

- LTIP provides \$150 million in funding for local road and bridge projects over the biennium
- New duties assigned by H.B. 3 for Clean Ohio

Public Works Commission

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ROLE

The Public Works Commission is responsible for the implementation of two programs that assist local governments in financing infrastructure projects: the State Capital Improvements Program (SCIP) and the Local Transportation Improvements Program (LTIP). The agency's role was recently expanded into supporting local environmental cleanup projects as part of the Clean Ohio program with the passage of H.B. 3 of the 124th General Assembly.

Agency In Brief					
Number of Employees	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2002	2003	2002	2003	
13	\$212.9 million	\$230.6 million	\$137.3 million	\$152.9 million	Sub H.B. 73 Am. Sub H.B. 94 Am. Sub H.B. 3

Note: these numbers differ from the accompanying spreadsheet because of the appropriations contained in H.B. 3 of the 124th G.A.

OVERVIEW

The Public Works Commission (PWC) plays a key role in administering two state programs that support local government efforts to upgrade capital infrastructure. The first program, the Local Transportation Improvement Program (LTIP), provides grants to pay for part (or all) of a local road or bridge project. The State Capital Improvements Program (SCIP) provides low-interest loans and grants to local governments for funding of transportation infrastructure projects, water treatment and distribution projects, waste water collection and treatment projects and storm sewer systems. H.B. 3 of the 124th General Assembly assigned certain new duties to the agency, which are described separately below.

The PWC works with 19 District Public Works Integrating Committees (DPWICs) located throughout the state in determining which projects to fund. Members of each DPWIC are appointed by local officials, or by other members of the DPWIC, in accordance with section 164.04 of the ORC. They receive applications for specific projects from local governments, and evaluate and prioritize those projects. The committees forward their prioritized project lists to the PWC, which then determines how many of the projects can be funded given the program's resources.

The agency's budget, taken as a whole, increased by 208.7 percent from FY 2001 to FY 2002, and by 8.3 percent from FY 2002 to FY 2003, but this is somewhat misleading. The very large increase from FY 2001 to FY 2002 is almost entirely due to a shift of the debt service for the SCIP from the budget of the Commissioners of the Sinking Fund to the budget of the PWC. Adjusting for this accounting change makes the increase in the agency's budget only 5.9 percent from FY 2001 to FY 2002. Even this smaller

increase from FY 2001 to FY 2002 is due entirely to funding for the two major programs, and to new programming. The operating budget for administering the two continuing programs actually fell by 7.5 percent from FY 2001 to FY 2002, though it increased by 6.1 percent from FY 2002 to FY 2003. With the new duties assigned by H.B. 3, the operating budget increased by 11.0 percent from FY 2001 to FY 2002, and by 6.1 percent from FY 2002 to FY 2003.

BUDGET ISSUES

NEW DUTIES UNDER CLEAN OHIO PROGRAM


H.B. 3 of the 124th General Assembly implemented the Clean Ohio Program, expanding the scope of the agency's duties in the process. The bill assigns the role of accepting applications for and prioritizing brownfield revitalization projects to the 19 District Public Works Integrating Committees (DPWICs) around the state. Each DPWIC may forward up to six such projects to the Clean Ohio Council housed at the Department of Development, where projects will be selected on a statewide competitive basis. The bill also empowers each DPWIC to appoint an 11-member Natural Resources Assistance Council, which will collect, review, and prioritize conservation projects within its respective district. These projects will be forwarded to the agency and administered in the same manner that SCIP and LTIP projects are administered. The bill authorizes the issuance of \$50 million in general obligation bonds, of which PWC will use up to \$37.5 million, during each of the next four fiscal years to pay for these conservation projects.

The agency anticipates hiring one additional staff person in order to fulfill the new duties. H.B. 3 increased appropriations to the agency by \$271,987 in FY 2002 and by \$288,459 in FY 2003 to pay the operating costs associated with these new duties.

CONTINUING PROGRAMS—SCIP AND LTIP

H.B. 73 of the 124th General Assembly provided funding for the Local Transportation Improvement Program (LTIP), and for the agency's operating expenses (for continuing programs). The LTIP receives a share of the motor vehicle fuel tax revenue, equivalent to one penny of the twenty-two cent per gallon tax, to finance local transportation infrastructure projects. The bill appropriated \$74,000,000 in FY 2002 and \$76,000,000 in FY 2003, based on estimated tax receipts, to fund the LTIP. The bill also appropriated \$1,359,937 in FY 2002 and \$1,442,296 in FY 2003 for the agency's operating budget.

The State Capital Improvements Program (SCIP) is financed in part by issuing bonds and in part by the proceeds of a revolving loan program. H.B. 94 contained the appropriation to cover the debt service on the bonds issued under the SCIP. Now located in the budget of the PWC, this debt service was appropriated in the budget of the Commissioners of the Sinking Fund prior to this biennium. This appropriation amounted to \$135,693,200 in FY 2002 and \$146,210,200 in FY 2003.

The agency's operating budget has been funded by investment earnings on the SCIP Fund 038 and by a small portion of the one-cent allocation from the motor vehicle fuel tax that funds the LTIP. In the past, approximately 70 percent of agency operating costs were paid for by the SCIP and 30 percent by the LTIP. With the additional responsibilities and funding provided by H.B. 3, the agency anticipates that approximately 60 percent of agency operating costs will be paid from SCIP, 20 percent from LTIP, and 20 percent from the Clean Ohio Conservation Fund created by H.B. 3. 

FY 2002 - 2003 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency

FY 1999. *FY 2000.* *FY 2001.* **FY 2002** *% Change* **FY 2003** *% Change*
Appropriations: *2001 to 2002:* *Appropriations:* *2002 to 2003:*

Report For: Transportation Budget

Version: Enacted

PWC Public Works Commission

038	150-321	Operating Expenses	\$ 893,784	\$ 850,325	\$759,689	\$ 958,456	26.16%	\$ 1,016,207	6.03%
Local Infrastructure Improvement Fund Group Total			\$ 893,784	\$ 850,325	\$ 759,689	\$ 958,456	26.16%	\$ 1,016,207	6.03%
052	150-402	Local Transportation Improvement Prog	\$ 382,972	\$ 348,789	\$322,736	\$ 401,481	24.40%	\$ 426,089	6.13%
052	150-701	Local Transportation Improvement Prog	\$ 54,279,283	\$ 64,664,422		\$ 74,000,000	N/A	\$ 76,000,000	2.70%
Local Transportation Improvement Program Fund Gr			\$ 54,662,255	\$ 65,013,211	\$ 322,736	\$ 74,401,481	22,953.39%	\$ 76,426,089	2.72%
Public Works Commission Total			\$ 55,556,039	\$ 65,863,536	\$ 1,082,424	\$ 75,359,937	6,862.14%	\$ 77,442,296	2.76%

FY 2002 - 2003 Final Appropriation Amounts

All Fund Group

<i>Line Item Detail by Agency</i>			<i>FY 1999.</i>	<i>FY 2000.</i>	<i>FY 2001.</i>	<i>FY 2002 Appropriations:</i>	<i>% Change 2001 to 2002:</i>	<i>FY 2003 Appropriations:</i>	<i>% Change 2002 to 2003:</i>
Report For: Main Operating Appropriations Bill			Version: Enacted						
PWC Public Works Commission									
056	150-403	Operating Expenses	----	----		\$ 271,987	N/A	\$ 288,459	6.06%
Clean Ohio Revitalization Fund Total			----	----	----	\$ 271,987	N/A	\$ 288,459	6.06%
GRF	150-904	Conservation General Obligation Debt	----	----		\$ 1,595,000	N/A	\$ 6,695,000	319.75%
GRF	150-907	State Capital Improvements G.O. Debt	----	----		\$ 135,693,200	N/A	\$ 146,210,200	7.75%
General Revenue Fund Total			----	----	----	\$ 137,288,200	N/A	\$ 152,905,200	11.38%
Public Works Commission Total			----	----	----	\$ 137,560,187	N/A	\$ 153,193,659	11.36%