

Greenbook

LBO Analysis of Enacted Budget

Southern Ohio Agricultural and Community Development Foundation

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Southern Ohio Agricultural and Community Development Foundation

Quick look...

- Over its lifespan, the Southern Ohio Agricultural and Community Development Foundation has overseen various grant programs that help communities in Ohio's 22 burley tobacco-growing counties transition to other agricultural products. The budget abolishes the Foundation effective December 30, 2021.
- The budget provides funding of \$98,270 through the mid-point of FY 2022 to cover the payroll for the Foundation's Executive Director.

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 5M90 ALI 945601, Operating Expenses					
\$256,955	\$259,653	\$269,888	\$248,215	\$98,270	\$0
% change	1.0%	3.9%	-8.0%	-60.4%	-100.0%

Agency overview

The Southern Ohio Agricultural and Community Development Foundation was created in S.B. 192 of the 123rd General Assembly as an outgrowth of the 1998 Tobacco Master Settlement Agreement reached between Ohio and other states against major tobacco manufacturers. The Foundation is overseen by a 12-member board. Over its lifespan, the Foundation has developed and carried out programs to help replace the production of tobacco in the burley tobacco-growing regions of Ohio with other agricultural products and to mitigate the adverse economic impact of reduced tobacco production in the region. As of June 2021, the Foundation employs an executive director and no other staff.

Ohio securitized its future income stream from the Tobacco Master Settlement Agreement under H.B. 119 of the 127th General Assembly, the main operating budget act for the FY 2008-FY 2009 biennium, including the portion devoted to the Ohio Agricultural and Community Development Foundation Endowment Fund. This meant that while the Foundation continued to distribute grants within the tobacco-growing counties it serves, the Endowment Fund has been gradually depleted over the ensuing fiscal years. Consequently, the Foundation will not issue grants in FY 2022.

Analysis of FY 2022-FY 2023 budget

The only portion of the Foundation's budget subject to appropriation by the General Assembly is payroll. This funding is supported by quarterly transfers from the Ohio Agricultural and

Community Development Foundation Endowment Fund to the Southern Ohio Agricultural and Community Development Operating Expenses Fund (Fund 5M90). The budget appropriates funding of \$98,270 in FY 2022, covering the payroll costs for the full-time Executive Director through December 30, 2021, when the Foundation ceases operations under the provisions of H.B. 110, as described in more detail immediately below.

Abolishment of the Southern Ohio Agricultural and Community Development Foundation

The bill provides for the winding down of the Foundation's affairs by the Department of Agriculture effective December 30, 2021, the mid-point of FY 2022. As part of this process, the bill abolishes both the Southern Ohio Agricultural and Community Development Foundation Endowment Fund and the Southern Ohio Agricultural and Community Development Operating Expenses Fund (Fund 5M90), which provided payroll funding to the employees of the Foundation. Any remaining balances within those funds are to be transferred to the Ohio Proud Marketing Fund (Fund 4R00) under the budget of the Department of Agriculture. At that point, the Department of Agriculture will take care of any remaining Foundation business, including the transfer of the Foundation's remaining staff, if any, to the Department.