



Ohio Legislative Service Commission

Jason Phillips

Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 2 of the 128th G.A. **Date:** March 11, 2009
Status: As Reported by Senate Finance & Financial Institutions **Sponsor:** Sen. Carey

Local Impact Statement Procedure Required: No — No local cost

Contents: Provides for the distribution of moneys received by the state from the federal American Recovery and Reinvestment Act of 2009 by making appropriations and declares an emergency

State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
Highway Operating Fund (Fund 7002) – Department of Transportation			
Revenues	Gain of approximately \$935.7 million from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for eligible road and bridge project construction	Increase for eligible road and bridge project construction	- 0 -
Federal Special Revenue Fund (Fund 3080) – Department of Development			
Revenues	Gain of approximately \$399.2 million from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for Weatherization Assistance and State Energy Grants Programs	Increase for Weatherization Assistance and State Energy Grants Programs	- 0 -
HOME Program Fund (Fund 3V10) – Department of Development			
Revenues	Gain of approximately \$83.4 million from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for the HOME program	Increase for the HOME program	- 0 -
Community Development Block Grant Fund (Fund 3K80) – Department of Development			
Revenues	Gain from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for Community Development Block Grant Program	Increase for Community Development Block Grant Program	- 0 -

Green Block Grant Fund (Fund 3CZ0) – Air Quality Development Authority			
Revenues	Gain from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for Energy Efficiency and Conservation Block Grant Program	Increase for Energy Efficiency and Conservation Block Grant Program	- 0 -
Energy Star Rebate Fund (Fund 3A30) – Air Quality Development Authority			
Revenues	Gain from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for Energy Star Rebate Program	Increase for Energy Star Rebate Program	- 0 -
Technology Literacy Transfer Fund (Fund 3S20) – Department of Education			
Revenues	Gain of approximately \$23.9 million from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for the implementation of school technology plans	Increase for the implementation of school technology plans	- 0 -
Clean Air Fund (Fund 4K20) – Environmental Protection Agency			
Revenues	Gain of approximately \$1.7 million from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for clean air programs	Increase for clean air programs	- 0 -
Federal Special Revenue Fund (Fund 3480) – Department of Commerce			
Revenues	Gain from federal stimulus moneys	- 0 -	- 0 -
Expenditures	Increase for Leaking Underground Storage Tank Program	Increase for Leaking Underground Storage Tank Program	- 0 -
Water Pollution Control Loan Fund and Drinking Water Assistance Fund (custodial funds—not appropriated)			
Revenues	Gain from State Revolving Loan Fund capitalization grants	- 0 -	- 0 -
Expenditures	Increase for eligible projects	Increase for eligible projects	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill appropriates approximately \$1.4 billion in federal stimulus moneys in FY 2009 for a number of state programs administered by a variety of state agencies. In addition to the appropriated amounts, the bill directs the proceeds of other federal stimulus funds where the state allocation has yet to be determined to the appropriate state funds and appropriates the amounts deposited. The bill specifies that moneys remaining unexpended and unencumbered at the end of FY 2009 are carried forward for the same purposes in FY 2010.
- The bill also directs federal stimulus capitalization grants for the Clean Water and Drinking Water State Revolving Loan Funds to existing state funds used to support eligible wastewater treatment and public water system projects. Since the state

funds designated to receive federal stimulus moneys for these purposes are custodial funds, there is no appropriation provided.

- The bill requires approved projects using federal stimulus moneys appropriated in this bill to be posted on the state's web site providing information about the federal stimulus initiative, www.recovery.ohio.gov. Parties to contracts for projects funded with federal stimulus moneys must comply with applicable federal and state laws, including the Minority Business Enterprise Program, the Encouraging Diversity, Growth, and Equity Program, and the Buy Ohio Program.

Local Fiscal Highlights

- No direct fiscal effect on local governments.
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Detailed Fiscal Analysis

The bill appropriates about \$1.4 billion in federal economic stimulus moneys for state FY 2009 to designated state of Ohio funds for a number of state programs. In addition to the appropriated amounts, the bill directs the proceeds of other federal stimulus funds where the state allocation has yet to be determined to the appropriate state funds and appropriates the amounts deposited. The bill also directs capitalization grant moneys for Drinking Water and Clean Water State Revolving Funds (SRFs) into their designated state custodial funds, which are held in trust by the Ohio Water Development Authority and do not require appropriations. Finally, of the moneys subject to appropriation, the bill carries forward – or reappropriates – any moneys remaining unexpended and unencumbered at the end of FY 2009 for the same uses in FY 2010.

Generally, the bill requires approved projects using federal stimulus moneys appropriated in this bill to be posted on the state's web site providing information about the federal stimulus initiative: www.recovery.ohio.gov. Parties to contracts for projects funded with federal stimulus moneys would also be required to comply with applicable federal and state laws, including the Minority Business Enterprise Program, the Encouraging Diversity, Growth, and Equity Program, and the Buy Ohio Program.

The table below summarizes the programs funded in this bill and the amounts of federal stimulus moneys appropriated or estimated to be received by the program, in the order the appropriations or programs appear in the bill. Because in some cases estimates of federal stimulus funding were not available at the time the bill was drafted, there are no specific dollar amounts appropriated for those programs in S.B. 2. In these circumstances, the table below reflects the amounts appropriated for these purposes in

H.B. 2, the main operating budget for FY 2010-FY 2011 pending before the General Assembly, which also appropriates federal stimulus moneys.

Federal Stimulus Program Funding Summary				
Agency	Program	Fund	Line Item	Amount (millions)
Department of Development	Weatherization Assistance	3080	195605	\$276.6
	State Energy Program	3080	195618	\$122.6
	HOME Program	3V10	195601	\$83.4
	Community Development Block Grant	3K80	N/A	\$13.0
Department of Education	Education Technology	3S20	200641	\$23.9
Environmental Protection Agency	Clean Air Non-Title V	4K20	715648	\$1.7
Ohio Water Development Authority	Clean Water State Revolving Fund	Custodial	N/A	\$224.0 (est.)
	Drinking Water State Revolving Fund	Custodial	N/A	\$58.9 (est.)
Department of Transportation	Highway Infrastructure	7002	772422	\$935.7
Air Quality Development Authority	Energy Efficiency and Conservation Block Grant	3CZ0	N/A	\$21.0
	Energy Star Rebate Program	3A30	N/A	\$11.0
Department of Commerce	Leaking Underground Storage Tanks	3480	N/A	\$10.0
Total				\$1,781.8

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