

LSC Redbook

Analysis of the Executive Budget Proposal

Lake Erie Commission

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March 2009

READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Lake Erie Commission (LEC), which includes the following three sections.

1. **Overview:** Provides a brief description of LEC and the programs it oversees.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the executive budget recommendations for LEC, including funding for each appropriation line item.
3. **Attachments:** Includes the catalog of budget line items (COBLI) describing the purpose and legal basis for each line item, accompanied by LSC's spreadsheet showing recent funding as well as the Governor's recommendations for FY 2010-FY 2011.

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Lake Erie Commission

- Total proposed biennial appropriations of \$1.7 million
- Implementation of the Lake Erie Balanced Growth Program

OVERVIEW

Agency Overview

The Lake Erie Commission (LEC) coordinates state policy and programs pertaining to the protection, conservation, and development of Lake Erie and its surrounding areas. LEC is charged with protecting the lake's natural resources and safeguarding its watershed's ecological quality against pollution while promoting responsible economic development along the shoreline. LEC also produces reports such as the *State of the Lake Report/Lake Erie Quality Index* and the *Lake Erie Protection and Restoration Plan* for use by state government to develop strategic plans for the use and protection of Lake Erie.

The Commission itself is comprised of six cabinet-level state officials: the Director of Environmental Protection, the Director of Natural Resources, the Director of Health, the Director of Transportation, the Director of Development, and the Director of Agriculture. The Commission's staff is employed at the LEC office in Toledo and currently has four employees led by the Executive Director, who reports to the Commission. In the FY 2008-FY 2009 biennium, two of those positions are part-time, including the Executive Director. Under the executive proposal, all four positions are budgeted as full-time employees.

Table 1. Lake Erie Commission Staffing Levels (Full-Time Equivalent)						
Employees	2006	2007	2008	2009	Estimated	
					2010	2011
Executive Director	0.5	0.5	0.5	0.5	1	1
Executive Secretary	1	1	1	1	1	1
Environmental Specialist	1	1	1	1	1	1
Fiscal Specialist*	1	0	0	0	0	0
Secretary/Webmaster	.75	.75	.75	.75	1	1
TOTAL	4.25	3.25	3.25	3.25	4	4

* Fiscal management duties for LEC were assumed by the Ohio Environmental Protection Agency after FY 2006.

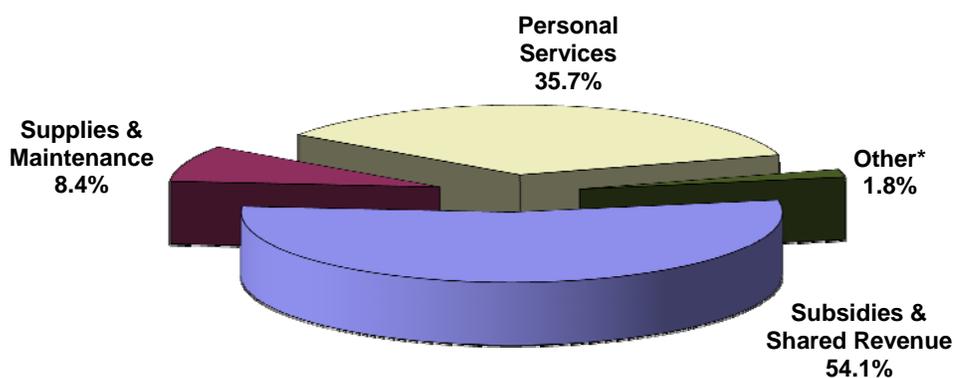
Appropriation Overview

As seen in Table 2, LEC's appropriations consist entirely of State Special Revenue (SSR) funding. The Governor's recommended appropriations of \$830,000 in FY 2010 represent a 1.0% decrease from FY 2009 levels, while the proposed FY 2011 appropriations are slightly above those for FY 2010. The decrease from FY 2009 to FY 2010 is attributable to a decrease in supplies, maintenance, and equipment costs paid by the Lake Erie Resources Fund (Fund 5D80), and the 0.4% increase in FY 2011 is due to budgeted payroll increases amounting to \$3,000.

Table 2. Executive Budget Recommendations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
State Special Revenue	\$838,000	\$830,000	-1.0%	\$833,000	0.4%
TOTAL	\$838,000	\$830,000	-1.0%	\$833,000	0.4%

LEC's total budget of \$1,663,000 over the biennium can be broken down by expense category as shown in Chart 1. The largest portion (54.1%) of LEC's proposed appropriations fall under the subsidies and shared revenue category, which includes grant funds to support Lake Erie research and protection efforts. Personal services comprise 35.7% of the agency's proposed budget, supplies and maintenance 8.4%, and the remaining 1.8% includes purchased personal services and equipment costs.

Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2010-FY 2011



* "Other" includes purchased personal services and equipment.

Major Initiatives

Lake Erie Balanced Growth Program

The most significant initiative LEC is pursuing in the FY 2010-FY 2011 biennium is the Lake Erie Balanced Growth Program. Pursuant to recommendations in the *Lake Erie Protection and Restoration Plan*, this program provides assistance to watersheds in the Lake Erie basin for developing watershed balanced growth plans that provide regional frameworks for local growth and conservation policies, formulating a State Balanced Growth Incentives Strategy to help state agencies assist watersheds in implementing their plans, and conducting awareness and training programs on local land use practices.

Through FY 2009, LEC received support for pilot projects under this program through the Ohio Water Development Authority (OWDA). Currently, there are no plans for further OWDA assistance for the program. However, for FY 2010 and FY 2011, LEC has been offered grants through the Office of Coastal Management in the Department of Natural Resources (DNR) for the implementation of the Balanced Growth Program. These are federal moneys from the National Oceanic and Atmospheric Administration (NOAA) that DNR distributes for designated purposes. LEC expects to receive \$22,478 in FY 2010 and \$24,527 in FY 2011 for this initiative. LEC also intends to pursue additional sources of funding as available.

Lake Erie License Plate Marketing

LEC works with the Ohio Department of Agriculture's Marketing Division in promoting sales of the Lake Erie license plate, which generate income for the Lake Erie Protection Fund (Fund 4C00). As revenues from these sales have declined in recent years, LEC is pursuing a number of marketing initiatives to promote the license plates. These include promotional materials included with the Commission's traveling Lake Erie Photo Gallery display, promotion during the annual Coastweeks Program, and promoting the plates among recipients of grants from the Lake Erie Protection Fund with the aim of promotion by the grantees themselves.

ANALYSIS OF EXECUTIVE PROPOSAL

This section provides an analysis of the Governor's recommended funding for the Lake Erie Commission. The section includes a table listing the recommended appropriations for LEC in each fiscal year of the biennium. Following the table, a narrative describes how each appropriation is used and any changes that are proposed by the Governor.

Governor's Recommended Amounts for the Lake Erie Commission				
Fund	ALI and Name		FY 2010	FY 2011
State Special Revenue Fund Group				
4C00	780601	Lake Erie Protection Fund	\$450,000	\$450,000
5D80	780602	Lake Erie Resources Fund	\$380,000	\$383,000
State Special Revenue Fund Group Subtotal			\$830,000	\$833,000
Total Funding: Lake Erie Commission			\$830,000	\$833,000

Lake Erie Protection Fund (780601)

This line item contains recommended appropriations of \$450,000 in each fiscal year from the Lake Erie Protection Fund (Fund 4C00). This funding level is the same as FY 2009. Assets in this fund are generated primarily through the sale of Lake Erie license plates, as well as other grants, gifts, and donations. Previously, the fund received grants from OWDA for the Lake Erie Balanced Growth Program, and will likely receive the NOAA-DNR grants referred to previously for the same purpose in FY 2010 and FY 2011. LEC also expects grants of \$15,750 in each fiscal year from the U.S. Department of Agriculture's Natural Resources Conservation Service (USDA-NRCS) for support of activities in the western Lake Erie basin.

The Lake Erie Protection Fund is used in accordance with statutory requirements to provide grants and financial resources to entities that perform research and develop strategies on the conservation and responsible development of Lake Erie watersheds and Ohio's Lake Erie region. Activities include research on contamination of the lake and its tributaries, measurement and collection of water quality data, research and development of clean-up techniques, cooperative efforts between public and private entities within the Lake Erie basin, and other efforts to develop and implement Lake Erie protection programs.

At the proposed funding level of \$450,000 in each fiscal year, LEC expects to award approximately 20 grants totaling \$900,000 over the biennium. Activities performed under these grants also include local matching funds provided by grantees.

Lake Erie Resources Fund (780602)

The Lake Erie Resources Fund (Fund 5D80) receives Ohio's share of the annual earnings from the multi-state Great Lakes Protection Fund, contributions from LEC's six member agencies, and other special grants and donations. Under the executive recommendation, line item 780602, receives appropriations of \$380,000 in FY 2010 and \$383,000 in FY 2011 for the costs of LEC's staff and other operating expenses, including supplies, maintenance, and equipment, associated with the administration of LEC's programs. Activities supported by this fund also include the annual Coastweeks Program, which hosts clean-up events along Lake Erie, publication of reports such as the *Lake Erie Protection and Restoration Plan*, organizing commission meetings, and representing Ohio at regional Great Lakes management forums.

LEC also partners with other state agencies for some administrative functions and program support. The Environmental Protection Agency (EPA) serves as LEC's fiscal agent and provides legal support; DNR produces publications and provides communications services and media relations; and the Department of Agriculture assists LEC with marketing the Lake Erie license plates.

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State Special Revenue Fund Group

4C00 780601 Lake Erie Protection Fund

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$576,263	\$637,683	\$526,304	\$450,000	\$450,000	\$450,000
	10.7%	-17.5%	-14.5%	0.0%	0.0%

Source: SSR: Revenues generated from the sale of Lake Erie license plates, state and federal grants, and other gifts and donations

Legal Basis: ORC 1506.23; Section 315.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: Moneys in this fund may be used to: (1) accelerate the pace of research related to contamination of Lake Erie and its tributaries; (2) fund cooperative research and data collection regarding water quality and toxic contamination; (3) develop improved methods of measuring water quality and establish a basin-wide system of water quality management; (4) support research to devise new and innovative cleanup techniques for toxic contaminants; (5) supplement state commitments to policies and programs pertaining to Lake Erie water quality and resource protection; (6) encourage cooperation among political, business, labor, educational, environmental and conservation leaders within the Lake Erie basin; and (7) award grants for the development and implementation of projects and programs that are designed to protect Lake Erie.

5D80 780602 Lake Erie Resources Fund

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$266,362	\$285,267	\$301,087	\$388,000	\$380,000	\$383,000
	7.1%	5.5%	28.9%	-2.1%	0.8%

Source: SSR: Ohio's share of the annual earnings from the multi-state Great Lakes Protection Fund, contributions from Commission member agencies, and grants for specific work projects conducted by the LEC staff

Legal Basis: ORC 1506.24; Section 315.10 of Am. Sub. H.B. 119 of the 127th G.A.

Purpose: The Great Lakes Protection Fund (this fund's main revenue source) is a regional trust fund established by the Great Lakes states to advance the principles, goals, and objectives of the Great Lakes Toxic Substances Control Agreement and the Great Lakes Water Quality Agreement. Ohio receives a portion of the earnings from this fund, which is deposited in the Lake Erie Resources Fund (Fund 5D80) and used to support the operating expenses of the Lake Erie Commission and the Lake Erie Office.

LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
LEC Lake Erie Commission								
4C00	780601	Lake Erie Protection Fund	\$ 526,304	\$ 450,000	\$ 450,000	0.0%	\$ 450,000	0.0%
5D80	780602	Lake Erie Resources Fund	\$ 301,087	\$ 388,000	\$ 380,000	-2.1%	\$ 383,000	0.8%
State Special Revenue Fund Group Total			\$ 827,392	\$ 838,000	\$ 830,000	-1.0%	\$ 833,000	0.4%
Total All Budget Fund Groups			\$ 827,392	\$ 838,000	\$ 830,000	-1.0%	\$ 833,000	0.4%