

# Greenbook

## LBO Analysis of Enacted Budget

### Development Services Agency

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Attachment:

    Appropriation Spreadsheet

# LBO Greenbook

## Development Services Agency

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### Quick look...

- The Development Services Agency (DSA) administers a variety of programs to promote economic and community development. It employs a staff of approximately 250 full-time employees as of September 2019.
- About two-thirds of DSA's budget of \$2.34 billion for the FY 2020-FY 2021 biennium goes to community development programs, including home energy assistance, affordable housing and homelessness prevention, and local community assistance.
- H.B. 166 creates two new workforce development programs: the TechCred Program, for short-term certificate training assistance (\$15 million in each fiscal year), and the Industry Sector Partnerships Program, for coordinating industry workforce needs (\$2.5 million in each fiscal year).
- The bill revives the Rural Industrial Park Loan Program and funds it at \$25 million in FY 2020. The program last received appropriations in FY 2011.
- H.B. 166 also creates the Opportunity Zone Investment Tax Credit Program. Tax credits are capped at \$50 million per biennium.

Fund Group	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
General Revenue	\$128,834,339	\$140,556,963	\$162,465,102	\$156,085,975
Dedicated Purpose	\$354,022,378	\$345,221,713	\$450,324,813	\$446,830,071
Federal	\$252,378,502	\$255,219,870	\$385,607,401	\$385,732,334
Bond R&D	\$60,117,179	\$68,473,594	\$114,310,250	\$114,310,250
Facilities Establishment	\$21,155,741	\$21,072,768	\$62,700,000	\$37,300,000
Internal Service Activity	\$11,347,299	\$11,286,213	\$11,811,861	\$12,125,000
Total	\$827,855,438	\$841,831,121	\$1,187,219,427	\$1,152,383,630
% change	--	1.7%	41.0%	-2.9%
<i>GRF % change</i>	--	9.1%	15.6%	-3.9%

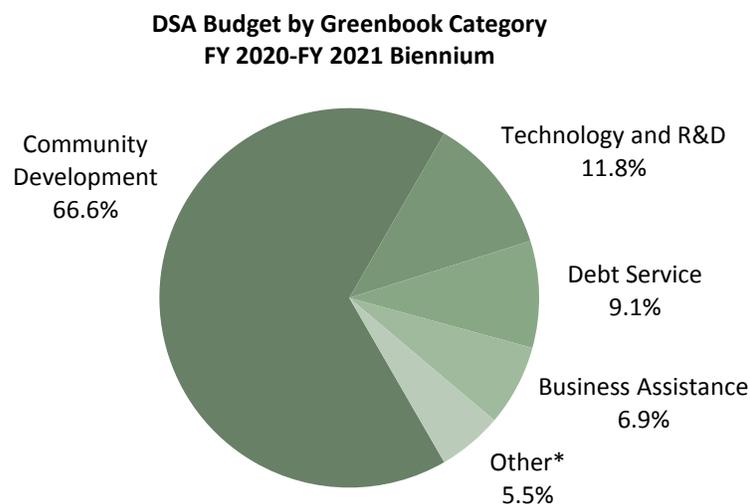
## Appropriation overview

H.B. 166 provides DSA with appropriations of approximately \$1.19 billion in FY 2020 and \$1.15 billion in FY 2021. Although the FY 2020 appropriation is about \$345 million higher than actual FY 2019 spending of \$842 million, the difference is mostly due to actual spending in FY 2019 that was considerably lower than the amount appropriated for that fiscal year. Compared to total DSA appropriations in FY 2019 of \$1.14 billion, the FY 2020 appropriation is \$52 million higher, a 4.6% increase.

The areas seeing the largest increase between FY 2019 and FY 2020 are programs supported by federal funding, where FY 2020 appropriations are just over \$130 million higher than FY 2019 spending, including almost \$52 million more in appropriations for the Home Energy Assistance Program (HEAP). Approximately \$76 million of the increase is to fund additional costs under the Percentage of Income Payment Plan (PIPP) Program, an electricity bill payment assistance program for low-income individuals. Both HEAP and PIPP costs fluctuate widely due to various factors, including the strength of the economy and weather conditions. Other areas receiving noteworthy funding increases include the Third Frontier Program (\$46 million increase) reflected in the Bond R&D Fund Group, and loans under the Facilities Establishment Fund Group (\$42 million increase) when compared to FY 2019.

## Budget by appropriation category

In this Greenbook, LSC analyzes H.B. 166 funding for DSA in eight spending categories: (1) Community Development, (2) Technology and Research and Development (R&D), (3) Business Assistance, (4) Energy and Environmental Revitalization, (5) Workforce Development, (6) Tourism Promotion, (7) Debt Service, and (8) Administration. The chart below shows how the FY 2020-FY 2021 budget is allocated among these categories.



\*Other includes Energy and Environmental Revitalization (1.8%), Workforce Development (1.6%), Tourism Promotion (1.1%), and Administration (1.0%).

Funding in the category of Community Development comprises the majority of the biennial appropriations with \$1.56 billion for the two-year period, 66.6% of the overall amount. Of the category, about \$1.20 billion is allocated for low-income assistance, while \$200 million is for housing programs, including programs supported by the Ohio Housing Trust Fund. Spending in the area of Technology and R&D makes up the next highest category of the budget, receiving \$277 million, or 11.8%, of total appropriations under H.B. 166, including about \$228.6 million for projects under the Third Frontier Program. Debt Service payments account for \$212.8 million in planned spending, or 9.1% of the budget, and go toward paying off general obligation (GO) bonds that were issued to support three DSA programs.

Of the \$161.6 million allocated to Business Assistance for the next budget period, \$100 million (61.9%) is from the Facilities Establishment Fund Group. This fund group is principally used to provide loans to businesses to assist in relocation or expansion projects involving the purchase of real estate or the acquisition of other capital assets. Much of the remaining category funding is received under federal Small Business Administration awards. The 5.5% in appropriations for other categories is divided as follows: 1.8% (\$41.6 million) for Energy and Environmental Revitalization, 1.6% (\$38.6 million) for Workforce Development, 1.1% (\$25 million) for Tourism Promotion, and finally, around 1.0% (\$23.9 million) for Administration. However, operating costs are spread throughout each of the categories, not just in the Administration category.

## **H.B. 166 highlights**

### **New Opportunity Zone Investment Tax Credit Program**

H.B. 166 creates a new, nonrefundable Opportunity Zone Investment Tax Credit equal to 10% of an individual's investment in an Opportunity Zone investment fund, up to \$1 million per taxpayer per biennium. Total credits are capped at \$50 million per biennium. Under federal law enacted in 2017, investments in designated Opportunity Zones accrue tax benefits. DSA will oversee this new tax credit program in conjunction with the Department of Taxation. H.B. 166 requires DSA to issue an annual report that summarizes the tax credit awards over that year. DSA expects to begin receiving applications in January 2020.

### **New workforce development programs**

#### **TechCred Program**

The bill includes \$15 million in each of FY 2020 and FY 2021 for the TechCred Program, supported by a combination of GRF and non-GRF funding. DSA is in the process of developing program guidelines and expects to roll out the program in the fall of 2019. DSA will collaborate with the Governor's Office of Workforce Transformation, Department of Higher Education, and Department of Job and Family Services to ensure the program falls in line with the state's greater workforce mission. The new program succeeds two workforce initiatives that were phased out in the FY 2018-FY 2019 biennium: DSA's Incumbent Workforce Training Voucher Program and the Department of Higher Education's Short-Term Certificates Program. Generally, those programs offered financial assistance to students and workers who enrolled in short-term training courses or programs in specific industries or to pursue in-demand jobs.

## **Industry Sector Partnerships Program**

Another new workforce development initiative under H.B. 166 is the Industry Sector Partnerships Program, funded by the GRF at \$2.5 million in each year of the FY 2020-FY 2021 biennium. Industry sector partnerships are groups of businesses in the same industry, workforce development entities, educational institutions, and others within a region collaborating to address the industry's specific workforce needs. DSA will provide technical assistance to the partnerships and offer competitive grants to implement initiatives. As with the guidelines for the TechCred Program, DSA is partnering with the Governor's Office of Workforce Transformation, Department of Higher Education, and Department of Job and Family Services. Program roll out is expected in the fall of 2020.

## **Rural Industrial Park Loan Program**

This program was phased out at the end of FY 2011, but is being revived with funding of \$25 million under H.B. 166. More specifically, the program is to be funded by a cash transfer of \$25 million from the Facilities Establishment Fund (Fund 7037) to the Rural Industrial Park Loan Fund (Fund 4Z60) which the bill re-establishes in permanent law. The program allows eligible applicants to apply for loans and loan guarantees for the development and improvement of industrial parks in rural areas of Ohio. DSA is in the process of setting out program guidelines, but reported that loans will be available for projects in the 35 counties that both (1) contain less than 125,000 in population, and (2) qualify as a distressed county or a labor surplus county as defined under R.C. 122.19. Most of the counties are in southeast Ohio.

## **Increased Appalachia assistance funding**

H.B. 166 includes around \$15.2 million in Appalachia assistance for each fiscal year. This is more than double the funding appropriated for this purpose in the prior main operating budget bill, H.B. 49 of the 132<sup>nd</sup> General Assembly. Of total increased funding of \$7.7 million per fiscal year, \$5 million in each year is in the form of an earmark for the Foundation for Appalachian Ohio, to support the goals of creating educational opportunities, combating substance abuse, and address other local needs. Additionally, up to \$2 million per year is in the form of funding for the GRIT Project. DSA will oversee this funding in concert with the Ohio Valley Regional Development Commission, to operate this project as a pilot program within five Appalachian counties – Adams, Brown, Highland, Pike, and Scioto. The project seeks to offer job training, virtual job centers, and related training to high school students and adults in this region. There is also a \$200,000 earmark in each fiscal year to support the iBELIEVE Foundation, to provide opportunities for Appalachian youth to develop 21<sup>st</sup> century skills, including leadership, communication, and problem solving for college access and retention.

Besides this new funding, H.B. 166 provides ongoing Appalachia assistance funding of around \$8 million in each year for (1) providing financial assistance for projects in Ohio's Appalachian counties and projects to match Appalachian Regional Commission funding, (2) paying for administrative costs of DSA and the Governor's Office of Appalachia, and (3) making annual payments to cover some of the operating costs of the four Appalachian Local Development District offices.

## Motion Picture Tax Credit Program changes

The bill makes changes to the Motion Picture Tax Credit Program, administered by the Ohio Film Office within DSA. Among other changes detailed in the Department of Taxation Greenbook, H.B. 166 stipulates that tax credit certificates are to be awarded each July and January beginning with FY 2021. The bill requires each round's applications to be ranked on the basis of economic and workforce development impact of the production and granted tax credits in order of the ranking. It also repeals a provision of law authorizing a production company to transfer the right to claim its awarded certificate to a third party. These changes will have no direct fiscal effect, as the limit on total credits in current law remained unchanged at \$40 million per fiscal year, with unused credits if any added to the next year's maximum.

## Fee increase to benefit the Housing Trust Fund and counties

H.B. 166 increases the fee that a county recorder charges for recording and indexing an instrument when using photocopying or any similar process, from a \$14 base fee plus a \$14 Housing Trust Fund (HTF) fee, to a \$17 base fee plus a \$17 HTF fee. This will result in an increase in annual revenue to the Low- and Moderate-Income Housing Trust Fund (Fund 6460), commonly referred to as the Housing Trust Fund. The fund is used to award homelessness and affordable housing grants under a variety of subprograms, as discussed in "**Category 1: Community Development**" within this Greenbook. The fee increase will also result in a rise in revenue to counties in the same proportions, since the base fee is increased.

The amount of additional revenue that will be generated by this increase is unknown. Total fee revenue to the Housing Trust Fund over the eight-year period from FY 2012 to FY 2019 fluctuated between \$43 million and \$51 million, with an average of \$47 million over that time span. In recent years, there have been appropriations of \$53 million per year using the Housing Trust Fund. H.B. 166 includes an appropriation increase of \$2.5 million in each of FY 2020 and FY 2021 supported by the fee increase. If the increase were to generate more than this, DSA could seek Controlling Board approval to use the additional amounts collected beyond what is appropriated under H.B. 166.

H.B. 166 also (1) removes the \$50 million cap in annual revenue that could be deposited into the Housing Trust Fund, and (2) eliminates the Housing Trust Reserve Fund from the Revised Code, which was to hold annual revenue in excess of \$50 million. The Reserve Fund was created in FY 2016, but never actually received revenue.

# Analysis of FY 2020-FY 2021 budget

## Introduction

This section analyzes H.B. 166 funding for each appropriation line item (ALI) in DSA's budget. For organizational purposes, these ALIs are grouped into eight major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:4 will appear before the analysis for an ALI with a category designation of C2:1.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the DSA section of the budget bill.

In the analysis, each appropriation item's actual expenditures for FY 2019 and appropriations for FY 2020 and FY 2021 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation. If the appropriation is earmarked, the earmarks are listed and described.

### Categorization of DSA's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget

Fund	ALI	ALI Name	Category
<b>General Revenue Fund Group</b>			
GRF	195402	Coal Research and Development Program	4:3 Energy and Environmental Revitalization
GRF	195405	Minority Business Development	3:4 Business Assistance
GRF	195415	Business Development Services	3:5 Business Assistance
GRF	195426	Redevelopment Assistance	4:3 Energy and Environmental Revitalization
GRF	195453	Technology Programs and Grants	2:3 Technology and R&D
GRF	195454	Small Business and Export Assistance	3:4 Business Assistance
GRF	195455	Appalachia Assistance	1:3 Community Development
GRF	195497	CDBG Operating Match	1:4 Community Development
GRF	195499	BSD Federal Programs Match	2:2 Technology and R&D
GRF	195501	iBELIEVE	1:3 Community Development
GRF	195503	Local Development Projects	1:3 Community Development
GRF	195520	Ohio Main Street Program	1:3 Community Development
GRF	195537	Ohio-Israel Agricultural Initiative	1:3 Community Development
GRF	195553	Industry Sector Partnerships	5:2 Workforce Development
GRF	195556	TechCred Program	5:1 Workforce Development
GRF	195901	Coal Research and Development General Obligation Bond Debt Service	7:1 Debt Service
GRF	195905	Third Frontier Research and Development General Obligation Bond Debt Service	7:1 Debt Service

**Categorization of DSA's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget**

Fund	ALI	ALI Name		Category
GRF	195912	Job Ready Site Development General Obligation Bond Debt Service	7:1	Debt Service
<b>Dedicated Purpose Fund Group</b>				
4500	195624	Minority Business Bonding Program Administration	3:5	Business Assistance
4510	195649	Business Assistance Programs	3:5	Business Assistance
4F20	195639	State Special Projects	4:3	Energy and Environmental Revitalization
4F20	195699	Utility Community Assistance	4:3	Energy and Environmental Revitalization
4W10	195646	Minority Business Enterprise Loan	3:3	Business Assistance
5HR0	195606	TechCred Program	5:1	Workforce Development
5HR0	195622	Defense Development Assistance	5:2	Workforce Development
5JR0	195635	Tax Incentives Operating	3:5	Business Assistance
5KP0	195645	Historic Rehabilitation Operating	1:4	Community Development
5M40	195659	Low Income Energy Assistance (USF)	1:1	Community Development
5M50	195660	Advanced Energy Loan Programs	4:1	Energy and Environmental Revitalization
5MH0	195644	SiteOhio Administration	1:4	Community Development
5MJ0	195683	TourismOhio Administration	6:1	Tourism Promotion
5UL0	195627	Brownfields Revolving Loan Program	4:2	Energy and Environmental Revitalization
5UY0	195496	Sports Event Grants	6:2	Tourism Promotion
5W60	195691	International Trade Cooperative Projects	3:5	Business Assistance
6170	195654	Volume Cap Administration	4:3	Energy and Environmental Revitalization
6460	195638	Low- and Moderate-Income Housing Programs	1:2	Community Development
M087	195435	Biomedical Research and Technology Transfer	2:3	Technology and R&D
<b>Internal Service Activity Fund Group</b>				
1350	195684	Development Services Operations	8:1	Administration
6850	195636	Development Services Reimbursable Expenditures	8:1	Administration
<b>Facilities Establishment Fund Group</b>				
4Z60	195647	Rural Industrial Park Loan	3:1	Business Assistance
5S90	195628	Capital Access Loan Program	3:3	Business Assistance
7009	195664	Innovation Ohio	3:1	Business Assistance
7010	195665	Research and Development	3:1	Business Assistance
7037	195615	Facilities Establishment	3:1	Business Assistance
<b>Bond Research and Development Fund Group</b>				
7011	195686	Third Frontier Tax Exempt – Operating	2:3	Technology and R&D
7011	195687	Third Frontier Research and Development Projects	2:1	Technology and R&D

**Categorization of DSA's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget**

Fund	ALI	ALI Name		Category
7014	195620	Third Frontier Taxable – Operating	2:3	Technology and R&D
7014	195692	Research and Development Taxable Bond Projects	2:1	Technology and R&D
<b>Federal Fund Group</b>				
3080	195603	Housing Assistance Programs	1:2	Community Development
3080	195609	Small Business Administration Grants	3:2	Business Assistance
3080	195618	Energy Grants	4:1	Energy and Environmental Revitalization
3080	195670	Home Weatherization Program	1:1	Community Development
3080	195671	Brownfield Redevelopment	4:2	Energy and Environmental Revitalization
3080	195672	Manufacturing Extension Partnership	2:2	Technology and R&D
3080	195675	Procurement Technical Assistance	3:2	Business Assistance
3080	195696	State Trade and Export Promotion	3:2	Business Assistance
3350	195610	Energy Programs	4:1	Energy and Environmental Revitalization
3AEO	195643	Workforce Development Initiatives	5:3	Workforce Development
3FJO	195626	Small Business Capital Access and Collateral Enhancement Program	3:2	Business Assistance
3FJO	195661	Technology Targeted Investment Program	2:2	Technology and R&D
3K80	195613	Community Development Block Grant	1:3	Community Development
3K90	195611	Home Energy Assistance Block Grant	1:1	Community Development
3K90	195614	HEAP Weatherization	1:1	Community Development
3L00	195612	Community Services Block Grant	1:1	Community Development
3V10	195601	HOME Program	1:2	Community Development

## Category 1: Community Development

Line items in this category are funded through various state and federal sources to benefit low- and moderate-income individuals and households, provide housing and homelessness assistance, and support local infrastructure. Programs in this category are administered by the Community Services Division. For the purpose of this analysis, this category has been divided into four subcategories: low-income assistance, housing programs, local community assistance, and operating costs.

This category includes \$1.56 billion in funding over the FY 2020-FY 2021 biennium, or 66.6% of all DSA appropriations. As Table 1 indicates below, \$1.20 billion (76.7%) of the category will be allocated to low-income assistance programs under DSA. Programs that support housing and homelessness make up around \$205 million (13.1%) in the next biennium, followed by funding of \$154.6 million (9.9%) for local governments, communities, and specific local projects earmarked in H.B. 166. Line items that solely pay for administrative costs are budgeted for about \$4.2 million in the two-year period. Other line items that provide subsidy assistance also pay operating costs of the Community Services Division, plus some operating

costs of the Division are reflected in “**Category 4: Energy and Environmental Revitalization.**” Approximately 54.5% (\$849.3 million) of aggregated biennial funding for the category derives from state sources, while the 45.5% remaining (\$709.9 million) would be received from the federal government.

<b>Subcategory</b>	<b>Appropriations FY 2020-FY 2021</b>	<b>% of Total</b>
Low-Income Assistance	\$1,195.9	76.7%
Housing Programs	\$204.5	13.1%
Local Community Assistance	\$154.6	9.9%
Operating Costs*	\$4.2	0.3%
<b>Total</b>	<b>\$1,559.1</b>	

\*This does not reflect all operating costs of the Community Services Division, but rather the line items that solely fund operating costs in Category 1.

### **C1:1: Low-income assistance**

The line items described in this subcategory provide assistance to the state’s low-income population either directly or to local government or nonprofit entities.

#### **Electricity subsidies (ALIs 195659, 195611, 195614, and 195670)**

<b>Fund/ALI</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>
5M40 ALI 195659, Low Income Energy Assistance (USF)	\$273,826,213	\$349,944,742	\$350,000,000
% change	--	27.8%	0.0%
3K90 ALI 195611, Home Energy Assistance Block Grant	\$113,025,001	\$164,914,571	\$165,000,000
% change	--	45.9%	0.1%
3K90 ALI 195614, HEAP Weatherization	\$27,156,483	\$34,989,189	\$35,000,000
% change	--	28.8%	0.0%
3080 ALI 195670, Home Weatherization Program	\$15,002,569	\$20,000,000	\$20,000,000
% change	--	33.3%	0.0%

Individuals meeting certain income guidelines may apply to DSA for energy assistance through the Energy Assistance Programs Application. DSA determines eligibility and checks against other conditions that must be met to receive each type of assistance, and provides funds according to each respective program’s requirements through the line items above. Each of the line items receives flat funding over the next two years.

**Percentage of Income Payment Plan (PIPP) Program (ALI 195659).** These state funds support the PIPP Program, which allows households at or below 150% of the federal poverty guidelines to pay installments of their electricity bills using a set percentage of their monthly income. DSA uses amounts in the fund to reimburse utility companies for the cost of the energy used by PIPP customers. This line item is funded by the universal service rider on consumers' electric utility bills, which is collected by electric distribution utilities and remitted to DSA's Universal Service Fund (Fund 5M40).

Actual spending from this line item fluctuates significantly from year to year for two primary reasons: (1) customer utilization, and (2) energy usage, which largely depends on the severity of temperatures in the winter and summer seasons. Over the last five fiscal years, spending from line item 195659 has ranged from around \$273.8 million in FY 2019 to \$421.7 million in FY 2015. The average annual spending over this five-year period was \$317.9 million.

**Home Energy Assistance Program (HEAP) (ALI 195611).** These funds are provided from the U.S. Department of Health and Human Services (HHS) for the Home Energy Assistance Program (HEAP). The program provides energy assistance to households at or below 175% of the federal poverty guidelines. This line item also includes funding for the (1) Emergency HEAP (E-HEAP) Program for households in imminent danger of being disconnected during the winter heating season, and (2) Summer Crisis Program for summer cooling assistance to HEAP-eligible households that include persons over age 60 or who can provide proof of a medical necessity.

**Federal weatherization allocations (ALIs 195614 and 195670).** Each of these line items assist low-income households with installing energy-efficient weatherization measures that reduce energy costs and emissions and prevent utility disconnections. DSA allocates these federal weatherization funds to local community action agencies (CAAs), which then contract with weatherization specialists to conduct energy audits and provide upgrades.

The differences between the line items stem from the federal funding source and the income eligibility requirements. Line item 195614 consists of a portion of the HEAP block grant funds received from HHS, and are used to fund home weatherization projects for low-income households eligible for HEAP, for households at or below 175% of the federal poverty guidelines. Typically, states use 15% of HEAP funds each year for weatherization purposes, but may request a waiver to use additional portions. The appropriations in H.B. 166 would use 17.5% of all HEAP funding for weatherization, thus DSA would likely request a waiver from HHS to spend the entire appropriation each year.

Line item 195670 is used to distribute money from the U.S. Department of Energy for the Home Weatherization Assistance Program (HWAP). Qualified households include those with incomes at or below 150% of the federal poverty guidelines, those that participate in the state PIPP Program, and households that receive Supplemental Security Income.

### Community Services Block Grant Program (ALI 195612)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
3L00 ALI 195612, Community Services Block Grant	\$23,715,587	\$28,000,000	\$28,000,000
% change	--	18.1%	0.0%

Most of the funds (at least 91%) under this line item are awarded to the state by HHS according to a federal formula and are subsequently allocated to local CAAs, which provide a variety of anti-poverty services for low-income individuals and households. These may include HEAP and HWAP services, low-income tax preparation assistance, transportation services for the elderly and disabled, food pantries, employment services, youth services, housing services, and various other eligible activities. Under R.C. 122.68, up to 4.5% of the funds may be set aside for training and technical assistance, outside the formula allocations to the CAAs. The federal guidelines allow up to 5% of HHS funds to be used for administrative expenses.

### C1:2: Housing programs (ALIs 195638, 195601, and 195603)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
6460 ALI 195638, Low- and Moderate-Income Housing Programs	\$39,371,351	\$55,250,000	\$55,250,000
% change	--	40.3%	0.0%
3V10 ALI 195601, HOME Program	\$15,570,115	\$34,979,280	\$35,000,000
% change	--	124.7%	0.1%
3080 ALI 195603, Housing Assistance Programs	\$7,493,681	\$12,000,000	\$12,000,000
% change	--	60.1%	0.0%

**Low- and Moderate-Income Housing Programs (ALI 195638).** Commonly known as the Ohio Housing Trust Fund (HTF) Program, this line item provides state-funded grants and loans to local housing entities for projects mainly serving low- and moderate-income persons, including the costs for construction, renovation, and supportive services. Revenue to the HTF (Fund 6460) is primarily derived from county recordation fees. A portion of this fund is allocated in each fiscal year to the Ohio Housing Finance Agency (OHFA) for the Housing Development Assistance Program and associated administrative costs.

Existing law requires amounts up to certain percentages of the HTF to be dedicated to certain housing and community development programs. At least 50% of the fund must be used for grants to local jurisdictions that are ineligible for federal HOME funding. In addition, at least 45% of the annual funding must go to nonprofits in the form of grants or loans. Moreover, the following amounts shall or may be used each year: (1) up to 10% for grants to emergency shelters, (2) up to 5% to community development corporations, (3) at least \$250,000 must be set aside for the Department of Aging's Resident Services Coordinator Program, and (4) at least \$100,000 for training and technical assistance at nonprofit development organizations.

## H.B. 166 provision – fee increase to support the Housing Trust Fund

As discussed in greater detail in the “**Overview**,” H.B. 166 increases fees collected by county recorders, which will provide additional revenue to the Housing Trust Fund. The bill increased appropriations by \$2.5 million in each of FY 2020 and FY 2021 to reflect additional fee revenue.

**Federal housing allocations (ALIs 195601 and 195603).** Line item 195601 uses HOME Investment Partnership funds awarded to the state by the U.S. Department of Housing and Urban Development (HUD) and subsequently distributed to local communities and housing organizations for housing rehabilitation, tenant-based rental assistance, homebuyer assistance, and housing acquisition and construction. A portion of these funds are allocated to OHFA for programs to assist low-income multifamily housing projects.

Line item 195603 also consists of federal funds from HUD, but under two separate programs. The Housing Opportunities for Persons with AIDS (HOPWA) Program provides grants for the creation of rental housing, supportive services, housing counseling, and other services for persons with Acquired Immune Deficiency Syndrome (AIDS) or other HIV-related diseases. The McKinney Emergency Solutions Grants Program is meant for emergency shelter funding, offering grants to local governments and nonprofit organizations for this purpose.

### C1:3: Local community assistance

#### Statewide assistance available (ALIs 195613 and 195520)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
3K80 ALI 195613, Community Development Block Grant	\$40,149,993	\$60,000,000	\$60,000,000
% change	--	49.4%	0.0%
GRF ALI 195520, Ohio Main Street Program	\$0	\$500,000	\$0
% change	--	N/A	--

**Community Development Block Grant (ALI 195613).** DSA’s Office of Community Development administers Community Development Block Grant (CDBG) Program funds received from HUD for communities that do not receive federal funds directly, referred to as Non-Entitlement Communities. The CDBG money can be used for a range of purposes, including main street and neighborhood development programs, affordable housing, and other projects. Much of the funding under the line item is provided to Non-Entitlement Communities via federal formula; however, DSA uses a portion of the funding to provide competitive grant awards, described in Table 2 below.

Table 2. Competitive Grant Programs Funded by CDBG Funding (ALI 195613)

CDBG Program	Purpose
Residential Public Infrastructure	Assist with drinking water and sewage system improvements
Critical Infrastructure	Support high-priority, single component projects such as roads, flood, and drainage improvements
Economic Development and Public Infrastructure Assistance	Improve infrastructure and provide loans for fixed asset financing for land, building, machinery, and site preparation
Neighborhood Revitalization Grant	Assist in public facilities improvements, such as construction, reconstruction, and rehabilitation of infrastructure
Downtown Revitalization Grant	Improve central business districts, aid in eliminating blighted structures, and create jobs
CDBG Target of Opportunity Grant	Support for community development, housing, emergency shelter, and projects that do not fit within the other programs

**Ohio Main Street Program (ALI 195520).** This line item is being revived to support the Ohio Main Street Program, operated by Heritage Ohio, a nonprofit advocating for historic preservation and downtown and central business district investment. The program is funded by a mix of public and private sources. The line item was last used in FY 2011.

### Appalachia Assistance (ALIs 195455 and 195501)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195455, Appalachia Assistance*	\$4,037,792	\$14,991,465	\$15,000,000
% change	--	271.3%	0.1%
GRF ALI 195501, iBELIEVE	\$200,000	\$200,000	\$200,000
% change	--	0.0%	0.0%

\*FY 2019 actual spending includes spending under Fund 5HR0 line item 195403, Appalachian Workforce Assistance, which was used in conjunction with line item 195455 for the same purposes in the FY 2018-FY 2019 biennium.

**Appalachia Assistance (ALI 195455).** The purpose of this funding is to provide economic and community development assistance to the 32 counties in Ohio's Appalachian region. Specifically, this funding is to be used for several purposes, summarized in Table 3 below.

Purpose	FY 2020 Allocation	FY 2021 Allocation
Earmark – subsidy for Foundation for Appalachian Ohio	\$5,000,000	\$5,000,000
Earmark – subsidy for GRIT Project (maximum allowed)	\$2,000,000	\$2,000,000
Earmark – operating costs of four Local Development Districts	\$580,000	\$580,000
Remainder – subsidy assistance for other Appalachia projects; operating costs of DSA and Governor’s Office of Appalachia	\$7,411,465	\$7,420,000
<b>Total</b>	<b>\$14,991,465</b>	<b>\$15,000,000</b>

The Foundation for Appalachian Ohio has a broad mission to address regional and community needs. Activities funded by the Foundation include increasing educational opportunities and addressing substance abuse in the region. The GRIT Project is a new initiative to be undertaken by DSA in the next biennium. This is a new pilot program that will be run within five Appalachian counties: Adams, Brown, Highland, Pike, and Scioto. It will provide job training, virtual job centers, and related training to high school students and adults in a hard-hit region. DSA will oversee the funding, likely in concert with the Ohio Valley Regional Development Commission (OVRDC), the designated Appalachian Local Development District by the Appalachian Regional Commission.

The ongoing subsidy and administrative uses entail (1) paying for administrative costs of planning and liaison activities for the Governor’s Office of Appalachia, (2) providing financial assistance for projects in Ohio’s Appalachian counties, (3) paying dues for memberships in the Appalachian Regional Commission, (4) matching federal funds from the Appalachian Regional Commission, and (5) making annual payments to cover some of the operating costs of the four Appalachian Local Development District offices located in Cambridge, Marietta, Waverly, and Youngstown. Of the \$7.4 million in remaining funding in the table above, typically around \$5 million in annual appropriations are allocated for subsidy assistance for projects.

H.B. 166 earmarks \$170,000 from the line item in each fiscal year for three of these Local Development Districts: the OVRDC, the Ohio Mid-Eastern Government Association, and the Buckeye Hills – Hocking Valley Regional Development District. There is an earmark of \$70,000 in each fiscal year for the fourth entity, the Eastgate Regional Council of Governments. These same earmarks were in place for the prior biennium.

**iBELIEVE (ALI 195501).** This line item is earmarked for the iBELIEVE Foundation to provide opportunities for Appalachian youth to develop 21<sup>st</sup> century skills, including leadership, communication, and problem solving for college access and retention. This line item was used for the same purpose in the prior biennium.

**Other earmarked projects (ALIs 195503 and 195537)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195503, Local Development Projects	\$0	\$2,373,000	\$825,000
% change	--	N/A	-65.2%
GRF ALI 195537, Ohio-Israel Agricultural Initiative	\$255,063	\$250,000	\$250,000
% change	--	-2.0%	0.0%

**Local Development Projects (ALI 195503).** This line item is earmarked for nine specific purposes, detailed in Table 4 below.

Entity Receiving Earmark	Project or Purpose	FY 2020 Earmark	FY 2021 Earmark
National Center for Defense Manufacturing and Machining	To be used in partnership with either the U.S. Department of Defense or the U.S. Department of Energy to further economic opportunity at America Makes, the National Additive Manufacturing Innovation Institute	\$1,000,000	\$0
Eastern Ohio Military Affairs Commission	To support the Camp James A. Garfield Joint Military Training Center and the Youngstown Air Reserve Station	\$300,000	\$300,000
Cleveland Neighborhood Progress	To support the Cleveland Chain Reaction Project	\$250,000	\$250,000
Euclid Shore Cultural Center	For window replacement	\$325,000	\$0
Stark County Minority Business Association	To work in partnership with the Canton Regional Chamber of Commerce to support a demonstration pilot project	\$150,000	\$150,000
BioEnterprise Corporation	No project or purpose specified	\$125,000	\$125,000
Euclid YMCA	For asbestos removal	\$150,000	\$0
City of Maple Heights	To support the Maple Heights Aquatic Facility Project	\$58,000	\$0
Jewish Foundation of Cincinnati	To support workforce development costs involved with assisting in employment services for the financially indigent	\$15,000	\$0
<b>Total</b>		<b>\$2,373,000</b>	<b>\$825,000</b>

**Ohio-Israel Agricultural Initiative (ALI 195537).** This line item supports the Ohio-Israel Agricultural Initiative, which aims to promote trade between Ohio and Israel in the agriculture and processed food sectors, as well as provide education on various agricultural issues like drip irrigation and agritourism. The earmarked funding may not be used for travel and entertainment expenses incurred under the initiative.

### **C1:4: Operating costs (ALIs 195497, 195645, and 195644)**

The line items below **solely** pay for operating costs associated with Community Services Division programs. Many other line items also pay operating costs of the Division, however, including line items discussed in “**Category 4: Energy and Environmental Revitalization.**” In total, the Community Services Division is budgeted for about \$22.4 million per year in operating expenses in each of FY 2020 and FY 2021.

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195497, CDBG Operating Match	\$1,029,962	\$1,092,138	\$1,125,000
% change	--	6.0%	3.0%
5KPO ALI 195645, Historic Rehabilitation Operating	\$884,176	\$1,000,000	\$1,000,000
% change	--	13.1%	0.0%
5MH0 ALI 195644, SiteOhio Administration	\$0	\$2,500	\$2,500
% change	--	N/A	0.0%

**CDBG Operating Match (ALI 195497).** Funds in this line item pay a portion of the operating costs of the CDBG Program. This funding fulfills the required state match for the federal CDBG Program. Federal CDBG funding is appropriated under line item 195613.

**Historic Rehabilitation Operating (ALI 195645).** This line item is funded by fees collected under the Historic Rehabilitation Tax Credit Program. Half of the appropriations are used to cover DSA’s operating costs of the program, while the other half is transferred to the Ohio History Connection on a monthly basis to help cover that organization’s expenses in working with DSA on the program.

**SiteOhio Administration (ALI 195644).** JobsOhio operates the SiteOhio Program, thus this line item covers the small amount of DSA’s costs of being involved with the program. H.B. 436 of the 129<sup>th</sup> General Assembly created the SiteOhio Program, a successor to the defunct Job Ready Site Program. Started up in January 2016, its purpose is to certify and market projects that will be sites meant for commercial, industrial, or manufacturing use.

## **Category 2: Technology and R&D**

Line items in this category support research and development (R&D), commercialization, and other activities in targeted areas of advanced technological systems, processes, and products. For the purposes of this analysis, the line items in this category have been divided into three subcategories: Third Frontier Program awards, federal allocations and state matching funds, and operating costs.

**C2:1: Third Frontier Program awards (ALIs 195687 and 195692)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
7011 ALI 195687, Third Frontier Research and Development Projects	\$14,400,380	\$21,000,000	\$21,000,000
% change	--	45.8%	0.0%
7014 ALI 195692, Research and Development Taxable Bond Projects	\$53,616,065	\$90,850,250	\$90,850,250
% change	--	69.4%	0.0%

Funding under these line items make up the grant and loan assistance component of the Third Frontier Program. The annual appropriations of \$111.9 million account for 80.9% of total biennial appropriations in the category over the FY 2020-FY 2021 period. Both line items are funded by the proceeds of general obligation (GO) bonds issued by the Ohio Public Facilities Commission. Line item 195687 is funded by proceeds of nontaxable bonds, while line item 195692 is funded by the proceeds of taxable bonds.

All Third Frontier Program research and development projects must be approved by the Third Frontier Commission and receive Controlling Board approval. Project proposals are reviewed by independent evaluators (third-party consultants) and are then recommended to the Commission. From year to year, the Commission establishes various Third Frontier subprograms to support specific aspects or missions relating to the R&D industry. The purpose of each subprogram varies widely depending on the technology or R&D objective, from supporting internships and technology entrepreneurs during the incubation and product commercialization phases, to subsidizing projects operated by large research institutions and privately owned R&D-affiliated companies. Table 5 below summarizes the program's funding allocations among subprograms in FY 2019 and FY 2020. As indicated in Table 5, in FY 2020 only around \$60.5 million is allocated for subprograms, despite there being almost \$112 million in appropriations for the fiscal year. Allocations may change as the fiscal year progresses, or funding can be saved for awards in future fiscal years, as determined by the Third Frontier Commission and DSA.

Actual spending through each of the line items fluctuates from year to year based on the type of projects awarded by the Third Frontier Commission. Encumbrances can often carry over from one fiscal year to the next as grant agreements are executed. Consequently, H.B. 166 includes temporary law provisions that allow DSA and the Office of Budget and Management to transfer appropriations between the two line items and between FY 2020 and FY 2021. This gives DSA cash management flexibility in managing the Third Frontier Program projects and complying with federal requirements governing the use of federally tax-exempt GO bond proceeds.

<b>Table 5. Third Frontier Program Allocations, FY 2019 and FY 2020</b>			
<b>Subprogram</b>	<b>Purpose</b>	<b>FY 2019 Allocation</b>	<b>FY 2020 Allocation</b>
Entrepreneurial Services Provider	A regional network of entities that integrates sources of deal flow, entrepreneurial support, and capital to grow the tech-based entrepreneurial commercialization outcomes	\$25,174,353	\$52,595,000
Technology Validation and Start-up Fund	To support Ohio-based start-up companies that commercialize technologies developed by Ohio institutions of higher education and other Ohio not-for-profit research institutions	\$5,500,000	\$6,000,000
Diversity and Inclusion Internship	To provide internship opportunities to students in technology and technology-enabled small businesses across Ohio	\$1,460,000	\$2,000,000
Broadband Development Mapping	To collect broadband mapping data and for other broadband development activities, per an earmark in S.B. 299 of the 132 <sup>nd</sup> General Assembly	\$905,000	\$0
<b>Total</b>		<b>\$33,039,353</b>	<b>\$60,595,000</b>

### **Third Frontier Program overview and funding history**

The Third Frontier Program was created in 2002 with the goal of supporting technology-based products, companies, and jobs for the state of Ohio. The GRF was used to finance the program for the first few years, but Ohio voters subsequently approved ballot issues in 2005 and 2010 authorizing a total of \$1.2 billion in GO bonds to support the program. Since the first bond issuance in FY 2007, \$851 million in such bonds have been issued. For FY 2020 and thereafter, the bond issuance limit in each year equals \$175 million, plus the principal amount of obligations that in any prior year could have been, but were not issued. The GO bond proceeds are deposited into either the Third Frontier Research and Development Fund (Fund 7011) or the Third Frontier Research and Development Taxable Bond Fund (Fund 7014), depending on the type of bonds that were issued (i.e., federally tax-exempt or not exempt). Both funds are used for the same Third Frontier awards that support the research and development industry in the state.

## C2:2: Federal allocations and state matching funds (ALIs 195672, 195499, and 195661)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
3080 ALI 195672, Manufacturing Extension Partnership	\$2,988,080	\$6,300,000	\$6,300,000
% change	--	110.8%	0.0%
GRF ALI 195499, BSD Federal Programs Match	\$0	\$13,148,022	\$12,976,894
% change	--	N/A	-1.3%
3FJO ALI 195661, Technology Targeted Investment Program	\$0	\$2,260,953	\$2,260,953
% change	--	N/A	0.0%

**Manufacturing Extension Partnership (MEP) Program (ALI 195672).** This line item receives federal funds from the U.S. Department of Commerce for the MEP Program, which provides technical assistance programs and services to improve the competitiveness of small and medium-sized manufacturing firms to accelerate the implementation of new manufacturing technology and work processes. Under the MEP Program, these businesses can receive cost-improvement services, such as Lean Six Sigma, human resources and financial planning, and other business counseling services.

**BSD Federal Programs Match (ALI 195499).** This is a new line item under H.B. 166 to be used mainly as state matching funds for federal programs under the Business Services Division (BSD). In prior years, spending for these purposes was included in GRF line item 195453, Technology Programs and Grants.

The appropriations will be used for three purposes in the next biennium: (1) \$10 million in each fiscal year will be matching funds for the MEP Program, described above, (2) around \$2.7 million in each year will be used for operating costs of the Business Services Division, and (3) \$360,000 in each year will be matching funds for the Procurement Technical Assistance Center Program.

**Technology Targeted Investment Program (ALI 195661).** This funding is provided under the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) to encourage lending to small businesses that are active within an existing value chain. The Technology Targeted Investment Program works to offer businesses debt financing tailored to the specific needs of the company at or below market interest rates.

## C2:3: Operating costs (ALIs 195620, 195686, 195453, and 195435)

The line items below pay for operating costs associated with Technology and R&D programs under the Business Services Division. Many other line items are primarily used for subsidy assistance but also pay operating costs of the Division, however, including line items discussed in "Category 3: Energy and Environmental Revitalization."

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
7014 ALI 195620, Third Frontier Taxable – Operating	\$338,954	\$1,710,000	\$1,710,000
% change	--	404.5%	0.0%
7011 ALI 195686, Third Frontier Tax Exempt – Operating	\$0	\$750,000	\$750,000
% change	--	N/A	0.0%
GRF ALI 195453, Technology Programs and Grants	\$16,130,123	\$2,040,056	\$2,096,400
% change	--	-87.4%	2.8%
M087 ALI 195435, Biomedical Research and Technology Transfer	\$500,000	\$500,000	\$500,000
% change	--	0.0%	0.0%

These line items cover about \$4.8 million per year in operating costs. Almost all of these costs will pay for oversight of the Third Frontier Program, although line item 195453 may be used to cover other technology-related operating costs. In prior years, line item 195453 was also used for subsidy assistance relating to technology, such as Edison Program awards and state matching funds for the MEP Program. Some of this funding was split out in H.B. 166 to be spent under line item 195499, while the Edison Program is unfunded in FY 2020 and FY 2021.

Line item 195620 uses taxable bond proceeds to administer awards from line item 195692, while line item 195686 uses nontaxable bond proceeds to administer awards issued from line item 195687. For line item 195435, the appropriations use a different funding source, the Biomedical Research and Technology Transfer Trust Fund (Fund M087).

Besides operating costs, H.B. 166 earmarks \$196,400 in each of FY 2020 and FY 2021 for the Edison Welding Institute, Inc., to support the Aerospace Maintenance Repair and Overhaul – Center of Excellence Project.

### Category 3: Business Assistance

This category of appropriations consists of line items that are used to provide loans to businesses and distribute financial assistance to local and regional economic development entities to aid in the goal of creating and retaining jobs in Ohio. JobsOhio has assumed many of the business attraction and retention duties on behalf of the state, so appropriations to the category have declined in recent years, especially those used to provide grants to businesses.

Two exceptions can be made: (1) grants and loans to firms within the technology and R&D industries, predominantly through the Third Frontier Program, as analyzed previously under “**Category 2: Technology and R&D**” above, and (2) Roadwork Development Grant Program grants, which receives appropriations in the transportation budget bill, since the program is funded by the state motor fuel tax. The transportation budget bill for the FY 2020-FY 2021 biennium, H.B. 62 of the 133<sup>rd</sup> General Assembly, included appropriations of \$15.2 million in each of FY 2020 and FY 2021 for the program.

Both the Business Services Division and the Minority Business Development Division administer programs funded under the line items in this category, which for this analysis have been separated into five subcategories: (1) Facilities Establishment Fund Group loans, (2) federal funding, (3) state subsidies for minority and disadvantaged businesses, (4) state technical assistance and operating, and (5) operating costs only.

### **C3:1: Facilities Establishment Fund Group loans (ALIs 195615, 195647, 195664, and 195665)**

The Facilities Establishment Fund Group is the primary source of non-Third Frontier Program state funds remaining for economic development subsidies, accounting for over half of all appropriations in the Business Assistance category. Loans and other assistance provided from the fund group must be approved by the Controlling Board.

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
7037 ALI 195615, Facilities Establishment	\$20,409,050	\$25,000,000	\$25,000,000
% change	--	22.5%	0.0%
4Z60 ALI 195647, Rural Industrial Park Loan	\$0	\$25,000,000	\$0
% change	--	N/A	-100.0%
7009 ALI 195664, Innovation Ohio	\$323	\$5,000,000	\$5,000,000
% change	--	>1,000%	0.0%
7010 ALI 195665, Research and Development	\$0	\$5,000,000	\$5,000,000
% change	--	N/A	0.0%

**Facilities Establishment (ALI 195615).** Primarily, the line item is used to fund the 166 Direct Loan Program. Businesses can use these loans to purchase machinery and equipment, land and buildings acquisition, or make other eligible capital improvements. Loans are typically between \$1 million and \$10 million. The program goes through fluctuations depending on market conditions and the revenue from loan repayments. In FY 2018, the Controlling Board approved 11 loans totaling \$42.6 million, whereas in FY 2019, one loan was approved for around \$7.4 million in funding. Through September 16, 2019, or almost through the first quarter of FY 2020, three loans have been approved totaling around \$2.9 million.

A second loan mechanism, the Regional 166 Loan Program, has also been popular in the last few years. This program operates more on the local level through ten designated regional 166 Direct Loan agencies around the state. The program was originally funded by money that the state gave to these regional entities to distribute as loans. It functions as a revolving loan program, using loan repayments to make additional loans to businesses with qualifying needs. Loans typically range from around \$100,000 to \$500,000. Since Regional 166 Loan Program funding has already gone out to the local agencies, no new appropriations are needed to utilize the program. However, loans under the program are still approved by the Controlling Board. In FY 2019, there were ten loans approved by the Controlling Board, and in FY 2020, there have been nine loans approved through September 16, 2019.

In addition to loans from Fund 7037, the line item also guarantees the Ohio Enterprise Bond Fund, which uses the proceeds of special industrial development bonds to provide loans to borrowers that cannot access investment-grade debt. In FY 2018, the Controlling Board approved two such loans totaling \$15 million. There were no loans approved in FY 2019.

**Rural Industrial Park Loan Program (ALI 195647).** This program was phased out at the end of FY 2011, but is being revived under H.B. 166. The program allows eligible applicants to apply for loans and loan guarantees for the development and improvement of industrial parks in rural areas of Ohio. Although program guidelines are still under development, loans will be available for projects in the 35 counties that both (1) contain less than 125,000 in population, and (2) qualify as a distressed county or a labor surplus county as defined under R.C. 122.19. Most of the counties are in southeast Ohio.

H.B. 166 re-creates the Rural Industrial Park Loan Fund (Fund 4Z60) and transfers \$25 million from the Facilities Establishment Fund (Fund 7037) to the revived fund in FY 2020 to capitalize the program.

**Innovation Ohio Loan Program (ALI 195664).** Under this program, DSA lends money to businesses in certain targeted industry sectors (advanced materials; instruments, controls, and electronics; power and propulsion; biosciences; and information technology) for acquisition, construction, and technology costs related to research and development, computer software or hardware, commercialization of products and services, and intellectual property costs. Funds are provided through a transfer from Fund 7037 to the Innovation Ohio Loan Fund (Fund 7009). The Controlling Board approved two loans totaling around \$1.8 million in FY 2018, and no loans in FY 2019.

H.B. 166 includes an earmark of \$5.2 million in FY 2020 from the line item to be used for a forgivable loan to the Ohio State University for the development and clinical evaluation of a non-opiate, nonaddictive pharmaceutical treatment intervention's efficacy to reduce a physician's reliance upon and limit a patient's initial exposure to opioids. The earmarking language requires the loan to be structured so that meeting benchmarks allows future forgiveness of the loan.

**Research and Development Loan Program (ALI 195665).** This program provides loans to cover eligible costs of research and development projects in order to stimulate employment in technological research, including the creation of research facilities and development of new or improved products, processes, or applications of technology. Funds are provided through a transfer from Fund 7037 to the Research and Development Investment Fund (Fund 7010). The Controlling Board approved two loans totaling approximately \$7.9 million in FY 2018, and no such loans in FY 2019.

### C3:2: Federal funding (ALIs 195609, 195626, 195675, and 195696)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
3080 ALI 195609, Small Business Administration Grants	\$4,352,702	\$5,271,381	\$5,271,381
% change	--	21.1%	0.0%
3FJO ALI 195626, Small Business Capital Access and Collateral Enhancement Program	\$2,539,315	\$7,996,645	\$8,000,000
% change	--	214.9%	0.0%
3080 ALI 195675, Procurement Technical Assistance	\$496,346	\$750,000	\$750,000
% change	--	51.1%	0.1%
3080 ALI 195696, State Trade and Export Promotion	\$523,227	\$1,000,000	\$1,000,000
% change	--	91.1%	0.0%

**Small Business Administration Grants (ALI 195609).** This line item provides the main source of federal funding for the Small Business Development Center (SBDC) Program, which offers management counseling, training, and technical assistance to small businesses at the 27 SBDCs throughout the state. The federal moneys require equal matching of funds (\$1 federal: \$1 state plus local), but the state or local match may be in kind. SBDCs provided nearly 58,000 hours of one-on-one counseling, trained almost 12,000 entrepreneurs, advised close to 8,000 businesses, and led to 722 “new businesses started” in FY 2018.

**SSBCI business funding (ALI 195626).** Line item 195626 is funded by allocations from the U.S. Department of Treasury for the State Small Business Credit Initiative (SSBCI). SSBCI funds first became available to the state in FY 2013 when Ohio was awarded \$55.1 million. The federal money has been distributed in three roughly equal installments of \$18 million to \$19 million in each of FY 2012, FY 2014, and FY 2016.

This initiative aims to encourage lending to potential small businesses that have difficulty securing loans through conventional underwriting standards. Two federal program moneys are provided SSBCI funding under this line item: the first of these is the Capital Access Loan Program. Under this program, the state, along with borrowers and financial institutions, create reserve pools to recover any losses incurred by a financial institution in lending their private money to eligible businesses that have difficulty obtaining funding through conventional underwriting standards. This line item also supports the Collateral Enhancement Program to provide lending institutions with cash deposits to use as additional collateral for loans made to eligible for-profit small businesses. Note also that line item 195661, discussed in “**Category 2: Technology and R&D,**” funds the Technology Targeted Investment Program component of the federal SSBCI Program.

**Procurement Technical Assistance (ALI 195675).** Moneys in line item 195675 are used to help small businesses seeking to compete for federal, state, and local contracts at Procurement Technical Assistance Centers (PTACs). The centers assisted over 2,200 clients from February 2017 to January 2018.

**State Trade and Export Promotion (ALI 195696).** These federal funds come to the state as part of SBA's State Trade and Export Promotion Pilot Program for DSA to utilize in support of small business export promotion efforts.

### **C3:3: State subsidies for minority and disadvantaged businesses (ALIs 195628 and 195646)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
4W10 ALI 195646, Minority Business Enterprise Loan	\$3,492,411	\$4,000,000	\$4,000,000
% change	--	14.5%	0.0%
5S90 ALI 195628, Capital Access Loan Program	\$663,395	\$2,500,000	\$2,500,000
% change	--	276.9%	0.0%

**Minority Business Enterprise Loan Program (ALI 195646).** This line item is used to provide funding for loans processed by the Minority Development Financing Advisory Board to minority-owned and operated businesses that are unable to obtain financing through traditional channels. H.B. 166 also allows up to \$2 million to be transferred annually from Fund 7037 to Fund 4W10. Loans under this program must be approved by the Controlling Board. In FY 2019, the Controlling Board approved two loans totaling around \$1.9 million. Thus far in FY 2020, one loan has been approved for \$86,250.

**Capital Access Loan Program (ALI 195628).** Although administratively under the Facilities Establishment Fund Group, line item 195628 uses state funds to cover the state's portion of such reserve pools under the Capital Access Loan Program. H.B. 166 authorizes the transfer of up to \$3 million per year into the fund from two other DSA funds: (1) up to \$2 million in each year from the Facilities Establishment Fund (Fund 7037), and (2) up to \$1 million in each year from the Minority Business Enterprise Loan Fund (Fund 4W10). These transfers are subject to Controlling Board approval. As of September 16, 2019, the Capital Access Loan Program Fund (Fund 5S90) had a cash balance of approximately \$1.7 million.

### C3:4: State technical assistance and operating (ALIs 195454 and 195405)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195454, Small Business and Export Assistance	\$3,150,654	\$3,057,174	\$3,057,174
% change	--	-3.0%	0.0%
GRF ALI 195405, Minority Business Development	\$1,712,197	\$1,696,358	\$1,696,358
% change	--	-0.9%	0.0%

**Small Business and Export Assistance (ALI 195454).** This line item is used for various purposes that aid small businesses. Of the total, about \$1.2 million in each year is budgeted for internal operating costs, while the remaining \$1.9 million will go to other organizations. The outside funding includes the matching funds to the federally funded SBDC Program reflected in line item 195609, as well as grants to support small business development, entrepreneurship, and exports of Ohio's goods and services. Grants through the line item are used in conjunction with line item 195405, Minority Business Development.

**Minority Business Development (ALI 195405).** This line item is used to provide assistance to other minority development entities, but also supports operating costs of the Minority Business Development Division within DSA. Of the total, about \$1.1 million in each year will go to entities outside DSA, specifically the six Minority Business Assistance Centers (MBACs) across the state, to promote the use of minority businesses for government contracts. The remaining \$600,000 will go to internal operating costs of the Minority Development Division. The Division also works with the Department of Administrative Services on the Encouraging Diversity, Growth, and Equity (EDGE) Program, coordinates planning and policy for the Minority Business Advisory Council, and engages in other activities to promote the growth of minority-owned businesses in Ohio. The line item is also used in conjunction with line item 195454, Small Business and Export Assistance, for grants to local economic development organizations.

### C3:5: Operating costs (ALIs 195649, 195415, 195635, 195624, and 195691)

The line items below pay only for the operating costs associated with Category 3 programs under the Business Services Division and Minority Development Division. Many other line items also pay operating costs of the divisions, however, including line items discussed in "Category 2: Technology and R&D." In total, operating expenses of the two divisions are slated to cost around \$30.8 million in each of FY 2020 and FY 2021.

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
4510 ALI 195649, Business Assistance Programs	\$780,158	\$4,000,000	\$4,000,000
% change	--	412.7%	0.0%
GRF ALI 195415, Business Development Services	\$3,414,575	\$2,102,021	\$2,149,281
% change	--	-38.4%	2.2%
5JRO ALI 195635, Tax Incentives Operating	\$748,142	\$800,000	\$800,000
% change	--	6.9%	0.0%
4500 ALI 195624, Minority Business Bonding Program Administration	\$88,764	\$74,905	\$74,905
% change	--	-15.6%	0.0%
5W60 ALI 195691, International Trade Cooperative Projects	\$0	\$18,000	\$18,000
% change	--	N/A	0.0%

**Loan programs (ALIs 195649 and 195415).** These two line items support loan servicing costs, mainly those awarded through the Facilities Establishment Fund Group. Revenue supporting Fund 4510 line item 195649 comes in the form of loan commitment fees and transfers from the Facilities Establishment Fund (Fund 7037). H.B. 166 allows up to \$3.5 million per year to be transferred from Fund 7037 to Fund 4510, pending Controlling Board approval. GRF line item 195415 also pays for some of the operating costs of the Business Services Division and DSA's regional offices.

**Tax credit programs (ALI 195635).** The Office of Strategic Business Investments will use this line item to pay operating costs of the various tax credit programs administered by DSA, including the (1) Job Creation, (2) Job Retention, (3) InvestOhio, (4) Motion Picture, (5) Ohio Historic Preservation, and (6) Ohio New Market. A seventh tax credit to oversee is the Opportunity Zone Tax Credit in H.B. 166, and described in the "**Overview**" portion of this Greenbook. Also described in the "**Overview**" section are the changes to the Motion Picture Tax Credit in H.B. 166. Finally, the Office tracks the creation and management of enterprise zones and community reinvestment areas in Ohio's communities.

**Minority Business Bonding Program Administration (ALI 195624).** These funds support the administrative expenses of the Minority Business Bonding Program, which provides bonding assistance to minority businesses who otherwise cannot obtain bonding. The maximum bond amount is \$1 million per company. A premium of up to 2% is charged for each bond issued, and the premiums are deposited into the Minority Business Bonding Fund (Fund 4500) to support this line item. The fund is backed by up to \$10 million in unclaimed funds, overseen by the Department of Commerce, to pay for any losses arising from the program.

**International Trade Cooperative Projects (ALI 195691).** This line item receives funds from outside entities to support international business development opportunities.

## Category 4: Energy and Environmental Revitalization

This category consists of programs to support and attract businesses in the alternative and advanced energy industry, to provide incentives for the adoption of alternative and advanced energy technologies, and to oversee federal brownfield funding received.

### C4:1: Energy Loan Fund Program (ALIs 195660, 195618, and 195610)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
5M50 ALI 195660, Advanced Energy Loan Programs	\$2,266,466	\$10,000,000	\$10,000,000
% change	--	341.2%	0.0%
3080 ALI 195618, Energy Grants	\$1,451,752	\$4,000,000	\$4,000,000
% change	--	175.5%	0.0%
3350 ALI 195610, Energy Programs	\$179,011	\$345,382	\$350,000
% change	--	92.9%	1.3%

**State funding (ALI 195660).** This line item provides state funding for loans under the Energy Loan Fund Program. Loans range from \$250,000 to \$2 million and are available for small businesses, manufacturers, nonprofits, and public entities to make improvements that reduce energy usage and associated costs, reduce fossil fuel emissions, and create or retain jobs. Eligible activities include insulation, LED and other lighting systems, energy management control systems, HVAC upgrades, weather sealing, door and window replacements, combined heat and power systems, and cogeneration systems. Projects must achieve 15% reduction in energy usage, demonstrate economic and environmental impacts, and be included within a long-term energy strategy of the community served. Of the amount appropriated in each fiscal year, \$9.25 million is budgeted for loan subsidies, while the remaining \$750,000 is set aside for operating costs involved with the program and the State Energy Plan.

Through 2011, the Advanced Energy Fund (Fund 5M50) functioned as a grant program, under which 660 advanced energy grants totaling \$44.7 million were distributed. Until then, the source of money to provide these grants was a monthly rider collected on utility bills for retail electric service that was deposited into Fund 5M50. That authority expired at the end of December 2011. Since then, the program has operated using the remaining funding as a revolving loan program.

**Federal funding (ALIs 195610 and 195618).** These federal funds are used mainly to supplement funding for the Energy Loan Fund Program, described above. The budget would allocate about \$4 million in each year of the total federal funding toward the loan program. The remaining \$350,000 in each year is slotted for outreach, client education, support for public school energy education curricula, public information sharing, and energy conservation workshops for small businesses.

The funding source for line item 195610 is the Oil Overcharge Fund (Fund 3350), capitalized by federal funds received pursuant to a U.S. government settlement with oil

companies. To spend the Fund 3350 appropriations, the state must demonstrate that the proposed conservation project benefits the class of consumers injured by the oil company's overcharges relating to the case.

#### **C4:2: Federal brownfield loans (ALIs 195627 and 195671)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
5UL0 ALI 195627, Brownfields Revolving Loan Program	\$0	\$2,500,000	\$2,500,000
% change	--	N/A	0.0%
3080 ALI 195671, Brownfield Redevelopment	\$0	\$2,000,000	\$2,000,000
% change	--	N/A	0.0%

Each of these line items supports the Brownfield Revolving Loan Program, which provides low-interest loans to private and public entities for demolition, cleanup, and remediation projects on brownfield sites. Funds for this purpose are received by DSA through competitive grants from the U.S. Environmental Protection Agency (U.S. EPA). DSA administers the program in conjunction with the quasi-public Ohio Water Development Authority.

Federal requirements caused Fund 5UL0 to be created in 2018 under H.B. 292 of the 132<sup>nd</sup> General Assembly and given an appropriation through line item 195627. According to DSA, the reason for this was a request from the U.S. EPA that brownfield loan repayment dollars be held in a fund that bears interest, and Fund 3080 does not bear interest. Line item 195671 will presumably be used when new federal funds are received by DSA to be subsequently loaned out under the program.

#### **C4:3: Operating and other costs (ALIs 195426, 195699, 195639, 195402, and 195654)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195426, Redevelopment Assistance	\$1,041,433	\$1,067,000	\$1,067,000
% change	--	2.5%	0.0%
4F20 ALI 195699, Utility Community Assistance	\$173,258	\$500,000	\$500,000
% change	--	188.6%	0.0%
4F20 ALI 195639, State Special Projects	\$0	\$102,104	\$102,104
% change	--	N/A	0.0%
GRF ALI 195402, Coal Research and Development Program	\$191,999	\$227,368	\$227,368
% change	--	18.4%	1.3%
6170 ALI 195654, Volume Cap Administration	\$19,057	\$32,562	\$32,562
% change	--	70.9%	0.0%

**Redevelopment Assistance (ALI 195426).** This GRF funding will pay for a variety of operating expenses, including those related to energy, redevelopment, and other revitalization projects, such as loans under the Brownfield Revolving Loan Fund Program and grants under the Abandoned Gas Station Cleanup Grant Program. The latter program utilizes capital appropriations remaining upon the closeout of the Clean Ohio Revitalization Program to award assessment and cleanup grants to local governments. Although the Clean Ohio Revitalization Program stopped awarding grants in FY 2014, there are still 22 grants that are not closed out.

**State Special Projects Fund uses (ALIs 195699 and 195639).** This money primarily comes from utility company payments that are deposited into the State Special Projects Fund (Fund 4F20); however, Fund 4F20 may hold other miscellaneous revenue. Line item 195699 is used to verify the income and eligibility of federal HEAP applicants, leverage federal funds, support projects to assist homeless persons, assist with energy efficiency projects for PIPP customers, and provide training assistance for agencies that administer low-income customer assistance programs. Line item 195639 is used on an ad hoc basis for various purposes.

**Coal Research and Development Program (ALI 195402).** This line item funds the operating expenses of the Ohio Coal Development Office (OCDO). OCDO operates the Coal Research and Development Program, funded by GO bonds issued by the Ohio Public Facilities Commission, as discussed in “**Category 7: Debt Service.**”

The Coal Research and Development Program is funded through appropriations within the capital budget bill. H.B. 529 of the 132<sup>nd</sup> General Assembly, the capital budget bill for the FY 2019-FY 2020 biennium, included appropriations of \$5 million for the program. The grants focus on two areas of clean coal technology: (1) Ohio Coal Research Consortium grants go to research institutions to study mechanisms critical to emissions formation and methods of control, or for uses of coal as a feedstock for other processes, and (2) Ohio Coal Demonstration and Pilot Program grants go to utility power producers, clean coal technology developers, research and development firms, and universities for the discovery of new technologies or the demonstration or application of existing technologies that enable the conversion or use of Ohio coal as a fuel or chemical feedstock in an environmentally acceptable manner.

**Volume Cap Administration (ALI 195654).** This line item provides for the administrative costs of overseeing the state’s allocation of tax-exempt private activity bonding authority under the federally defined limit, or Volume Cap. While administered by the Office of Energy, Volume Cap is also used by other state entities, including the Ohio Housing Finance Agency (OHFA), for the issuance of bonds for certain programs.

## **Category 5: Workforce Development**

Line items in this category fund activities to assist businesses with developing the workforce through training and job retention activities, as well as provide administrative support for the Governor’s Office of Workforce Transformation. The TechCred Program and the Industry Sector Partnership Program are new state programs created under H.B. 166, as described in the “**Overview**” portion of this Greenbook.

**C5:1: TechCred Program (ALIs 195556 and 195606)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195556, TechCred Program	\$0	\$9,400,000	\$7,950,000
% change	--	N/A	-15.4%
5HR0 ALI 195606, TechCred Program	\$0	\$5,600,000	\$7,050,000
% change	--	N/A	25.9%

The bill includes a total of \$15 million in each fiscal year for this new program to be funded through the line items above. DSA is in the process of developing program guidelines in conjunction with the Governor's Office of Workforce Transformation, Department of Higher Education, and Department of Job and Family Services to ensure the program falls in line with the state's greater workforce mission. DSA expects to roll out the program in the fall of 2019.

The \$15 million in annual funding is split from two sources: the GRF and the Ohio Incumbent Workforce Job Training Fund (Fund 5HR0). The GRF makes up \$9.4 million and almost \$8 million of program spending in FY 2020 and FY 2021, respectively. Fund 5HR0 supplies the remaining \$5.6 million in FY 2020 and \$7 million in FY 2021. Fund 5HR0 itself receives transfers of the same amounts from the OhioMeansJobs Workforce Development Revolving Loan Fund (Fund 5NH0).

**C5:2: Other state assistance (ALIs 195553 and 195622)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195553, Industry Sector Partnerships	\$0	\$2,500,000	\$2,500,000
% change	--	N/A	0.0%
5HR0 ALI 195622, Defense Development Assistance	\$1,527,863	\$1,000,000	\$1,000,000
% change	--	-34.5%	0.0%

**Industry Sector Partnerships Program (ALI 195553).** Another new workforce development initiative, this program will support groups of businesses in the same industry, workforce development entities, educational institutions, and others within a region collaborating to address the industry's specific workforce needs. DSA will provide technical assistance to the partnerships and offer competitive grants to implement initiatives. As with the TechCred Program, DSA is partnering with the Governor's Office of Workforce Transformation, Department of Higher Education, and Department of Job and Family Services to develop the program parameters. A fall 2020 roll out is anticipated.

**Defense Development Assistance (ALI 195622).** The bill earmarks this line item for Development Projects, Inc. to support economic development programs and job creation efforts at U.S. Department of Defense (DOD) facilities in Ohio. These efforts are to include (1) working with DOD efficiency initiatives and future base realignment and closure (BRAC)

activities, (2) assisting with defense contracting at Ohio companies, and (3) supporting regional training and workforce needs in the defense and aerospace industries. Development Projects, Inc. is the public sector funding arm of the Dayton Development Coalition. H.B. 166 allows up to \$2 million to be transferred from the FY 2019 ending balance of the GRF to Fund 5HR0 to pay for this appropriation.

### **C5:3: Federal workforce funding (ALI 195643)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
3AE0 ALI 195643, Workforce Development Initiatives	\$576,007	\$800,000	\$800,000
% change	--	38.9%	0.0%

These funds are provided through a transfer of federal Workforce Investment Act (WIA) funds from the Ohio Department of Job and Family Services to support workforce development operating costs of the Governor's Office of Workforce Transformation and DSA's Office of Strategic Business Investments.

## **Category 6: Tourism Promotion**

Line items in this category fund the activities of the Office of TourismOhio, which promotes travel and tourism to and within Ohio. It also supports the Sports Event Grant Program.

### **C6:1: Office of TourismOhio (ALI 195683)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
5MJ0 ALI 195683, TourismOhio Administration	\$9,994,944	\$10,000,000	\$10,000,000
% change	--	0.1%	0.0%

Line item 195683 funds the operations of the Office of TourismOhio to promote the state as a travel and tourism destination. The \$10 million appropriated in each year will pay for marketing, advertising, public relations, and the development and publication of tourism materials, payroll, and operating costs of the Office. Of total appropriations, approximately \$8.4 million will be used for purchased personal services, about \$850,000 is slated for supplies and maintenance, and \$800,000 is for office personnel. The Tourism Fund (Fund 5MJ0) has been capitalized by transfers from the GRF. Section 512.10 of H.B. 166 allows up to \$20 million to be transferred from the GRF to Fund 5MJ0 in FY 2020.

## C6:2: Sports Event Grant Program (ALI 195496)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
5UY0 ALI 195496, Sports Events Grants	\$0	\$5,000,000	\$0
% change	--	N/A	0.0%

This line item funds the Sports Event Grant Program. H.B. 166 appropriates \$5 million in FY 2020 for grants, funded by a transfer of \$5 million from the GRF to Fund 5UY0. Program requirements are set under R.C. 122.12 and 122.121.

The Sports Event Grant Fund (Fund 5UY0) was created under H.B. 531 of the 132<sup>nd</sup> General Assembly, enacted in December 2018. The fund received a transfer of \$5 million from the GRF for grants under the program in FY 2019. While no grant assistance was expended in FY 2019, there is around \$4.4 million in encumbrances on this line item in FY 2019. H.B. 166 reappropriates the unexpended, unencumbered balance of the FY 2019 appropriation for use in FY 2020. Consequently, there is up to around \$5.6 million in grants available under the program in FY 2020.

## Category 7: Debt Service

This category of appropriations provides GRF funding for debt service on three types of GO bonds issued by the state, to support two ongoing programs: the Third Frontier Program and the Coal Research and Development Program, plus the defunct Job Ready Site Program.

### C7:1: GO bond debt service (ALIs 195905, 195912, and 195901)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 195905, Third Frontier Research and Development General Obligation Bond Debt Service	\$89,088,160	\$84,181,400	\$87,403,000
% change	--	-5.5%	3.8%
GRF ALI 195912, Job Ready Site Development General Obligation Bond Debt Service	\$12,103,189	\$15,516,000	\$9,879,900
% change	--	28.2%	-36.3%
GRF ALI 195901, Coal Research and Development General Obligation Bond Debt Service	\$7,809,736	\$8,123,100	\$7,682,600
% change	--	4.0%	-5.4%

**Third Frontier debt service (ALI 195905).** This line item funds the repayment of GO bonds issued by the Ohio Public Facilities Commission for line items 195687 and 195692.

**Job Ready Site Development debt service (ALI 195912).** This line item covers debt service payments on the GO bonds issued by the Ohio Public Facilities Commission for the Job Ready Site Program. Although the program expired in FY 2012, bonds issued to capitalize the program continue to be paid off.

**Coal Research and Development debt service (ALI 195901).** These bond proceeds are used to award grants for research and development of clean coal technologies. The Ohio Coal Development Office uses these bond proceeds to award grants for research and development of clean coal technologies.

## Category 8: Administration

This category encompasses the line items that support DSA's central administrative offices, including the Director's office, legal services, communications and marketing, information technology, finance and internal services, and research. Funding for the line items under this category comes from assessments charged against the divisions.

### C8:1: Agency operating costs (ALIs 195684 and 195636)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
1350 ALI 195684, Development Services Operations	\$11,163,836	\$11,686,861	\$12,000,000
% change	--	4.7%	2.7%
6850 ALI 195636, Development Services Reimbursable Expenditures	\$122,378	\$125,000	\$125,000
% change	--	2.1%	0.0%

Of total appropriations of \$23.9 million over the FY 2020-FY 2021 biennium in this category, about \$16.8 million (70.1%) is budgeted for personnel costs, and the remainder is for supplies and maintenance, equipment, and purchased personal service costs.

**Development Services Operations (ALI 195684).** This line item is the primary source of administrative funding for the Agency's central operating activities and is supported by assessments on DSA's various divisions. These amounts are deposited into the Supportive Services Fund (Fund 1350). The line item primarily covers payroll, supplies, equipment, and maintenance costs associated with the functions of DSA's executive leadership, legal office, communications and marketing staff, information technology staff, and other central administrative services.

**Development Services Reimbursable Expenditures (ALI 195636).** The General Reimbursement Fund (Fund 6850) consists of money collected through assessments. This funding is used to cover reimbursable expenses such as state pool car costs, bulk office supply purchases, travel reimbursements, and registration costs for conferences and events.

# FY 2020 - FY 2021 Final Appropriations

# All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2019 to FY 2020	Appropriations	FY 2020 to FY 2021
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>DEV Development Services Agency</b>								
GRF	195402	Coal Research and Development Program	\$ 210,986	\$ 191,999	\$ 227,368	18.42%	\$ 227,368	0.00%
GRF	195405	Minority Business Development	\$ 1,813,537	\$ 1,712,197	\$ 1,696,358	-0.93%	\$ 1,696,358	0.00%
GRF	195407	Travel and Tourism	\$ 580,986	\$ 25,000	\$ 0	-100.00%	\$ 0	N/A
GRF	195415	Business Development Services	\$ 2,551,947	\$ 3,414,575	\$ 2,102,021	-38.44%	\$ 2,149,281	2.25%
GRF	195426	Redevelopment Assistance	\$ 1,042,435	\$ 1,041,433	\$ 1,067,000	2.46%	\$ 1,067,000	0.00%
GRF	195453	Technology Programs and Grants	\$ 10,984,049	\$ 16,130,123	\$ 2,040,056	-87.35%	\$ 2,096,400	2.76%
GRF	195454	Small Business and Export Assistance	\$ 2,765,264	\$ 3,150,654	\$ 3,057,174	-2.97%	\$ 3,057,174	0.00%
GRF	195455	Appalachia Assistance	\$ 4,576,535	\$ 4,037,792	\$ 14,991,465	271.28%	\$ 15,000,000	0.06%
GRF	195497	CDBG Operating Match	\$ 1,021,604	\$ 1,029,962	\$ 1,092,138	6.04%	\$ 1,125,000	3.01%
GRF	195499	BSD Federal Programs Match	\$ 0	\$ 0	\$ 13,148,022	N/A	\$ 12,976,894	-1.30%
GRF	195501	iBELIEVE	\$ 0	\$ 200,000	\$ 200,000	0.00%	\$ 200,000	0.00%
GRF	195503	Local Development Projects	\$ 0	\$ 0	\$ 2,373,000	N/A	\$ 825,000	-65.23%
GRF	195520	Ohio Main Street Program	\$ 0	\$ 0	\$ 500,000	N/A	\$ 0	-100.00%
GRF	195532	Technology Programs and Grants	\$ 649,342	\$ 303,247	\$ 0	N/A	\$ 0	N/A
GRF	195537	Ohio-Israel Agricultural Initiative	\$ 257,546	\$ 255,063	\$ 250,000	-1.99%	\$ 250,000	0.00%
GRF	195542	The Wilds	\$ 250,000	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	195547	Saint Luke's Manor	\$ 200,000	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	195549	Pathway Pilot Project	\$ 54,161	\$ 63,833	\$ 0	N/A	\$ 0	N/A
GRF	195553	Industry Sector Partnerships	\$ 0	\$ 0	\$ 2,500,000	N/A	\$ 2,500,000	0.00%
GRF	195556	TechCred Program	\$ 0	\$ 0	\$ 9,400,000	N/A	\$ 7,950,000	-15.43%
GRF	195901	Coal Research and Development General Obligation Bond Debt Service	\$ 6,318,124	\$ 7,809,736	\$ 8,123,100	4.01%	\$ 7,682,600	-5.42%
GRF	195905	Third Frontier Research and Development General Obligation Bond Debt Service	\$ 84,471,878	\$ 89,088,160	\$ 84,181,400	-5.51%	\$ 87,403,000	3.83%
GRF	195912	Job Ready Site Development General Obligation Bond Debt Service	\$ 11,085,946	\$ 12,103,189	\$ 15,516,000	28.20%	\$ 9,879,900	-36.32%
<b>General Revenue Fund Total</b>			<b>\$ 128,834,339</b>	<b>\$ 140,556,963</b>	<b>\$ 162,465,102</b>	<b>15.59%</b>	<b>\$ 156,085,975</b>	<b>-3.93%</b>
4500	195624	Minority Business Bonding Program Administration	\$ 180,445	\$ 88,764	\$ 74,905	-15.61%	\$ 74,905	0.00%
4510	195649	Business Assistance Programs	\$ 1,567,622	\$ 780,158	\$ 4,000,000	412.72%	\$ 4,000,000	0.00%
4F20	195639	State Special Projects	\$ 8,340	\$ 0	\$ 102,104	N/A	\$ 102,104	0.00%
4F20	195699	Utility Community Assistance	\$ 375,035	\$ 173,258	\$ 500,000	188.59%	\$ 500,000	0.00%

# FY 2020 - FY 2021 Final Appropriations

# All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2019 to FY 2020	Appropriations	FY 2020 to FY 2021
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
<b>DEV</b>	<b>Development Services Agency</b>							
4W10	195646	Minority Business Enterprise Loan	\$ 576,947	\$ 3,492,411	\$ 4,000,000	14.53%	\$ 4,000,000	0.00%
5AD0	195633	Legacy Projects	\$ 0	\$ 250,000	\$ 0	N/A	\$ 0	N/A
5CG0	195679	Alternative Fuel Transportation	\$ 4,807	\$ 0	\$ 0	N/A	\$ 0	N/A
5HR0	195403	Appalachian Workforce Assistance	\$ 0	\$ 2,815,461	\$ 0	-100.00%	\$ 0	N/A
5HR0	195606	TechCred Program	\$ 0	\$ 0	\$ 5,600,000	N/A	\$ 7,050,000	25.89%
5HR0	195622	Defense Development Assistance	\$ 2,026,490	\$ 1,527,863	\$ 1,000,000	-34.55%	\$ 1,000,000	0.00%
5HR0	195662	Incumbent Workforce Training Vouchers	\$ 5,982,255	\$ 974,155	\$ 0	-100.00%	\$ 0	N/A
5JR0	195635	Tax Incentives Operating	\$ 564,272	\$ 748,142	\$ 800,000	6.93%	\$ 800,000	0.00%
5KN0	195640	Local Government Innovation	\$ 1,781,340	\$ 1,001,863	\$ 0	N/A	\$ 0	N/A
5KPO	195645	Historic Rehabilitation Operating	\$ 884,161	\$ 884,176	\$ 1,000,000	13.10%	\$ 1,000,000	0.00%
5LU0	195673	Racetrack Facility Community Economic Redevelopment	\$ 1,705,239	\$ 1,131,763	\$ 0	N/A	\$ 0	N/A
5M40	195659	Low Income Energy Assistance (USF)	\$ 275,627,120	\$ 273,826,213	\$ 349,944,742	27.80%	\$ 350,000,000	0.02%
5M50	195660	Advanced Energy Loan Programs	\$ 352,611	\$ 2,266,466	\$ 10,000,000	341.22%	\$ 10,000,000	0.00%
5MB0	195637	Workforce Training Grant	\$ 96,000	\$ 0	\$ 0	N/A	\$ 0	N/A
5MH0	195644	SiteOhio Administration	\$ 4,500	\$ 0	\$ 2,500	N/A	\$ 2,500	0.00%
5MJ0	195683	TourismOhio Administration	\$ 7,463,493	\$ 9,994,944	\$ 10,000,000	0.05%	\$ 10,000,000	0.00%
5RD0	195666	Local Government Safety Capital Grant Program	\$ 11,341,808	\$ 2,335,469	\$ 0	N/A	\$ 0	N/A
5RQ0	195546	Lakes in Economic Distress Revolving Loan Program	\$ 247,611	\$ 235,257	\$ 0	N/A	\$ 0	N/A
5SA3	195678	Local Public Enhancement	\$ 218,790	\$ 0	\$ 0	N/A	\$ 0	N/A
5UL0	195627	Brownfields Revolving Loan Program	\$ 0	\$ 0	\$ 2,500,000	N/A	\$ 2,500,000	0.00%
5UY0	195496	Sports Events Grants	\$ 0	\$ 0	\$ 5,000,000	N/A	\$ 0	N/A
5W50	195690	Travel and Tourism Cooperative Projects	\$ 0	\$ 104,489	\$ 0	-100.00%	\$ 0	N/A
5W60	195691	International Trade Cooperative Projects	\$ 0	\$ 0	\$ 18,000	N/A	\$ 18,000	0.00%
6170	195654	Volume Cap Administration	\$ 21,401	\$ 19,057	\$ 32,562	70.87%	\$ 32,562	0.00%
6460	195638	Low- and Moderate-Income Housing Programs	\$ 40,724,641	\$ 39,371,351	\$ 55,250,000	40.33%	\$ 55,250,000	0.00%
M087	195435	Biomedical Research and Technology Transfer	\$ 2,267,450	\$ 3,200,453	\$ 500,000	-84.38%	\$ 500,000	0.00%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 354,022,378</b>	<b>\$ 345,221,713</b>	<b>\$ 450,324,813</b>	<b>30.45%</b>	<b>\$ 446,830,071</b>	<b>-0.78%</b>
1350	195684	Development Services Operations	\$ 11,237,810	\$ 11,163,836	\$ 11,686,861	4.68%	\$ 12,000,000	2.68%
6850	195636	Development Services Reimbursable Expenditures	\$ 109,489	\$ 122,378	\$ 125,000	2.14%	\$ 125,000	0.00%

# FY 2020 - FY 2021 Final Appropriations

# All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2019 to FY 2020	Appropriations	FY 2020 to FY 2021
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
<b>DEV Development Services Agency</b>								
<b>Internal Service Activity Fund Group Total</b>			<b>\$ 11,347,299</b>	<b>\$ 11,286,213</b>	<b>\$ 11,811,861</b>	<b>4.66%</b>	<b>\$ 12,125,000</b>	<b>2.65%</b>
4Z60	195647	Rural Industrial Park Loan	\$0	\$0	\$ 25,000,000	N/A	\$0	N/A
5S90	195628	Capital Access Loan Program	\$ 750,740	\$ 663,395	\$ 2,500,000	276.85%	\$ 2,500,000	0.00%
7009	195664	Innovation Ohio	\$ 981,195	\$ 323	\$ 5,200,000	1,608,512.26%	\$ 4,800,000	-7.69%
7010	195665	Research and Development	\$ 7,800,000	\$0	\$ 5,000,000	N/A	\$ 5,000,000	0.00%
7037	195615	Facilities Establishment	\$ 11,623,807	\$ 20,409,050	\$ 25,000,000	22.49%	\$ 25,000,000	0.00%
<b>Facilities Establishment Fund Group Total</b>			<b>\$ 21,155,741</b>	<b>\$ 21,072,768</b>	<b>\$ 62,700,000</b>	<b>197.54%</b>	<b>\$ 37,300,000</b>	<b>-40.51%</b>
7011	195605	Broadband Development Grants	\$0	\$ 118,195	\$ 0	-100.00%	\$ 0	N/A
7011	195617	Third Frontier Internship Program	\$ 33,151	\$0	\$0	N/A	\$0	N/A
7011	195686	Third Frontier Tax Exempt - Operating	\$ 41,757	\$0	\$ 750,000	N/A	\$ 750,000	0.00%
7011	195687	Third Frontier Research and Development Projects	\$ 6,411,776	\$ 14,400,380	\$ 21,000,000	45.83%	\$ 21,000,000	0.00%
7014	195620	Third Frontier Taxable - Operating	\$ 1,034,329	\$ 338,954	\$ 1,710,000	404.49%	\$ 1,710,000	0.00%
7014	195692	Research and Development Taxable Bond Projects	\$ 52,596,167	\$ 53,616,065	\$ 90,850,250	69.45%	\$ 90,850,250	0.00%
<b>Bond Research and Development Fund Group Total</b>			<b>\$ 60,117,179</b>	<b>\$ 68,473,594</b>	<b>\$ 114,310,250</b>	<b>66.94%</b>	<b>\$ 114,310,250</b>	<b>0.00%</b>
7003	195663	Clean Ohio Revitalization Operating	\$ 388,978	\$ 12,869	\$0	N/A	\$0	N/A
7012	195688	Job Ready Site Development Operating	\$ 23,876	\$0	\$0	N/A	\$0	N/A
<b>Capital Projects Fund Group Total</b>			<b>\$ 412,855</b>	<b>\$ 12,869</b>	<b>\$0</b>	<b>N/A</b>	<b>\$0</b>	<b>N/A</b>
3080	195603	Housing Assistance Programs	\$ 7,530,910	\$ 7,493,681	\$ 12,000,000	60.13%	\$ 12,000,000	0.00%
3080	195609	Small Business Administration Grants	\$ 4,057,431	\$ 4,352,702	\$ 5,271,381	21.11%	\$ 5,271,381	0.00%
3080	195618	Energy Grants	\$ 1,081,541	\$ 1,451,752	\$ 4,000,000	175.53%	\$ 4,000,000	0.00%
3080	195670	Home Weatherization Program	\$ 13,669,238	\$ 15,002,569	\$ 20,000,000	33.31%	\$ 20,000,000	0.00%
3080	195671	Brownfield Redevelopment	\$ 762,204	\$0	\$ 2,000,000	N/A	\$ 2,000,000	0.00%
3080	195672	Manufacturing Extension Partnership	\$ 3,980,249	\$ 2,988,080	\$ 6,300,000	110.84%	\$ 6,300,000	0.00%
3080	195675	Procurement Technical Assistance	\$ 641,563	\$ 496,346	\$ 750,000	51.10%	\$ 750,000	0.00%
3080	195696	State Trade and Export Promotion	\$ 727,187	\$ 523,227	\$ 1,000,000	91.12%	\$ 1,000,000	0.00%
3350	195610	Energy Programs	\$ 151,588	\$ 179,011	\$ 345,382	92.94%	\$ 350,000	1.34%
3AE0	195643	Workforce Development Initiatives	\$ 734,804	\$ 576,007	\$ 800,000	38.89%	\$ 800,000	0.00%
3FJ0	195626	Small Business Capital Access and Collateral Enhancement Program	\$ 3,931,905	\$ 2,539,315	\$ 7,996,645	214.91%	\$ 8,000,000	0.04%

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# All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2019 to FY 2020	Appropriations	FY 2020 to FY 2021
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
<b>DEV</b>	<b>Development Services Agency</b>							
3FJ0	195661	Technology Targeted Investment Program	\$ 32,749	\$0	\$ 2,260,953	N/A	\$ 2,260,953	0.00%
3K80	195613	Community Development Block Grant	\$ 39,260,707	\$ 40,149,993	\$ 60,000,000	49.44%	\$ 60,000,000	0.00%
3K90	195611	Home Energy Assistance Block Grant	\$ 103,934,636	\$ 113,025,001	\$ 164,914,571	45.91%	\$ 165,000,000	0.05%
3K90	195614	HEAP Weatherization	\$ 21,843,704	\$ 27,156,483	\$ 34,989,189	28.84%	\$ 35,000,000	0.03%
3L00	195612	Community Services Block Grant	\$ 36,060,536	\$ 23,715,587	\$ 28,000,000	18.07%	\$ 28,000,000	0.00%
3V10	195601	HOME Program	\$ 13,977,551	\$ 15,570,115	\$ 34,979,280	124.66%	\$ 35,000,000	0.06%
<b>Federal Fund Group Total</b>			<b>\$ 252,378,502</b>	<b>\$ 255,219,870</b>	<b>\$ 385,607,401</b>	<b>51.09%</b>	<b>\$ 385,732,334</b>	<b>0.03%</b>
<b>Development Services Agency Total</b>			<b>\$ 828,268,294</b>	<b>\$ 841,843,990</b>	<b>\$ 1,187,219,427</b>	<b>41.03%</b>	<b>\$ 1,152,383,630</b>	<b>-2.93%</b>