

LSC Greenbook

Analysis of the Enacted Budget

Lake Erie Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Lake Erie Commission

- Budget maintains existing staff and grant programs
- Non-GRF entity dependent on variable revenue streams
- Cash transfers totaling \$440,000 authorized to supplement funding

OVERVIEW

Duties and Responsibilities

The Lake Erie Commission's mission is the protection, conservation, and development of Lake Erie and its surrounding areas. 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 11 members: the directors of Environmental Protection, Natural Resources, Health, Agriculture, Transportation, and Development Services, plus additional members appointed by the Governor. The Commission's office and staff of two full-time and two part-time employees are located in Sandusky. Services are also provided by member state agencies. The Ohio EPA provides fiscal management services and the Department of Natural Resources provides public information and information technology support.

Appropriation Overview

As seen in Table 1 below, the Commission's FY 2016-FY 2017 biennial budget consists almost entirely of money appropriated from the Dedicated Purpose Fund (DPF) Group. Relative to actual FY 2015 expenditures, (1) the increased DPF appropriations reflect the expectation that there will be sufficient cash on hand to support additional grant awards, and (2) the decreased federal appropriations reflect the spend down of a one-time Great Lakes Restoration Initiative (GLRI) project grant.

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
Dedicated Purpose	\$460,693	\$629,000	36.5%	\$667,000	6.0%
Federal	\$266,078	\$30,000	-88.7%	\$0	-100.0%
TOTAL	\$726,771	\$659,000	-9.3%	\$667,000	1.2%

*FY 2015 figures represent actual expenditures.

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 grant programs. Currently, it relies on three variable revenue streams: (1) Lake Erie license plate sales, (2) interest earnings distributed from the multi-state Great Lakes Protection Fund, and (3) federal grants.

To address this uncertainty, the budget contains a cash transfer provision. It permits the Director of Budget and Management to transfer specified cash amounts in FYs 2016 and 2017 from certain state funds to the Lake Erie Resources Fund (Fund 5D80). The total amount of cash authorized for transfer annually is up to \$220,000 in FYs 2016 and 2017 (see Table 2 below).

Fund	Fund Name	User	FY 2016	FY 2017
5BC0	Environmental Protection	Environmental Protection Agency	\$44,000	\$44,000
6690	Pesticide, Fertilizer and Lime	Department of Agriculture	\$44,000	\$44,000
4700	General Operations	Department of Health	\$44,000	\$44,000
1570	Central Support Indirect	Department of Natural Resources	\$44,000	\$44,000
TBD**	TBD**	Development Services Agency	\$44,000	\$44,000
TOTAL			\$220,000	\$220,000

*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.

ANALYSIS OF ENACTED BUDGET

The table below summarizes the line items that are used to finance the Commission's activities and services, as well as the appropriated funding levels. It is then followed by a narrative describing how each appropriated amount will be used.

Lake Erie Commission Appropriations, FY 2016 and FY 2017				
Fund	ALI and Name		FY 2016	FY 2017
Federal (FED) Fund Group				
3EP0	780603	Lake Erie Federal Grants	\$30,000	\$0
Dedicated Purpose Fund (DPF) Group				
4C00	780601	Lake Erie Protection	\$300,000	\$300,000
5D80	780602	Lake Erie Resources	\$329,000	\$367,000
<i>Dedicated Purpose Fund Group Subtotal</i>			\$629,000	\$667,000
Total Funding: Lake Erie Commission			\$659,000	\$667,000

Lake Erie Federal Grants (FED line item 780603)

This line item is primarily being used to disburse project grants awarded by the Great Lakes Restoration Initiative (GLRI).¹ The Commission is currently spending down a \$500,000 grant to study the causes of harmful algal blooms and low oxygen levels in the Western Basin of Lake Erie. For that purpose, the budget appropriates \$30,000 in FY 2016.

Approximately 90% of the GLRI grant has been contracted out to four Ohio universities and a private contractor. The awarding of any additional federal grants in the near future is uncertain.

Lake Erie Protection (DPF line item 780601)

This line item is used to award two types of grants: (1) up to \$15,000 for projects that provide a direct benefit to Lake Erie and its tributary watersheds in Ohio and (2) \$50,000 for projects that support the Balanced Growth Program.² For this purpose in each of FYs 2016 and 2017, the budget appropriates \$300,000. The line item draws its money from the Lake Erie Protection Fund (Fund 4C00), which consists primarily of Lake Erie license plate sales, and secondarily, grants, gifts, and donations.

¹ The GLRI is a 2010 federal initiative aimed at restoring the Great Lakes ecosystem. The U.S. EPA is the lead federal agency for implementing GLRI.

² Balanced Growth is a voluntary, incentive-based strategy designed to link land-use planning to the health of watersheds and major water bodies.

Lake Erie Resources Fund (DPF line item 780602)

This line item is used to pay for the Commission's ongoing annual operating expenses. For that purpose, the budget appropriates \$329,000 for FY 2016 and \$367,000 for FY 2017. Approximately 80% will be allocated annually for payroll-related expenses; the remainder will largely be allocated for supplies and maintenance.

This line item draws its money from the Lake Erie Resources Fund (Fund 5D80), which primarily relies on Ohio's share of the interest earned from the multi-state Great Lakes Protection Fund (GLPF), and secondarily, contributions from member state agencies and other special grants and donations. The GLPF is an interstate trust fund established in 1989 to protect and restore the Great Lakes. Ohio's share of those interest earnings varied from \$0 in FY 2009 to \$321,151 in FY 2015. Ohio's share in the future is uncertain.

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FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
LEC Lake Erie Commission								
4C00	780601	Lake Erie Protection	\$ 169,815	\$ 155,344	\$ 300,000	93.12%	\$ 300,000	0.00%
5D80	780602	Lake Erie Resources	\$ 280,647	\$ 305,349	\$ 329,000	7.75%	\$ 367,000	11.55%
Dedicated Purpose Fund Group Total			\$ 450,462	\$ 460,693	\$ 629,000	36.53%	\$ 667,000	6.04%
3EP0	780603	Lake Erie Federal Grants	\$ 44,466	\$ 266,078	\$ 30,000	-88.73%	\$ 0	-100.00%
Federal Fund Group Total			\$ 44,466	\$ 266,078	\$ 30,000	-88.73%	\$ 0	-100.00%
Lake Erie Commission Total			\$ 494,927	\$ 726,771	\$ 659,000	-9.32%	\$ 667,000	1.21%