

# Greenbook

## LBO Analysis of Enacted Budget

### Ohio Lake Erie Commission

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## Ohio Lake Erie Commission

### Quick look...

- The Ohio Lake Erie Commission’s (LEC) mission is the protection, conservation, and development of Lake Erie and its surrounding areas.
- Total budget: \$744,000 in FY 2020 and \$749,000 in FY 2021.
  - Sources of the budget: State non-GRF (93%), and federal (7%).
  - Staff payroll (personal services) is the largest spending area (56%).
- The budget provides funding for 3.25 full-time employees.

	FY 2016*	FY 2017*	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Appropriation	Appropriation
<b>DPF Fund 4C00 ALI 780601, Lake Erie Protection</b>						
	\$149,131	\$183,862	\$365,706	\$526,669	\$694,000	\$699,000
% change		23.3%	98.9%	44.0%	31.8%	0.7%
<b>FED Fund 3EPO ALI 780603, LEC Federal Grants</b>						
	\$152,887	\$61,063	\$0	\$433,343	\$50,000	\$50,000
% change		-60.1%	-100%	N/A	-88.5%	0.0%
<b>Total funding</b>						
	\$471,336	\$412,808	\$365,706	\$960,012	\$744,000	\$749,000
% change		-12.4%	-11.4%	162.5%	-22.5%	0.7%

\*The Commission’s FY 2016 and FY 2017 total funding includes amounts appropriated to ALI 780602, Lake Erie Resources, which does not receive funding under the FY 2020-FY 2021 biennial budget and is therefore not included in this table. Effective FY 2018, the line item’s revenue stream and purpose were merged into the Lake Erie Protection Fund (Fund 4C00), the line item was discontinued, and its related Fund 5D80 was abolished.

### Agency overview

The Lake Erie Commission’s mission is: “to preserve Lake Erie’s natural resources, to protect the quality of its waters and ecosystem, and to promote economic development of the region by ensuring the coordination of policies and programs of state government pertaining to water quality, toxic substances, and coastal resource management.” In accordance with that mission, the Commission implements policies and programs focused on water quality, habitat, recreation, tourism, and resource management. The Lake Erie watershed covers 33 of Ohio’s 88 counties.

The Commission consists of 13 members: the directors of Environmental Protection, Natural Resources, Health, Agriculture, Transportation, and Development Services, plus an additional seven members appointed by the Governor. The Commission’s staff primarily

coordinate programs that address nutrient management and the beneficial use of dredged material, and promote the sales of Lake Erie license plates that help support staff operations and grants programs. Services are also provided by member state agencies. The Ohio Environmental Protection Agency (Ohio EPA) provides fiscal management services and the Department of Natural Resources provides public information and information technology support. The Commission receives no GRF funding; it relies on three, somewhat uncertain, revenue streams: (1) Lake Erie license plate sales, (2) interest earnings distributed from the multi-state Great Lakes Protection Fund, and (3) federal grants.

## Staffing

During the FY 2018-FY 2019 biennium, the Commission's staff totaled the equivalent of 3.25 full-time positions, with some of the related payroll costs shared with the Ohio EPA. For the purpose of those positions being 100% funded by the Commission, the budget increases the amount of funding appropriated to DPF line item 780601, Lake Erie Protection. The expectation is that any time spent by Commission staff on Ohio EPA activities will be billed to, and reimbursed by, the Ohio EPA.

## Fiscal challenge

An ongoing challenge for the Commission is to ensure that there is sufficient money on hand to fund staff operations and to maintain grants programs. To address this uncertainty, the budget permits the Director of Budget and Management (OBM), with the approval of the Controlling Board, to transfer specified cash amounts in FY 2020 and FY 2021 from certain state funds to the Lake Erie Protection Fund (Fund 4C00). The total amount of cash authorized for transfer annually is up to \$125,000 in FY 2020 and FY 2021 (see the table below).

Authorized Cash Transfers to Fund 4C00*				
Fund	Fund Name	User	FY 2020	FY 2021
5BC0	Environmental Protection Fund	Environmental Protection Agency	\$25,000	\$25,000
6690	Pesticide, Fertilizer, and Lime Program Fund	Department of Agriculture	\$25,000	\$25,000
4700	General Operations Fund	Department of Health	\$25,000	\$25,000
1570	Central Support Indirect	Department of Natural Resources	\$25,000	\$25,000
TBD**	TBD**	Development Services Agency	\$25,000	\$25,000
<b>Total</b>			<b>\$125,000</b>	<b>\$125,000</b>

\*All of the authorized cash transfers are "up to" amounts, with the exception of Development Services Agency.

\*\*TBD means to be determined by the Director of Development Services.

## H2Ohio Fund annual report

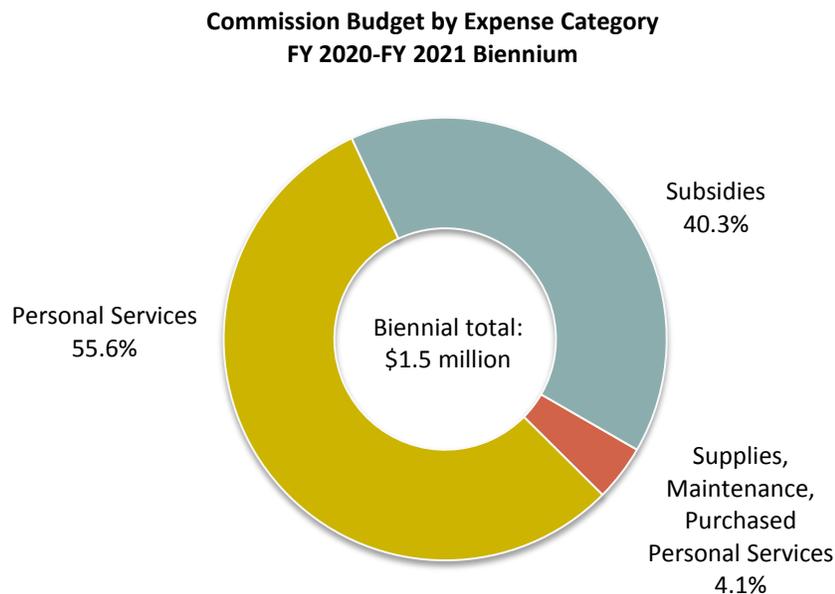
The budget creates the H2Ohio Fund to be used for water quality purposes, including awarding grants, issuing loans, funding cooperative research, and encouraging cooperation with governmental and private entities. The Commission, in coordination with state agencies or boards responsible for water protection and water management is required to submit a report to the General Assembly and the Governor annually, beginning August 31, 2020, that addresses activities undertaken with respect to the H2Ohio Fund during the preceding fiscal year, and revenues and expenses for that year.

## Analysis of FY 2020-FY 2021 budget

The Commission's budget consists of two appropriation line items (ALIs), one of which is supported by money appropriated from the Dedicated Purpose Fund (DPF) Group, and the other is supported by federal grants or awards. The budget provides a total appropriation of \$744,000 in FY 2020 and \$749,000 in FY 2021, of which 93% is supported by the DPF Group, and 7% by federal funding. Each of these line items is discussed further below.

## Funding by expense category

The chart below shows the Commission's total biennial appropriation (FY 2020 and FY 2021) by expense category. Of the total, 55.6%, or \$831,000, is expected to be allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), followed by subsidies (40.3%, or \$601,000), supplies and maintenance (4.0%, or \$60,000), and purchased personal services (0.1%, or \$1,000).



## Lake Erie Protection (ALI 780601)

This line item is used to pay for the Commission's ongoing annual operating expenses, and to award research and demonstration grants related to the protection and restoration of Lake Erie resources of up to \$50,000. The Lake Erie Protection Fund (Fund 4C00), which supports this line item, consists primarily of Lake Erie license plate sales, and, effective FY 2018, Ohio's share of the interest earned from the multi-state Great Lakes Protection Fund (GLPF).

## LEC Federal Grants (ALI 780603)

This line item is used to disburse federal grants awarded for the purpose of undertaking Great Lakes Restoration Initiative (GLRI) projects.<sup>1</sup> As of the fall of 2019, it is being used to disburse three Great Lakes grants totaling \$4.2 million as follows: (1) \$2.5 million for partial implementation of Ohio's Domestic Action Plan to reach the 40% nutrient reduction target in the Great Lakes Water Quality Agreement, (2) \$1.7 million to implement the West Branch Euclid Creek–Mayfield Stream Restoration Project, and (3) \$46,000 to host the Great Lakes Area of Concern Conference to be held in Cleveland (Cuyahoga County) in the fall of 2019.

LEC/zg

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<sup>1</sup> The GLRI is a federal initiative aimed at restoring the Great Lakes ecosystem. The U.S. EPA is the lead federal agency for implementing the GLRI.