



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 299 of the 132nd G.A.

**Status:** As Passed by the House

**Sponsor:** Sens. Gardner and O'Brien

**Local Impact Statement Procedure Required:** No

**Subject:** Increases appropriations for the protection and preservation of Lake Erie and its tributaries and makes appropriation adjustments for other various programs

### Summary

#### Funding for Lake Erie water quality programs

The bill amends H.B. 49 and H.B. 529 of the 132nd General Assembly to provide \$23.5 million in additional GRF funding and \$12.7 million in additional capital funding for programs that support the protection and preservation of Lake Erie and its tributaries. The additional operating budget funding will go to the Department of Agriculture (AGR) for (1) soil and water conservation districts in the Lake Erie Basin and (2) to the Soil and Water Phosphorus Program, which the bill creates. The Department of Natural Resources (DNR) receives additional capital funding for programs that reduce open lake disposal of dredged material under the existing Healthy Lake Erie Initiative. Finally, the Department of Higher Education (DHE) is provided new capital funding that will be given to Ohio Sea Grant Program to build new laboratory space at the Stone Laboratory and buy in-lake monitoring equipment. The new funding for these initiatives is summarized in the table below.

Agency	Fund	ALI	Current Appropriation	Additional Appropriation	Total Appropriation Under S.B. 299
AGR	GRF	700417, Soil and Water Phosphorus Program	New in S.B. 299	\$20,000,000	\$20,000,000
AGR	GRF	700509, Soil and Water District Support	\$3,329,941	\$3,500,000	\$6,829,941
DNR	7031	C725T3, Healthy Lake Erie Initiative	\$10,000,000	\$10,000,000	\$20,000,000
DHE	7034	C315GW, Sea Grant – Stone Laboratory	New in S.B. 299	\$2,650,000	\$2,650,000

## Funding for other programs

The bill also provides additional funding for a variety of other programs including: (1) \$2.5 million in FY 2019 for the creation of the OhioCorps Pilot Program and \$1.5 million for Ohio National Guard scholarships under DHE, (2) nearly \$7.2 million in new GRF appropriations for FY 2019 under the Department of Public Safety (DPS) to assist eligible local governments in meeting federal fund match requirements as a result of the Major Disaster Declaration issued by the President of the United States on April 17, 2018, (3) \$1.0 million in each of FY 2018 and FY 2019 to be used by the Development Services Agency (DSA) to enter contracts to do broadband research, testing, analysis, and community engagement and planning, and (4) additional funding from the Local Government Fund (Fund 7069) in both FY 2018 and FY 2019 for public safety services in areas where taxable value of power plants falls 30% or more from 2016 to 2017. The new funding for these initiatives is summarized in the table below.

<b>Table 2. Additional Operating Appropriations for Other Programs</b>					
<b>Agency</b>	<b>Fund</b>	<b>ALI</b>	<b>Current Appropriation</b>	<b>Additional Appropriation</b>	<b>Total Appropriation Under S.B. 299</b>
DHE	5UK0	235594, OhioCorps Pilot Program	New in S.B. 299	\$2,500,000	\$2,500,000
DHE	GRF	235599, National Guard Scholarship Program	\$18,900,003	\$1,500,000	\$20,400,003
DPS	GRF	763511, Local Disaster Assistance	New in S.B. 299	\$7,165,500	\$7,165,500
DEV	7011	195605, Broadband Development Grants	New in S.B. 299	\$1,000,000 FY 2018 \$1,000,000 FY 2019	\$1,000,000 FY 2018 \$1,000,000 FY 2019
RDF	7069	110969, Local Government Fund	\$381,800,000 FY 2018 \$393,500,000 FY 2019	\$83,750 FY 2018 \$740,000 FY 2019	\$381,883,750 FY 2018 \$394,240,000 FY 2019

In addition to the operating budget adjustments noted above, the bill eliminates capital funding of \$50,000 originally slated for a local project under the Department of Mental Health and Addiction Services and instead provides \$50,000 in capital funding for a local project under DNR. Specifically, the bill deletes an earmark of \$50,000 for the Child Focus Opiate Addiction Supervised Visitation Facility at Batavia and creates a new earmark of \$50,000 for the Kelley Nature Preserve Boat Ramp Project.

The bill also changes the funding source of a capital budget appropriation of \$500,000 for the Clermont County Sheriff's Safety and Training Center that was included in H.B. 292. Instead of funding this project through the Public Safety – Highway Purposes Fund (Fund 5TM0), the bill funds the project through the Administrative Building Fund (Fund 7026).

# Detailed Fiscal Analysis

## Lake Erie water quality programs

### Department of Agriculture

#### Soil and Water Phosphorous Program

The bill amends sections 211.10 and 211.20 of H.B. 49, the main operating budget act for the FY 2018-FY 2019 biennium, to appropriate \$20.0 million in FY 2019 under new GRF appropriation item 700417, Soil and Water Phosphorus Program. Additionally, the bill requires the Department of Agriculture (AGR), in consultation with the Lake Erie Commission and the Ohio Soil and Water Conservation Commission, to establish programs that assist in reducing total phosphorus and dissolved reactive phosphorus in the Western Lake Erie Basin. The bill also requires that priority be given to sub-watersheds that are highest in total phosphorus and dissolved reactive phosphorus nutrient loading. Specifically, the \$20.0 million appropriation must be used to support these programs, which may include but not be limited to, the following: (1) equipment for subsurface placement of nutrients into the soil, (2) equipment for nutrient placement based on geographic information system data, (3) soil testing, (4) implementation of variable rate technology, (5) equipment implementing manure transformation and manure conversion technologies, (6) tributary monitoring, (7) water management and edge-of-field drainage management, and (8) an agricultural phosphorus reduction revolving loan program. Under the bill, no more than 40% (\$8.0 million) may be used for any single activity.

#### Additional operating funding for soil and water districts

The bill also provides an additional \$3.5 million in GRF funding for soil and water districts under the AGR budget. Specifically, S.B. 299 increases GRF appropriation item 700509, Soil and Water District Support, by \$3.5 million to a total of \$6.8 million in FY 2019. The additional amount is earmarked for soil and water conservation districts in the Western Lake Erie Basin for staffing costs and to assist in soil testing and nutrient management plan development, including manure transformation and manure conversion technologies, enhanced filter strips, water management, and other conservation measures.

#### Department of Natural Resources – Healthy Lake Erie Initiative

The bill amends Section 223.10 of H.B. 529 to increase appropriations under Ohio Parks and Natural Resources Fund (Fund 7031) capital appropriation item C725T3, Healthy Lake Erie Initiative, by \$10.0 million to a total of \$20.0 million for the FY 2019-FY 2020 capital biennium. The additional amount is earmarked to support projects that enhance efforts to reduce open lake disposal of dredged material into Lake Erie by 2020.

Correspondingly, the bill amends Section 223.40 of H.B. 529 to increase the amount of original obligations that the Ohio Public Facilities Commission is authorized

to issue and sell by \$10.0 million, from \$24.0 million to \$34.0 million, to provide sufficient moneys to the credit of Fund 7031 to pay costs of capital facilities that enhance the use or enjoyment of Ohio's natural resources.

### **Department of Higher Education – Sea Grant – Stone Laboratory**

The bill amends Section 207.230 of H.B. 529 to appropriate \$2.65 million over the FY 2019-FY 2020 capital biennium under new Higher Education Improvement Fund (Fund 7034) capital appropriation item C315GW, Sea Grant – Stone Laboratory. The bill requires that the money be used by the Ohio Sea Grant Program to construct new laboratory space at Stone Laboratory and buy new in-lake monitoring equipment, including real-time buoys and water treatment plant monitoring sondes.

Correspondingly, the bill amends Section 207.440 of H.B. 529 to increase the amount of original obligations that the Ohio Public Facilities Commission is authorized to issue and sell by \$2.0 million, from \$429.0 million to \$431.0 million, to provide sufficient moneys to the credit of Fund 7034 and the Higher Education Improvement Taxable Fund (Fund 7024), to pay costs of capital facilities for state-supported and state-assisted intuitions of higher education.

## **Funding for other programs**

### **Department of Higher Education**

#### **OhioCorps Pilot Program**

The bill creates the OhioCorps Pilot Program to provide eligible at-risk students living in Ohio with guidance to a pathway to higher education through mentorship programs operated by public universities and community and technical colleges during FY 2020 and FY 2021. The bill defines an "at-risk" student as a primary or secondary school student who is at least 13 years old and (1) is eligible for a free or reduced price lunch, (2) would have an expected family contribution<sup>1</sup> of \$0, as determined by the free application for federal student aid (FAFSA), in grade 12, or (3) is impacted by family opioid addiction or has entered into recovery for opioid addiction. The Pilot Program will be implemented and administered by the Chancellor of Higher Education.

Each mentorship program must consist of a service-learning component for students enrolled at each participating institution that will allow those students to mentor and assist at-risk middle and high school students, and their parents, on a variety of topics, including preparing for college and career planning, tutoring, and opioid and drug education programs. Qualifying mentorship programs must provide a stipend, in an amount to be determined by the institution, to student mentors and develop plans for training mentors and partnering with local providers and existing programs, such as AmeriCorps and the Ohio Commission on Service and Volunteerism.

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<sup>1</sup> In general, expected family contribution is a measure of a family's financial strength and is used to determine eligibility for federal student aid.

Mentors that have not already undergone a criminal records check due to their participation in one of the above service programs will be required to obtain one, which will minimally increase both the workload for those administering the check and the fees collected. The base fees of the state-only and Federal Bureau of Investigation (FBI) background checks are \$22 and \$24, respectively. The \$22 state-only background check fee and \$2 of the \$24 FBI background check fee are deposited in the General Reimbursement Fund (Fund 1060) used by the Attorney General. The remaining \$22 of the FBI background check fee is sent to the FBI.

To incentivize eligible at-risk students to participate in the Pilot Program and ultimately enroll in college, the Pilot Program also provides a one-time college scholarship of \$1,000 for those students for use at a public university or community or technical college. To qualify for the scholarship, an at-risk student must fully participate in a mentorship program, enroll in an eligible state institution of higher education, and meet other academic and community service requirements.

The bill provides \$2.5 million for the Pilot Program through an FY 2019 cash transfer of that same amount from the GRF to the OhioCorps Fund (Fund 5UK0), which the bill creates. The bill appropriates the transferred cash to Fund 5UK0 line item 235594, OhioCorps Pilot Program, to be used by the Chancellor for administrative costs and to support the creation of mentorship programs at the state institutions of higher education. The bill also authorizes the unexpended, unencumbered balance of line item 235594 at the end of FY 2019 to be reappropriated for FY 2020 to support mentorship programs at the qualifying state institutions of higher education.

The bill may increase the administrative costs of the Department of Higher Education (DHE) to implement and operate the program. The bill earmarks up to \$50,000 in FY 2019 from line item 235594 to support these potential costs. In addition to implementing and administering the program, the bill requires the Chancellor to issue a report to the General Assembly at the end of FY 2021 regarding the implementation and outcomes of the Pilot Program.

#### **National Guard Scholarship Program**

The bill amends Section 381.10 of H.B. 49 of the 132nd General Assembly to increase DHE appropriations under GRF appropriation item 235599, National Guard Scholarship Program, by \$1.5 million to a total of \$20.4 million in FY 2019. This program provides higher education scholarships to all authorized personnel of the Ohio National Guard and serves as both a recruitment and retention tool for the Guard. The scholarship covers full tuition for students of state-assisted institutions and an amount equivalent to the average state-assisted award for students of private institutions.

#### **Department of Public Safety**

The bill creates GRF appropriation item 763511, Local Disaster Assistance, with an appropriation of \$7,165,500 in FY 2019, and requires that the money be used to assist eligible local governments in meeting the match requirement necessary to utilize federal

disaster assistance funds released as a result of the Major Disaster Declaration issued by the President of the United States on April 17, 2018.

### **Development Services Agency – broadband development**

The bill establishes new appropriations of \$1.0 million in each of FY 2018 and FY 2019 to be used by the Development Services Agency (DSA) to support broadband development. The appropriations are sourced from the Third Frontier Research and Development Fund (Fund 7011) under new appropriation item 195605, Broadband Development Grants. Fund 7011 has a current balance of \$20.2 million. Specifically, the appropriations are to be used to contract with an organization or organizations to do various other activities, including (1) collecting broadband deployment data from Ohio broadband providers, (2) verifying the data's accuracy through on-the-ground testing, (3) creating annual state and county broadband maps that show the availability of broadband service at various upload speeds throughout the state, (4) analyzing the data to help inform future investments in broadband infrastructure, (5) conducting business and residential surveys that measure broadband adoption and use in the state, and (6) engaging communities and facilitating local technology planning to provide evidence of local support for grant projects and potential economic impacts of grant projects.

### **Funds for public safety services near certain power plants**

The bill amends H.B. 49 of the 132nd General Assembly to increase appropriations from the Local Government Fund (Fund 7069) by \$83,750 in FY 2018 and \$740,000 in FY 2019 to make payments to county undivided local government funds where eligible taxing districts are located. An eligible taxing district is a township, township fire district, or joint fire district where the total taxable value of power plants fell 30% or more from tax year 2016 to 2017. The money may be used for any lawful purpose by a fire district, and for fire, police, emergency medical, or ambulance services by a township.

The jurisdictions expected to benefit from this provision are Carroll Township in Ottawa County and the Perry Joint Fire District in Lake County. The Tax Commissioner is required to compute the product of levy rates in 2017 times the change in total taxable value of the power plants. For townships, only certain levies are included, and for all eligible taxing districts, levies to raise fixed sums are excluded. One-twelfth of each computed amount is to be transferred monthly from the GRF to Fund 7069, and paid to each county treasury where an eligible taxing district is located, to be paid to the district. The full amount is to be paid through FY 2019, and 90% of the previous fiscal year's amount in FY 2020 through FY 2028.

### **Earmark for Kelley Nature Preserve Boat Ramp Project**

Finally, the bill amends H.B. 529 to redirect a capital earmark of \$50,000. Originally, this amount was allocated to support the Child Focus Opiate Addiction Supervised Visitation Facility Project in Batavia. Funding under H.B. 529 was provided

from the Mental Health Facilities Improvement Fund (Fund 7033) used by the Department of Mental Health and Addiction Services. Under S.B. 299, the \$50,000 is instead earmarked to support the Kelley Nature Preserve Boat Ramp Project in Claremont County, with funding provided under the Parks and Recreation Improvement Fund (Fund 7035).

Finally, the bill changes the funding source of a capital budget appropriation of \$500,000 for the Clermont County Sheriff's Safety and Training Center that was included in H.B. 292. Rather than providing the money from the Public Safety – Highway Purposes Fund (Fund 5TM0), the bill funds the project through the Administrative Building Fund (Fund 7026).