to the State Fire Marshal Fund (Fund 546).

4X2 800-619 Financial Institutions

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,391,419	\$1,490,049	\$2,816,087	\$2,913,343	\$2,474,414	\$2,523,918
	7.1%	89.0%	3.5%	-15.1%	2.0%

Source: SSR: Assessments upon sections within the Division of Financial Institutions, prorated according to gross payroll of each section

Legal Basis: ORC 121.08(C)(1)

Purpose: This fund provides centralized division administrative support to the sections within the Division of Financial Institutions as listed above. The five sections are: Banks, Savings Institutions, Credit Unions, Savings Banks, and Consumer Finance.

544 800-612 Banks

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$5,780,933	\$6,335,750	\$5,940,081	\$6,759,197	\$6,516,507	\$6,703,253
	9.6%	-6.2%	13.8%	-3.6%	2.9%

Source: SSR: Application and examination fees paid by state chartered banks, plus an assessment charged to all banks subject to examination by the division; and money transmitter fees

Legal Basis: ORC 1121.30

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

545 800-613 Savings Institutions

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$2,328,273	\$2,304,021	\$1,740,773	\$2,669,774	\$2,244,370	\$2,286,616
	-1.0%	-24.4%	53.4%	-15.9%	1.9%

Source: SSR: Fees are assessed based on the cost of regulating savings and loans and savings banks. Fees assessed on savings and loans are based upon their total assets.

Legal Basis: ORC 1155.13

Purpose: These appropriations are used to support the costs associated with regulating savings and loans and savings institutions.

546 800-610 Fire Marshal

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$12,665,345	\$13,532,662	\$12,702,275	\$13,332,397	\$13,104,393	\$13,579,150
	6.8%	-6.1%	5.0%	-1.7%	3.6%

Source: SSR: Taxes from insurance companies selling fire insurance in Ohio (0.75% of the gross premium receipts received from the sale of fire insurance); 20% of "reciprocity" revenues (reciprocity 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; 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: These funds maintain and administer the Office of the State Fire Marshal, including the Ohio Fire Academy. Am. Sub. H.B. 119 of the 127th G.A. proposes to authorize the Director of Budget and Management to transfer up to \$11.5 million over the FYs 2008-2009 biennium from the State Fire Marshal Fund (Fund 546) to the GRF. Am. Sub. H.B. 119 of the 127th G.A. also proposes to authorize the Director of Budget and Management to transfer \$300,000 over the biennium from Fund 546 to the Poison Control Fund (Fund 5CB) in the Department of Health.

546 800-639 Fire Department Grants

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$1,644,640	\$1,647,140	\$1,647,140	\$1,647,140
		N/A	0.2%	0.0%	0.0%

Source: SSR: Loan repayments and cash transfers from Fund 546

Legal Basis: ORC 3737.71; 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to provide grants and no-interest loans to local fire departments to offset the cost of training and equipment. Am. Sub. H.B. 119 of the 127th G.A. proposes to make specific earmarks for grants to volunteer fire departments, for reimbursements to local units of government and fire departments for the cost of firefighter training and equipment, and for assistance in the conversion to the NFIRS 5 electronic fire reporting system.

546 800-640 Homeland Security Grants

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$0	\$10,000	\$10,000
				N/A	0.0%

Source: SSR: Revenue from homeland security grants deposited into the State Fire Marshal's Fund (Fund 546), which is funded by taxes from insurance companies selling fire insurance in Ohio (0.75% of the gross premium receipts received from the sale of fire insurance); 20% of "reciprocity" revenues (reciprocity revenues are collected and deposited in the GRF from out-of-state insurance companies that sell fire insurance in Ohio) and revenue from inspection fees, hotel permits, and fireworks licenses

Legal Basis: As proposed in Section 245.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: This line item will be used by the State Fire Marshal's Ohio Fire Academy to provide specialized weapons of mass destruction courses. These courses will be funded by homeland security grants received by the State Fire Marshal.

547 800-603 Real Estate Education/Research

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$85,991	\$90,778	\$48,581	\$250,000	\$250,000	\$250,000
	5.6%	-46.5%	414.6%	0.0%	0.0%

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 or a trade organization 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

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$20,000	\$1,750	\$40,000	\$100,000	\$50,000	\$50,000
	-91.3%	2185.7%	150.0%	-50.0%	0.0%

Source: SSR: Interest earned by the Division of Real Estate and fines assessed against licensees by the Ohio Real Estate Commission for violations of license law

Legal Basis: ORC 4735.12; 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

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. Am. Sub. H.B. 119 of the 127th G.A. proposes to allow the Director of Budget and Management to transfer up to \$100,000 from this fund to the Real Estate Operating Fund (Fund 549) to offset a projected revenue shortage.

549 800-614 Real Estate

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$3,077,353	\$3,226,964	\$3,226,127	\$3,605,892	\$3,480,038	\$3,574,171
	4.9%	0.0%	11.8%	-3.5%	2.7%

Source: SSR: License and other fees charged to real estate brokers and salespersons (the amount appropriated to appropriation item 800-603, Real Estate Education/Research, is excluded).

Legal Basis: ORC 4735.211; 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: These funds pay for costs of the Ohio Real Estate Commission associated with the regulation of the real estate industry and related consumer protection. Am. Sub. H.B. 119 of the 127th G.A. would permit the Director of Budget and Management to make transfers from two other funds: 1) \$100,000 from the Real Estate Recovery Fund (Fund 549) and 2) \$350,000 from the Real Estate Appraiser Recovery Fund (Fund 4B2) to the Real Estate Operating Fund (Fund 549) to offset a projected revenue shortfall.

550 800-617 Securities

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$3,728,148	\$3,810,911	\$3,934,455	\$4,400,000	\$4,312,453	\$4,473,094
	2.2%	3.2%	11.8%	-2.0%	3.7%

Source: SSR: Fees collected under ORC 1707 associated with the regulation of securities

Legal Basis: ORC 1707.37

Purpose: These funds provide for the operation of the Division of Securities. If moneys in Fund 550 are determined by the director of Budget and Management and the director of Commerce to be in excess of those necessary to defray all the expenses in any fiscal year, the excess is transferred to the GRF.

552 800-604 Credit Union

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$2,414,107	\$2,374,025	\$2,795,907	\$3,654,352	\$3,521,037	\$3,627,390
	-1.7%	17.8%	30.7%	-3.6%	3.0%

Source: SSR: A semi-annual assessment (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

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$3,171,714	\$3,504,192	\$3,624,365	\$5,800,445	\$5,800,445	\$5,800,445
	10.5%	3.4%	60.0%	0.0%	0.0%

Source: SSR: Investigation and annual license or registration fees charged to consumer loan companies, pawnbrokers, precious metals dealers, check-cashing businesses, mortgage brokers, loan officers, and credit service organizations

Legal Basis: ORC 1321.21

Purpose: These funds pay for the costs associated with regulating consumer finance industries. One-half of the fees collected from pawnbrokers and precious metal dealers are returned to the local government in which they reside.

556 800-615 Industrial Compliance

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$21,430,177	\$22,542,263	\$22,065,058	\$25,037,257	\$25,033,908	\$25,570,011
	5.2%	-2.1%	13.5%	0.0%	2.1%

Source: SSR: Fee revenues from building and construction plan review, and the testing, certification, or licensing of bedding and upholstered products, plumbing, electrical and structural systems, boilers, and elevators

Legal Basis: ORC 121.084

Purpose: This line item is used to pay for the costs associated with regulating individuals and companies who build, modify, and maintain structures and building systems within Ohio. This item also provides administrative support for the Board of Building Standards, Board of Building Appeals, Ohio Construction Industry Licensing Board, Historical Boiler Licensing Board, and the Ski Tramway Board. It is also used to register roller rinks.

5B9 800-632 PI & Security Guard Provider

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$990,889	\$10	\$0	\$0	\$0	\$0
	-100.0%				

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

Legal Basis: Discontinued line item (originally established in ORC 4749.07)

Purpose: This line item paid for the costs associated with regulating private investigators and security guard providers. The regulation of this industry was transferred from the Department of Commerce to the Department of Public Safety in Sub. H.B. 230 of the 125th G.A.

5K7 800-621 Penalty Enforcement

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$29,459	\$28,350	\$34,475	\$50,000	\$50,000	\$50,000
	-3.8%	21.6%	45.0%	0.0%	0.0%

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

Legal Basis: ORC 4115.10; 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

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

653 800-629 UST Registration/Permit Fee

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,150,825	\$1,216,279	\$1,191,688	\$1,249,633	\$1,512,512	\$1,467,160
	5.7%	-2.0%	4.9%	21.0%	-3.0%

Source: SSR: Underground storage tank registration fees

Legal Basis: ORC 3737.02 and 3737.88

Purpose: This fund provides for underground storage tank regulation, maintaining and administering the Bureau of Underground Storage Tank Registration (BUSTR); the 10% required state match for federal line item 800-624, Leaking Underground Storage Tanks; and the 25% required state match for line item 800-622, Underground Storage Tanks.

6A4 800-630 Real Estate Appraiser-Operating

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$529,262	\$607,274	\$660,972	\$664,006	\$664,006	\$664,006
	14.7%	8.8%	0.5%	0.0%	0.0%

Source: SSR: Fees from the certification and licensing of real estate appraisers

Legal Basis: ORC 4763.15

Purpose: These funds pay for costs of the Ohio Real Estate Appraiser Board associated with the regulation of the real property appraiser industry and related consumer protection.

Liquor Control Fund Group

043 800-601 Merchandising

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$351,560,667	\$371,747,445	\$401,268,248	\$397,847,141	\$440,499,979	\$464,027,015
	5.7%	7.9%	-0.9%	10.7%	5.3%

Source: LCF: Revenue from the sale of spirituous liquor by agency stores to retail and wholesale customers

Legal Basis: ORC 4301.12; Section 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item pays for the Division of Liquor Control's liquor purchases, commissions paid to agency stores, and shipping costs. Temporary law allows for increased appropriation if liquor sales revenue exceeds the amounts appropriated.

043 800-627 Liquor Control Operating

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$13,630,760	\$15,177,420	\$15,990,581	\$15,981,346	\$15,980,724	\$16,334,583
	11.3%	5.4%	-0.1%	0.0%	2.2%

Source: LCF: Revenue from the sale of spirituous liquor by agency stores to retail and wholesale customers

Legal Basis: ORC 4301

Purpose: This line item funds the operating expenses associated with the Division of Liquor Control. Previously, the operating expenses of the Division of Liquor Control were funded out of appropriation item 800-321, Liquor Control Operating. The change was made for accounting purposes in an effort to more closely resemble the intended purpose of the line item.

043 800-633 Development Assistance Debt Service

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$21,229,598	\$25,429,817	\$28,876,375	\$39,230,000	\$33,678,800	\$38,616,800
	19.8%	13.6%	35.9%	-14.2%	14.7%

Source: LCF: Revenue from the sale of spirituous liquor by agency stores to retail and wholesale customers

Legal Basis: 203.75 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item funds the debt service payments on bonds issued to support the Department of Development's Chapter 166 loan program. Previously, these debt service payments were made from Fund 043 without an appropriation.

043 800-636 Revitalization Debt Service

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$1,182,282	\$4,854,885	\$5,288,108	\$13,485,800	\$12,620,900	\$15,683,300
	310.6%	8.9%	155.0%	-6.4%	24.3%

Source: LCF: Revenue from the sale of spirituous liquor by agency stores to retail and wholesale customers

Legal Basis: 203.75 of Am. Sub. H.B. 66 of the 126th G.A. (authorized by Article VIII, Section 2o, of the Ohio Constitution)

Purpose: This line item funds the debt service payments on bonds issued under Chapter 151 of the Revised Code associated with the urban revitalization component of the Clean Ohio bond program.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund ALI ALI Title</i>	<i>Estimated 2007</i>	<i>As Introduced 2008</i>	<i>House Passed 2008</i>	<i>% Change Est. 2007 to House 2008</i>	<i>As Introduced 2009</i>	<i>House Passed 2009</i>	<i>% Change House 2008 to House 2009</i>
COM Commerce, Department of							
GRF 800-410 Labor and Worker Safety	\$2,032,396	\$ 2,132,397	\$ 2,032,396	0.0%	\$ 2,132,397	\$ 2,032,396	0.0%
General Revenue Fund Total	\$ 2,032,396	\$ 2,132,397	\$ 2,032,396	0.0%	\$ 2,132,397	\$ 2,032,396	0.0%
163 800-620 Division of Administration	\$4,368,037	\$ 4,323,037	\$ 4,323,037	-1.0%	\$ 4,413,037	\$ 4,413,037	2.1%
163 800-637 Information Technology	\$2,785,045	\$ 6,650,150	\$ 6,650,150	138.8%	\$ 6,780,963	\$ 6,780,963	2.0%
543 800-602 Unclaimed Funds-Operating	\$7,351,051	\$ 7,880,468	\$ 7,880,468	7.2%	\$ 8,049,937	\$ 8,049,937	2.2%
543 800-625 Unclaimed Funds-Claims	\$70,000,000	\$ 70,000,000	\$ 70,000,000	0.0%	\$ 75,000,000	\$ 75,000,000	7.1%
5F1 800-635 Small Government Fire Departments	\$250,000	\$ 300,000	\$ 300,000	20.0%	\$ 300,000	\$ 300,000	0.0%
General Services Fund Group Total	\$ 84,754,133	\$ 89,153,655	\$ 89,153,655	5.2%	\$ 94,543,937	\$ 94,543,937	6.0%
348 800-622 Underground Storage Tanks	\$196,800	\$ 195,008	\$ 195,008	-0.9%	\$ 195,008	\$ 195,008	0.0%
348 800-624 Leaking Underground Storage Tanks	\$1,850,000	\$ 1,850,000	\$ 1,850,000	0.0%	\$ 1,850,000	\$ 1,850,000	0.0%
Federal Special Revenue Fund Group Total	\$ 2,046,800	\$ 2,045,008	\$ 2,045,008	-0.1%	\$ 2,045,008	\$ 2,045,008	0.0%
4B2 800-631 Real Estate Appraisal Recovery	\$35,000	\$ 35,000	\$ 35,000	0.0%	\$ 35,000	\$ 35,000	0.0%
4H9 800-608 Cemeteries	\$273,465	\$ 273,465	\$ 273,465	0.0%	\$ 273,465	\$ 273,465	0.0%
4X2 800-619 Financial Institutions	\$2,913,343	\$ 2,474,414	\$ 2,474,414	-15.1%	\$ 2,523,918	\$ 2,523,918	2.0%
544 800-612 Banks	\$6,759,197	\$ 6,516,507	\$ 6,516,507	-3.6%	\$ 6,703,253	\$ 6,703,253	2.9%
545 800-613 Savings Institutions	\$2,669,774	\$ 2,244,370	\$ 2,244,370	-15.9%	\$ 2,286,616	\$ 2,286,616	1.9%
546 800-610 Fire Marshal	\$13,332,397	\$ 13,104,393	\$ 13,104,393	-1.7%	\$ 13,579,150	\$ 13,579,150	3.6%
546 800-639 Fire Department Grants	\$1,647,140	\$ 1,647,140	\$ 1,647,140	0.0%	\$ 1,647,140	\$ 1,647,140	0.0%
546 800-640 Homeland Security Grants		\$ 10,000	\$ 10,000	N/A	\$ 10,000	\$ 10,000	0.0%
547 800-603 Real Estate Education/Research	\$250,000	\$ 250,000	\$ 250,000	0.0%	\$ 250,000	\$ 250,000	0.0%
548 800-611 Real Estate Recovery	\$100,000	\$ 50,000	\$ 50,000	-50.0%	\$ 50,000	\$ 50,000	0.0%
549 800-614 Real Estate	\$3,605,892	\$ 3,480,038	\$ 3,480,038	-3.5%	\$ 3,574,171	\$ 3,574,171	2.7%
550 800-617 Securities	\$4,400,000	\$ 4,312,453	\$ 4,312,453	-2.0%	\$ 4,473,094	\$ 4,473,094	3.7%
552 800-604 Credit Union	\$3,654,352	\$ 3,521,037	\$ 3,521,037	-3.6%	\$ 3,627,390	\$ 3,627,390	3.0%
553 800-607 Consumer Finance	\$5,800,445	\$ 5,800,445	\$ 5,800,445	0.0%	\$ 5,800,445	\$ 5,800,445	0.0%
556 800-615 Industrial Compliance	\$25,037,257	\$ 25,033,908	\$ 25,033,908	0.0%	\$ 25,570,011	\$ 25,570,011	2.1%
5K7 800-621 Penalty Enforcement	\$50,000	\$ 100,000	\$ 50,000	0.0%	\$ 100,000	\$ 50,000	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund ALI ALI Title</i>	<i>Estimated 2007</i>	<i>As Introduced 2008</i>	<i>House Passed 2008</i>	<i>% Change Est. 2007 to House 2008</i>	<i>As Introduced 2009</i>	<i>House Passed 2009</i>	<i>% Change House 2008 to House 2009</i>
COM Commerce, Department of							
653 800-629 UST Registration/Permit Fee	\$1,249,633	\$ 1,512,512	\$ 1,512,512	21.0%	\$ 1,467,160	\$ 1,467,160	-3.0%
6A4 800-630 Real Estate Appraiser-Operating	\$664,006	\$ 664,006	\$ 664,006	0.0%	\$ 664,006	\$ 664,006	0.0%
State Special Revenue Fund Group Total	\$ 72,441,901	\$ 71,029,688	\$ 70,979,688	-2.0%	\$ 72,634,819	\$ 72,584,819	2.3%
043 800-601 Merchandising	\$397,847,141	\$ 440,499,979	\$ 440,499,979	10.7%	\$ 464,027,015	\$ 464,027,015	5.3%
043 800-627 Liquor Control Operating	\$15,981,346	\$ 15,980,724	\$ 15,980,724	0.0%	\$ 16,334,583	\$ 16,334,583	2.2%
043 800-633 Development Assistance Debt Service	\$39,230,000	\$ 33,678,800	\$ 33,678,800	-14.2%	\$ 38,616,800	\$ 38,616,800	14.7%
043 800-636 Revitalization Debt Service	\$13,485,800	\$ 12,620,900	\$ 12,620,900	-6.4%	\$ 15,683,300	\$ 15,683,300	24.3%
Liquor Control Fund Group Total	\$ 466,544,287	\$ 502,780,403	\$ 502,780,403	7.8%	\$ 534,661,698	\$ 534,661,698	6.3%
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Total All Budget Fund Groups	\$ 627,819,517	\$ 667,141,151	\$ 666,991,150	6.2%	\$ 706,017,859	\$ 705,867,858	5.8%

As Introduced (Executive)

As Passed by the House

1 (CD-594-COM) Tax on Fire Insurance from Foreign Insurers

R.C. 3901.86

Reduces, from 20% to 10%, the amount apportioned to SSR Fund 546, State Fire Marshal Fund, from the retaliatory tax collected from foreign insurers that sell fire insurance to residents of Ohio. Provides that the remainder of the revenue is deposited into the GRF.

No provision.

Fiscal effect: Reduces revenue to SSR Fund 546 by approximately \$5.7 million in FY 2008 and \$5.8 million in FY 2009, and increases revenue to the GRF by the same amounts.

Section: 245.10

No provision.

Authorizes the Director of Budget and Management to transfer up to \$5.7 million in cash in FY 2008 and up to \$5.8 million in cash in FY 2009 from SSR Fund 546, State Fire Marshal Fund, to the GRF.

Fiscal effect: Same net effect as the Executive in the FYs 2008-2009 biennium. However, in subsequent fiscal years, the Executive Proposal and the changes made by the House would have different impacts. The House adjustments will result in SSR Fund 546 retaining the amounts that would have been apportioned to the GRF beyond the upcoming biennium.

2 (CD-596-COM) Small Government Fire Departments

Section: 245.10

Specifies that, notwithstanding section 3737.17 of the Revised Code, GSF Fund 5F1 appropriation item 800-635, Small Government Fire Departments, may be used to provide loans to private fire departments.

Section: 245.10

Same as the Executive.

As Introduced (Executive)	As Passed by the House
<p>3 (CD-599-COM) Penalty Enforcement</p> <p>Section: 245.10</p> <p>Specifies that SSR Fund 5K7 appropriation item 800-621, Penalty Enforcement, must be used for the enforcement of the prevailing wage law (sections 4115.03 to 4115.16 of the Revised Code).</p>	<p>No provision.</p>
<p>4 (CD-600-COM) Unclaimed Funds Payments</p> <p>Section: 245.10</p> <p>Specifies that GSF Fund 543 appropriation item 800-625, Unclaimed Funds-Claims, must be used to pay claims under section 169.08 of the Revised Code. Appropriates additional amounts if necessary for this purpose, ensuring that owners of unclaimed funds receive the funds due them.</p>	<p>Section: 245.10</p> <p>Same as the Executive.</p>
<p>5 (CD-601-COM) Unclaimed Funds Transfers</p> <p>Section: 245.10</p> <p>Requires the Director of Commerce to transfer up to \$25 million of unclaimed funds to the GRF prior to June 30, 2008 and another \$25 million of unclaimed funds to the GRF prior to June 30, 2009.</p>	<p>Section: 245.10</p> <p>Same as the Executive, but increases the amount of unclaimed funds to be transferred to the GRF by \$4.275 million each fiscal year from \$25 million to \$29.275 million.</p>

As Introduced (Executive)

As Passed by the House

6 (CD-602-COM) Fire Department Grants

Section: 245.10

Earmarks from SSR Fund 546 appropriation item 800-639, Fire Department Grants, (1) up to \$760,000 in each fiscal year to make annual grants to volunteer fire departments of up to \$10,000 or up to \$25,000 if the volunteer fire department provides service for an area affected by a natural disaster, (2) up to \$687,140 in each fiscal year for full or partial reimbursement to local units of government and fire departments for firefighter training and equipment, with priority given to fire departments that serve small villages and townships, and (3) up to \$200,000 in each fiscal year for grants of up to \$50,000 to fire departments to assist in the conversion of existing data systems to the NFIRS 5 electronic fire reporting system.

Section: 245.10

Same as the Executive.

7 (CD-698-COM) Cash Transfer to Real Estate Operating Fund

Section: 245.10

Allows the Director of Budget and Management to transfer up to \$100,000 in cash from the Real Estate Recovery Fund (Fund 548) and up to \$350,000 in cash from the Real Estate Appraiser Recovery Fund (Fund 4B2) to the Real Estate Operating Fund (Fund 549) during FYs 2008 and 2009.

Fiscal effect: Replenishes the cash reserve of the Real Estate Operating Fund by up to \$450,000, which has been depleted due to revenue shortfalls.

Section: 245.10

Same as the Executive.

Fiscal effect: Same as the Executive.

As Introduced (Executive)	As Passed by the House
<p>8 (CD-699-COM) Merchandising</p> <p>Section: 245.10</p> <p>Specifies that the Division of Liquor Control must use LCF Fund 043 appropriation item 800-601, Merchandising, for operating expenses to pay for liquor products and provides for additional appropriations that may be necessary.</p> <p>Fiscal effect: Allows for additional appropriations for liquor merchandising if necessary. If so, there may also be an increase in liquor profits transferred to the GRF.</p>	<p>Section: 245.10</p> <p>Same as the Executive.</p> <p>Fiscal effect: Same as the Executive.</p>
<p>9 (CD-700-COM) Development Assistance Debt Service</p> <p>Section: 245.10</p> <p>Establishes that LCF Fund 043 appropriation item 800-633, Development Assistance Debt Service, is to pay debt service on bonds issued to support the Chapter 166 loan program operated by the Department of Development and appropriates additional sums if necessary. The appropriation for this purpose is \$33,678,800 in FY 2008 and \$38,616,800 in FY 2009.</p>	<p>Section: 245.10</p> <p>Same as the Executive.</p>
<p>10 (CD-701-COM) Revitalization Debt Service</p> <p>Section: 245.10</p> <p>Requires that LCF Fund 043 appropriation item 800-636, Revitalization Debt Service, be used to pay debt service on bonds issued for the urban revitalization component of the Clean Ohio bond program and appropriates additional amounts if necessary. The appropriation for this purpose is \$12,620,900 in FY 2008 and \$15,683,300 in FY 2009.</p>	<p>Section: 245.10</p> <p>Same as the Executive.</p>

As Introduced (Executive)

As Passed by the House

11 (CD-703-COM) Administrative Assessments

Section: 245.10

Specifies that the Division of Administration Fund (Fund 163) is entitled to receive assessments from all operating funds of the Department, subject to OBM approval, in order to pay for centralized services such as communications, fiscal administration, human resources, legal, legislative affairs, quality control, training, employee development, and support services.

Section: 245.10

Same as the Executive.

As Introduced (Executive)

As Passed by the House

12 (CD-483-DEV) Minority Business Bonding Fund

Section: 263.20.60

Authorizes the Director of Development, upon the recommendation of the Minority Development Financing Advisory Board, to pledge up to \$10 million in unclaimed funds over the course of the FY 2008-2009 biennium for the Minority Business Bonding Program. Specifies that a transfer from the Department of Commerce's Unclaimed Funds Fund (Fund 543) may only occur if funds are needed for the payment of losses arising from the Minority Business Bonding Program, and only after proceeds of the initial transfer of \$2.7 million by the Controlling Board to the program has been used for that purpose.

Section: 263.20.60

Same as the Executive.

13 (CD-511-DEV) Unclaimed Funds Transfer

Section: 263.30.10

Requires, upon the request of the Director of Budget and Management, the Director of Commerce to transfer up to \$9,275,000 in unclaimed funds to GSF Fund 5AD, Job Development Initiatives prior to June 30, 2008 and up to \$28,675,000 prior to June 30, 2009.

Requires, upon the request of the Director of Budget and Management, the Director of Commerce to transfer up to \$2,500,000 in unclaimed funds to the SSR Fund 4F2, State Special Projects, prior to June 30, 2008 and again prior to June 30, 2009.

No provision.

Section: 263.30.10

Reduces the amounts of the transfers to \$5,000,000 in FY 2008 and \$24,400,000 in FY 2009.

Same as the Executive.

Requires that funds expended from GSF Fund 5AD appropriation item 195-677, Economic Development Contingency, be subject to Controlling Board approval.

As Introduced (Executive)

As Passed by the House

14 (CD-888-DOH) Transfer from State Fire Marshal's Fund to the Poison Control Fund

No provision.

Sections: 293.30, 293.10

Transfers \$150,000 cash in each fiscal year from the State Fire Marshal's Fund (Fund 546) in the Department of Commerce to the Poison Control Fund (Fund 5CB) in the Department of Health.

No provision.

Earmarks \$50,000 in each fiscal year for the poison control centers in Cleveland, Cincinnati, and Columbus.