

State of Ohio
Department of Development

Role and Overview

The Department of Development (ODOD) promotes economic growth, creates employment opportunities, and retains employment by using a combination of state and federal funds, tax credits, tax incentives, and interaction with other state agencies. The department administers funding for community development and housing programs, electric utility service payment assistance, home weatherization and energy conservation, international trade, technology and economic development, minority business, workforce training, and travel and tourism. The department also provides funding for public infrastructure improvements and for private capital investments that create employment opportunities or retain employees. With approximately 371 employees and six international trade offices, the department has an annual budget of approximately \$863 million, of which approximately 85 percent is distributed through loans and grants. More information regarding the Department of Development is available at <http://www.odod.state.oh.us>.

Executive Priorities for the Department of Development

- Promote the development of Ohio's economy by assisting companies, training workers, and supporting strong communities.

Summary of Budget History and Recommendations

(In thousands)				ESTIMATE	%	RECOMMENDED				
BUDGET FUND GROUP	FY 2002	ACTUAL FY 2003	FY 2004	FY 2005	CHANGE FY 04-05	FY 2006	%	CHANGE	FY 2007	%
General Revenue Fund	125,284	126,693	86,845	97,184	11.9	97,210	.0		101,120	4.0
General Services Fund Group	8,548	7,746	7,336	34,597	371.6	16,450	(52.5)		26,540	61.3
Fed Special Revenue Fund Group	242,967	248,628	253,221	283,816	12.1	274,349	(3.3)		274,349	.0
State Special Revenue Fund Group	263,833	230,521	241,110	307,663	27.6	292,898	(4.8)		294,898	.7
Coal Research/Development Fund	14,132	8,485	0	0	.0	0	.0		0	.0
Facilities Establishment Fund	39,333	61,409	42,284	188,906	346.8	184,406	(2.4)		184,406	.0
Clean Ohio Revitalization	0	0	91	150	65.0	350	133.3		350	.0
TOTAL	694,097	683,481	630,886	912,316	44.6	865,664	(5.1)		881,663	1.8

(In thousands)				ESTIMATE	%	RECOMMENDED				
OBJECT OF EXPENSE	FY 2002	ACTUAL FY 2003	FY 2004	FY 2005	CHANGE FY 04-05	FY 2006	%	CHANGE	FY 2007	%
Personal Services	35,580	35,157	33,205	37,692	13.5	30,686	(18.6)		31,202	1.7
Purchased Services	10,570	10,271	8,220	14,273	73.6	12,916	(9.5)		12,753	(1.3)
Maintenance	18,773	14,965	15,528	21,076	35.7	16,148	(23.4)		16,042	(.7)
Equipment	1,195	647	762	1,441	89.0	1,029	(28.6)		1,006	(2.3)
Subsidy	558,018	529,473	519,412	622,707	19.9	611,992	(1.7)		613,865	.3
Transfer & Other	69,961	92,968	53,758	215,127	300.2	192,893	(10.3)		206,795	7.2
TOTAL	694,097	683,481	630,886	912,316	44.6	865,664	(5.1)		881,663	1.8

Department of Development

PROGRAM SERIES 01: Economic Development

This program series seeks the retention and expansion of existing businesses in Ohio, the attraction of businesses to the state, and the development of new businesses in Ohio. In 2004, Ohio received *Site Selection Magazine's* coveted Governor's Cup for having the most new and expansion projects in the nation in 2003. The ODOD completed projects with more than 193 firms committed to locating or expanding in Ohio as of December 2004. These companies have committed to creating more than 16,000 jobs within three years and retaining nearly 37,700 jobs, with an average hourly wage of \$16.97 and representing investments of more than \$3.4 billion.

Program 01.01: Business Development and Financial Incentives

This program assists and promotes economic growth through capital investment and employment opportunities for Ohioans by providing financial assistance programs and various support services to companies and communities throughout the state. The varied activities in this program include grants and loans for job creation and retention and capital investment, plus the more specialized Clean Ohio funding to revitalize underutilized "brownfield" sites, roadwork development funding to assist communities with highway and road projects that result in new investments, grants and loans that promote economic development in rural areas, and funding that guarantees loans to family farms.

What the Budget Buys:

- Increases, by over 30%, the funding available for Business Development grants, a flexible economic development tool used to attract and retain businesses;
- Increases, by 25%, the funding available for services related to brownfield development in Ohio, including technical assistance and project visits; and
- Supports efforts to ensure that recipients of grants and loans meet the conditions attached to funding.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-412	Business Development Grants	11,750,000	11,750,000
GRF	GRF	195-415	Economic Development Div & Regional Offices	2,031,087	2,128,773
GRF	GRF	195-426	Clean Ohio Implementation	300,000	300,000
GRF	GRF	195-515	Economic Development Contingency	10,000,000	0
GSF	5AD	195-677	Economic Development Contingency	0	10,000,000
SSR	4W0	195-629	Roadwork Development	12,699,900	12,699,900
SSR	451	195-625	Econ Development Financing Operating	2,358,311	2,358,311
SSR	617	195-654	Volume Cap Administration	200,000	200,000
037	037	195-615	Facilities Establishment	63,931,149	63,931,149
037	4Z6	195-647	Rural Industrial Park Loan	3,000,000	3,000,000
037	5D2	195-650	Urban Redevelopment Loans	10,475,000	10,475,000
037	5H1	195-652	Family Farm Loan Guarantee	1,000,000	1,000,000
037	5S8	195-627	Rural Development Initiative	3,000,000	3,000,000
CLR	003	195-663	Clean Ohio - Operating	350,000	350,000
TOTAL FOR PROGRAM				121,095,447	121,193,133

Program 01.02: Investment in Training

This program provides financial, educational, and instructional resources for customized training directly to Ohio businesses. The primary functions of the Ohio Investment in Training Program (OITP) are to create and retain jobs within Ohio, train and educate Ohio's workforce, and support new and expanding Ohio businesses. In fiscal year 2004, more than 39,500 incumbent workers were trained through this program.

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What the Budget Buys:

- Continues the Worker Guarantee Program, which provides state funding to assess, train, and screen employees for companies creating 100 or more jobs, at the level established in Governor Taft's 2004 Jobs Bill;
- Maintains an elevated level of funding for the Ohio Investment in Training Program; and
- Supports the Governor's Ohio Workforce Policy Board, which is working to improve Ohio's employment and training services through systemic workforce development change.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-415	Economic Development Div & Regional Offices	315,088	317,402
GRF	GRF	195-434	Investment in Training Grants	12,227,500	12,227,500
GSF	5AD	195-667	Investment In Training Expansion	5,000,000	5,000,000
GSF	5AD	195-668	Worker Guarantee Program	3,000,000	3,000,000
FED	3AE	195-643	Workforce Development Initiatives	5,800,000	5,800,000
TOTAL FOR PROGRAM				26,342,588	26,344,902

Program 01.03: Small and Developing Business

This program works with small- and women-owned businesses interested in expanding or locating their businesses in Ohio. This program also acts as a liaison between the small business community and governmental agencies and provides technical assistance through its network of Small Business Development Centers (SBDC) and Manufacturing SBDCs. It also expands business opportunities through the 1st Stop Business Connection. The Ohio Small Business Ombudsman offers assistance to business owners who have not been able to settle business or regulatory issues with state agencies.

What the Budget Buys:

- Supports the Small Business Development Center Program, which funds a variety of services including a network of regional direct-service offices, the eVantage in-depth counseling and training program, and international trade assistance for new exporters;
- Supports the Governor's Small Business Advisory Council in soliciting the concerns and priorities of small business owners; and
- Continues the Capital Access Loan Program, an economic development tool that encourages lending to small businesses for growth and expansion.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-404	Small Business Development	1,740,722	1,740,722
GRF	GRF	195-436	Labor/Management Cooperation	811,869	811,869
FED	308	195-609	Small Business Administration	3,796,381	3,796,381
037	5S9	195-628	Capital Access Loan Program	3,000,000	3,000,000
TOTAL FOR PROGRAM				9,348,972	9,348,972

Program 01.04: Minority Business Development

This program aids in the creation of a business environment that is sensitive to the needs of small, disadvantaged, and minority businesses. Information is provided to minority business owners through the Minority Contractors and Business Assistance Program, the Office of Management and Technical Services, and the Office of Procurement Services.

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What the Budget Buys:

- Supports activities to assist targeted businesses, including the Encouraging Diversity, Growth, and Equity (EDGE) Mentor-Protégé Program, which brings publicly recognized business leaders into a working relationship with certified EDGE program participants; and
- Continues programs that provide loans, bond guaranties, and loan guarantees to assist minority and small businesses with growth and development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-405	Minority Business Development Division	1,580,291	1,580,291
FED	308	195-609	Small Business Administration	500,000	500,000
SSR	4W1	195-646	Minority Business Enterprise Loan	2,580,597	2,580,597
SSR	450	195-624	Minority Business Bonding Program Admin	53,967	53,967
TOTAL FOR PROGRAM				4,714,855	4,714,855

Program 01.05: Tax Incentives

This program includes activities to offset real and personal property taxes and the Job Creation and Job Retention Tax Credit Programs. The Enterprise Zone, Community Reinvestment Area, and Tax Increment Financing programs provide direct tax incentives to businesses making new investments in real and personal property within certified areas of the state. The Job Creation Tax Credit Program provides a refundable tax credit against a company's corporate franchise or personal income tax based on the amount of state income tax withheld from eligible new full-time employees. The Job Retention Tax Credit Program provides a nonrefundable tax credit to foster retention of full-time jobs in Ohio.

What the Budget Buys:

- Supports the administration of the Job Creation Tax Credit (JCTC) and the Job Retention Tax Credit (JRTC) programs, which are available to companies with proposed projects meeting statutory and administrative guidelines for job creation or retention;
- Supports the Ohio Tax Credit Authority, an independent board that approves JCTC and JRTC projects and oversees the execution of existing tax credit agreements; and
- Administers property tax incentive programs including the Enterprise Zone, Community Reinvestment Area, and Tax Increment Financing programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
SSR	4S0	195-630	Enterprise Zone Operating	275,000	275,000
SSR	4S1	195-634	Job Creation Tax Credit Operating	375,800	375,800
TOTAL FOR PROGRAM				650,800	650,800

Program 01.06: Regionalization of Economic Development

This program consists of 12 regional offices that assist industry and the community by facilitating state government responses to business and community concerns. The offices assist in retaining, expanding, and creating new employment opportunities in the state, act as liaisons between their region and state government, and represent the Governor locally.

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What the Budget Buys:

- Operates 12 regional offices that support the agency's efforts to enhance the state's overall business climate. These offices provide assistance to local governments, businesses, and professional economic development agencies, and are located in Youngstown, Marietta, Cambridge, Akron, Cleveland, Chillicothe, Mansfield, Cincinnati, Dayton, Lima, Toledo, and Columbus.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-415	Economic Development Div & Regional Offices	3,448,800	3,448,800
TOTAL FOR PROGRAM				3,448,800	3,448,800

Program 01.07: Marketing, Promotion, and Advertisement

This program promotes the programs and services of the department, plans economic development-related events, responds to media inquiries, and coordinates marketing programs that promote the state as a favorable site for business expansion and relocation.

What the Budget Buys:

- Provides state funding to assist with the operations of the Ohio Business Development Coalition (OBDC) as it works to develop a statewide brand, regional marketing program, and to generate business leads;
- Supports the Office of Marketing Communications, which promotes the programs and services of the department, provides event planning, produces news releases, and coordinates marketing aimed at promoting the state as a favorable site for business expansion and relocation; and
- Provides state funds to match local funds for economic development promotional campaigns for rural and Appalachian counties.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-321	Operating Expenses	1,479,482	1,440,003
GRF	GRF	195-414	First Frontier Match	250,000	250,000
SSR	4F2	195-639	State Special Projects	8,000	8,000
SSR	4F2	195-676	Promote Ohio	5,000,000	5,000,000
SSR	4H4	195-641	First Frontier	500,000	500,000
TOTAL FOR PROGRAM				7,237,482	7,198,003

PROGRAM SERIES 02: Appalachian Development

This program series provides economic and community development in Ohio's Appalachian region.

Program 02.01: Appalachian Development

This program aims to improve the standard of living for residents of the 29 Ohio counties designated as part of Appalachia. The economic and community development-related activities of the program include grants and loans supported by state and federal funding. These are administered with the help of three local development districts offices located in Marietta, Cambridge, and Waverly. In fiscal year 2003, funding of \$3.6 million was allocated to 23 projects, which leveraged an additional \$6.9 million. The activities of the program served 16,000 households and 430 industries, created 465 jobs, and trained approximately 6,500 clients.

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What the Budget Buys:

- Continues state support of Appalachian development activities, including participation in federal Appalachian Regional Commission (ARC) efforts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-416	Governor's Office of Appalachia	4,122,372	4,122,372
GRF	GRF	195-501	Appalachian Local Development Dist.	380,080	380,080
GRF	GRF	195-502	Appalachian Regional Commission Dues	246,803	246,803
FED	308	195-602	Appalachian. Regional Commission	600,660	600,660
TOTAL FOR PROGRAM				5,349,915	5,349,915

PROGRAM SERIES 03: Technology Development

This program series supports economic development through the research, development, and commercialization of advanced systems, processes, and products.

Program 03.01: Thomas Edison Program

This program supports economic development in Ohio by providing technical and business assistance to meet the needs of key existing and emerging industry sectors. It helps to expand the capacity of Ohio's manufacturing sector, increase its market share, and realize measurable productivity improvements. It supports the formation and growth of new technology-oriented businesses. Services are delivered through the Edison Technology Centers, Edison Technology Incubators, and other technology development intermediaries. Additional activities to support technology development funded in full or in part through this program are Governor Taft's Third Frontier Project (Fuel Cell Initiative, Wright Centers, Wright Capital Projects), the support of the Ohio Venture Capital Authority, and support for the Ohio Aerospace and Defense Council.

What the Budget Buys:

- Provides continuing support for seven Edison Centers, eight Edison Incubators, and a technology commercialization center to assist new and existing businesses in product-based technology;
- Provides operational support for Governor Taft's Fuel Cell Initiative, the Ohio Venture Capital Association, and the Ohio Aerospace and Defense Council; and
- Sponsors activities that promote science and technology outreach, recognition, and education, such as State Science Day and Entrepreneur of the Year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-401	Thomas Edison Program	15,454,838	15,454,838
TOTAL FOR PROGRAM				15,454,838	15,454,838

Program 03.02: Third Frontier Program

This program includes significant portions of Governor Taft's Third Frontier Initiative. Program investments are focused in the areas of bioscience, advanced materials, information technology, power and propulsion, and instruments, controls, and electronics. The Third Frontier Action Fund awards competitive grants to projects that contribute to technology-based economic development in Ohio. The Innovation Ohio Loan Fund assists Ohio companies in developing next generation products and services. The Research and Development Loan Fund targets large, private-sector research and development investments that create high-wage jobs.

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What the Budget Buys:

- Continues funding for Third Frontier Action Fund awards at the fiscal year 2005 level;
- Provides required payments on bonds to be issued for Third Frontier projects; and
- Maintains funding for the Innovation Ohio and Research and Development Loan Funds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-422	Third Frontier Action Fund	16,790,000	16,790,000
GRF	GRF	195-905	Third Frontier Research & Commercial Debt Service	0	13,910,000
037	009	195-664	Innovation Ohio	50,000,000	50,000,000
037	010	195-665	Research and Development	50,000,000	50,000,000
TOTAL FOR PROGRAM				116,790,000	130,700,000

PROGRAM SERIES 04: Community Development

This program series consists of various state and federal programs benefitting low- and moderate-income individuals and families. Among other functions, the programs support local economic development activities to create and retain jobs, rehabilitate communities and neighborhoods through infrastructure improvements, and provide weatherization services, energy conservation incentives, and homeless assistance.

Program 04.01: Downtown Revitalization

This program administers the Comprehensive Downtown Revitalization Program, which is supported by the Small Cities Community Development Block Grant Program. It provides grants through a competitive process to aid in the revitalization of central business districts. Such revitalization aids in the elimination of slums and blight, and creates and retains permanent private-sector job opportunities, principally for persons from low- and moderate-income households.

What the Budget Buys:

- Supports the Comprehensive Downtown Revitalization Program to stabilize central business districts with deteriorating infrastructure systems by annually improving 16,400 linear feet of streets, 2,000 linear feet of water or sewer lines, 6,000 linear feet of flood and drainage facilities, and 64,000 square feet of curbs and sidewalks; renovating 360 central business district facades and building interiors, and completing 20 major streetscape projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-497	CDBG Operating Match	42,680	42,680
FED	3K8	195-613	Community Dev Block Grant	2,700,000	2,700,000
TOTAL FOR PROGRAM				2,742,680	2,742,680

Program 04.02: Services to Alleviate Poverty

This program administers federal funds provided through the Community Services Block Grant and the Community Food and Nutrition Initiatives Program. The Community Services Block Grant supports activities that address unemployment and underemployment, inadequate education, inefficient and/or ineffective use of income, inadequate housing, inability to meet emergency needs, incomplete use of available programs and services, and starvation and malnutrition. Funds are provided to 52 community action agencies serving all 88 Ohio counties. The Community Food and Nutrition Initiatives Program works to alleviate hunger in the general population and specifically among children through expansion of participation in child nutrition programs. Grants are awarded to the Children's Hunger Alliance and the Ohio Association of Second Harvest Food Banks for activities related to the objectives of the federal funding.

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What the Budget Buys:

- Supports awards and administration of grants for the Community Services Block Grant and Community Food and Nutrition Initiatives programs at levels consistent with fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
FED	3L0	195-612	Community Services Block Grant	25,235,000	25,235,000
TOTAL FOR PROGRAM				25,235,000	25,235,000

Program 04.03: Energy Efficiency

This program consists of several activities that promote energy efficiency and assist low-income Ohioans with energy conservation, weatherization services, and meeting high costs of home heating. The State Energy Plan is federally funded and provides for public outreach and education, and various commercial and industrial programs. The Home Weatherization Assistance Program is federally funded and supports the installation of weatherization materials and the education of low-income clients in eligible households. The Universal Service Fund supports low-income assistance programs for electric utility customers. The Electric Partnership Program provides targeted energy efficiency and customer education services to high arrearage/high consumption customers. The Energy Efficiency Revolving Loan Fund provides financial assistance for energy efficiency and renewable energy projects for a variety of customers including residences, commercial and industrial businesses, local governments, educational institutions, nonprofits, agricultural customers, and low income housing. The Low Income Home Energy Assistance Program provides elderly clients, those with certain medical conditions, and eligible low-income Ohioans with assistance in meeting their energy needs. Finally, this program provides intake and eligibility determinations for low-income households enrolled in the Percentage of Income Payment Plan for regulated gas companies.

What the Budget Buys:

- Supports the Governor's Smart Energy and fuel cell initiatives, the development of methods for the performance of energy audits of buildings, the preparation or identification of curricula or source materials for training persons conducting energy audits, the continuation of education efforts for energy conservation, and financial assistance for innovative projects and technologies;
- Provides assistance to approximately 250,000 low-income households through the Low Income Home energy Assistance Program; and
- Continues efforts supporting low-income assistance programs for gas and electric utility customers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-498	State Match Energy	94,000	94,000
FED	3K9	195-611	Home Energy Assist Block Grant	90,500,000	90,500,000
FED	3K9	195-614	HEAP Weatherization	16,219,478	16,219,478
FED	308	195-605	Federal Projects	15,300,249	15,300,249
FED	308	195-618	Energy Federal Grants	3,397,659	3,397,659
FED	335	195-610	Oil Overcharge	3,000,000	3,000,000
SSR	4F2	195-639	State Special Projects	282,183	282,183
SSR	5M4	195-659	Universal Service	210,000,000	210,000,000
SSR	5M5	195-660	Energy Efficiency Loan and Grant	12,000,000	12,000,000
SSR	5X1	195-651	Exempt Facility Inspection	25,000	25,000
TOTAL FOR PROGRAM				350,818,569	350,818,569

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Program 04.04: Public Works/Infrastructure Development

This program consists of a formula-based federal funding program to counties and cities for infrastructure and public services, as well as some limited spending for housing rehabilitation. The program also includes funding for water and sanitary sewer projects to ensure safe drinking water and proper disposal of sanitary waste.

What the Budget Buys:

- Supports improvements to infrastructure systems, including 710,000 linear feet of streets per year, 2,600,000 linear feet of water or sewer lines per year, 75,000 linear feet of flood and drainage systems per year, and 200,000 linear feet of curbs and sidewalks per year, and construction or rehabilitation of 40 water or wastewater treatment facilities annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-497	CDBG Operating Match	665,795	665,795
FED	3K8	195-613	Community Dev Block Grant	41,600,000	41,600,000
SSR	444	195-607	Water & Sewer Commission Loans	523,775	523,775
SSR	611	195-631	Water & Sewer Administration	15,713	15,713
TOTAL FOR PROGRAM				42,805,283	42,805,283

Program 04.05: Local Government Economic Development

This program aims to stabilize communities experiencing economic distress by supporting local programs that create and retain jobs, improve infrastructure, and provide training. The assistance is targeted to low- and moderate-income populations and entrepreneurs.

What the Budget Buys:

- Supports efforts to stabilize communities experiencing economic distress by improving 130,000 linear feet of streets, 22,000 linear feet of water or sewer lines, and 13,300 linear feet of flood and drainage systems, by assisting 65 small businesses, and by training 500 individuals. These investments are, among other outcomes, expected to result in the creation of 1,000 jobs and the retention of 325 jobs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-497	CDBG Operating Match	145,109	145,109
FED	3K8	195-613	Community Dev Block Grant	9,000,000	9,000,000
TOTAL FOR PROGRAM				9,145,109	9,145,109

PROGRAM SERIES 05: Housing Development

This program series administers a range of services to provide affordable housing for low- and moderate-income homebuyers and renters. Using low-interest loans, grants, and rent subsidies, the programs provide assistance directly to homebuyers and renters and financial support to housing providers such as local governments, and not-for-profit and for-profit developers.

Program 05.01: Local Government Housing Assistance

This program administers federal grants to eligible units of local government through the Community Housing Improvement Program (CHIP). Funding is used to upgrade the housing stock available for low- and moderate-income Ohioans through construction, improvement, repair, and rehabilitation.

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What the Budget Buys:

- Maintains fiscal year 2005 activity levels through the biennium, including the expected repair of 1,600 housing units, rehabilitation of 1,000 units, construction of 130 housing units, down payment assistance to 28 households, and counseling/information to 400 households.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-497	CDBG Operating Match	187,372	187,372
FED	3K8	195-613	Community Dev Block Grant	11,000,000	11,000,000
FED	3V1	195-601	HOME Program	30,000,000	30,000,000
TOTAL FOR PROGRAM				41,187,372	41,187,372

Program 05.02: For-Profit and Not-for-Profit Housing Development

This program provides financing to developers of affordable housing for low- and moderate-income populations. The Housing Development Assistance Program (HDAP) and Community Housing Development Organization (CHDO) Competitive Operating Grant Program award competitive grants to develop and finance eligible housing projects.

What the Budget Buys:

- Increases, from 720 to 800, the number of rental units that will be constructed;
- Increases, from 270 to 300, the number of rental units that will be rehabilitated;
- Increases, from 2,700 to 3,000, the number of households that will receive down-payment assistance;
- Increases, from 19,800 to 22,000, the number of rental units that will receive subsidies; and
- Increases, from 2,700 to 3,000, the number of new housing units that will be developed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
FED	3V1	195-601	HOME Program	10,000,000	10,000,000
SSR	646	195-638	Low & Moderate Income Housing Trust	23,000,000	24,000,000
TOTAL FOR PROGRAM				33,000,000	34,000,000

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Program 05.03: Housing Trust Fund

This program provides grants and loans for qualifying housing projects serving low- and moderate-income persons. Specific activities include the Housing Assistance Request for Proposals Program, the Special Project Program, the Emergency Shelter Grant Program, the transitional and permanent housing programs, the community development corporation programs, and the Resident Services Coordination program. These varied activities fund housing construction, improvement, repair, and rehabilitation, supportive services, homelessness prevention, business assistance, downpayment assistance, and training activities.

What the Budget Buys:

- Increases, from 5,760 to 6,400, the number of households that will receive supportive services;
- Increases, from 1,800 to over 2,000, the number of housing units that will be repaired or rehabilitated, and from five to six, the number of buildings that will be repaired or rehabilitated;
- Increases, from 22,500 to 25,000, the number of households that will receive homelessness prevention assistance;
- Increases, from 108 to 120, the number of businesses that will receive business assistance;
- Increases, from 2,700 to 3,000 the number of persons who will receive training and technical assistance; and
- Increases, from 1,000 to over 1,100, the number of households that will receive tenant/landlord mediation services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
SSR	646	195-638	Low & Moderate Income Housing Trust	23,000,000	24,000,000
TOTAL FOR PROGRAM				23,000,000	24,000,000

Program 05.04: Homelessness Assistance

This program supports the Emergency Shelter Grant Program and the Housing Opportunities for Persons with AIDS Program. These activities fund housing, supportive services, and homelessness prevention activities by local governments and non-profit organizations.

What the Budget Buys:

- Supports crucial housing projects across the state in partnership with local governments and non-profit organizations, resulting in rental assistance to 900 households, mortgage payment assistance to 100 households, supportive services to 900 households, and utility payment assistance to 800 households.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
FED	3K8	195-613	Community Dev Block Grant	700,000	700,000
FED	308	195-603	Housing & Urban Development	5,000,000	5,000,000
TOTAL FOR PROGRAM				5,700,000	5,700,000

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PROGRAM SERIES 06: International Trade

This program series promotes Ohio to the world market.

Program 06.01: International Trade

This program promotes Ohio by assisting Ohio manufacturers and service providers in locating and capitalizing on export opportunities, by marketing Ohio as a premier business location and attracting direct investment by foreign companies, and by organizing Ohio business missions to international markets. This program staffs offices in Brussels, Hong Kong, Tokyo, Toronto, Mexico City, and Tel Aviv and, with the Council of Great Lakes Governors, jointly administers offices in Sao Paulo, Santiago, Johannesburg, and Buenos Aires. From 2000 to 2004, Governor Taft led five international business missions to Japan (in 2002 and 2004), South America, Europe, Mexico, and Taiwan. These missions resulted in more than \$627 million in projected new business for Ohio companies and new investment within the state, and more than 1,400 jobs.

What the Budget Buys:

- Continues efforts to strengthen Ohio's economy through international business through export promotion, foreign direct investment attraction, and international business missions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-432	International Trade	4,223,787	4,223,787
TOTAL FOR PROGRAM				4,223,787	4,223,787

PROGRAM SERIES 07: Travel and Tourism Promotion

This program series promotes Ohio as a tourism destination and filming location.

Program 07.01: Travel and Tourism Promotion

This program consists of an integrated marketing campaign including print, television, online, and radio advertising, regional and national public relations, the DiscoverOhio.com website, and the 1-800-BUCKEYE call center. In 2003, the travel and tourism industry contributed \$28.5 billion in direct visitor spending, and more than \$1.9 billion in direct taxes, and employed more than 505,000 Ohioans. The program also consists of targeted grants for the marketing of specific tourism destinations.

What the Budget Buys:

- Supports efforts to market Ohio as a tourism product through effective, measurable marketing programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-407	Travel and Tourism	6,812,845	6,712,845
GRF	GRF	195-507	Travel & Tourism Grants	900,000	900,000
TOTAL FOR PROGRAM				7,712,845	7,612,845

Department of Development

PROGRAM SERIES 08: Program Management

This program series provides centralized services to the Department of Development.

Program 08.01: Program Management

This program provides centralized services within the Department of Development including executive leadership, legal support, human resources, fiscal management, auditing, information technology maintenance and development, facilities management, legislative affairs, communications, and research.

What the Budget Buys:

- Supports centralized services to ensure the efficient operation of the department.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	195-321	Operating Expenses	1,209,426	1,248,905
GSF	135	195-605	Supportive Services	7,450,000	7,539,686
GSF	685	195-636	General Reimbursements	1,000,000	1,000,000
TOTAL FOR PROGRAM				9,659,426	9,788,591

Department of Development

Appropriation Line Item Analysis for FYs 2006 and 2007

Summary of Agency Restructuring

Housing Development Operating/622 and Housing Finance Operating/617: The functions previously supported by these line items are performed by the Ohio Housing Finance Agency, which becomes an independent agency on July 1, 2005. These funds will no longer be appropriated through the budget process due to the structure of the Ohio Housing Finance Agency.

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	195-100	Personal Services	2,426,520	2,350,207	9,964	0	0	.0	0	.0
GRF	195-200	Maintenance	555,676	462,998	58,973	0	0	.0	0	.0
GRF	195-300	Equipment	66,447	73,633	0	0	0	.0	0	.0
GRF	195-321	Operating Expenses	0	0	2,182,544	2,838,908	2,688,908	(5.3)	2,688,908	.0
GRF	195-401	Thomas Edison Program	18,514,946	16,308,887	13,786,526	15,454,838	15,454,838	.0	15,454,838	.0
GRF	195-404	Small Business Development	2,294,713	2,049,714	1,561,957	1,740,722	1,740,722	.0	1,740,722	.0
GRF	195-405	Minority Business Dev Division	2,218,357	1,859,143	1,553,124	1,580,291	1,580,291	.0	1,580,291	.0
GRF	195-406	Transitional/Permanent Housing	2,922,214	3,929,511	681,381	0	0	.0	0	.0
GRF	195-407	Travel and Tourism	4,405,656	4,490,755	4,431,422	7,049,345	6,812,845	(3.4)	6,712,845	(1.5)
GRF	195-408	Coal Research Development	573,802	488,776	195	0	0	.0	0	.0
GRF	195-409	Utility Payment Administration	4,094	0	0	0	0	.0	0	.0
GRF	195-410	Defense Conversion Assist Prog	128,957	0	478,882	0	0	.0	0	.0
GRF	195-412	Business Development Grants	6,622,400	8,375,716	6,983,133	8,905,530	11,750,000	31.9	11,750,000	.0
GRF	195-414	First Frontier Match	493,639	334,229	192,417	250,000	250,000	.0	250,000	.0
GRF	195-415	Economic Dev Div & Regional Offices	6,563,314	5,527,392	5,425,617	5,594,975	5,794,975	3.6	5,894,975	1.7
GRF	195-416	Governor's Office of Appalachia	2,491,596	4,617,536	5,053,684	4,122,372	4,122,372	.0	4,122,372	.0
GRF	195-417	Urban/Rural Initiative Grant Prog	1,315,244	1,838,911	1,061,875	150,000	0	(100.0)	0	.0
GRF	195-421	Environmental Clean Up	72,515	0	0	0	0	.0	0	.0
GRF	195-422	Third Frontier Action Fund	12,590,897	16,902,454	16,696,859	16,790,000	16,790,000	.0	16,790,000	.0
GRF	195-426	CLEAN OHIO Implementation	285,669	387,827	315,143	368,730	300,000	(18.6)	300,000	.0
GRF	195-431	Comm Dev Corporation Grants	1,908,236	2,160,187	254,375	0	0	.0	0	.0
GRF	195-432	International Trade	5,357,015	4,109,397	3,691,349	4,223,787	4,223,787	.0	4,223,787	.0
GRF	195-434	Investment in Training Grants	14,473,692	13,288,007	10,612,580	12,227,500	12,227,500	.0	12,227,500	.0
GRF	195-436	Labor/Management Cooperation	1,043,607	1,098,542	861,240	811,869	811,869	.0	811,869	.0
GRF	195-440	Emergency Shelter Housing Grnt	2,384,772	2,373,235	327,056	0	0	.0	0	.0
GRF	195-441	Low & Moderate Income Housing	17,535,257	15,317,900	0	0	0	.0	0	.0
GRF	195-497	CDBG Operating Match	1,147,020	1,136,422	1,107,400	1,040,956	1,040,956	.0	1,040,956	.0
GRF	195-498	State Match Energy	112,996	131,595	100,000	94,000	94,000	.0	94,000	.0
GRF	195-501	Appalach. Local Develop. Dist.	450,369	446,792	393,856	380,080	380,080	.0	380,080	.0
GRF	195-502	Appalachian Regional Comm Dues	216,613	216,613	238,274	246,803	246,803	.0	246,803	.0
GRF	195-505	Utility Bill Credits	6,805,365	5,024,670	0	0	0	.0	0	.0
GRF	195-507	Travel & Tourism Grants	1,205,525	1,030,516	1,015,000	963,500	900,000	(6.6)	900,000	.0
GRF	195-513	Empowerment Zones/Ent. Commun	374,313	415,385	170,268	0	0	.0	0	.0
GRF	195-515	Economic Development Contingency	0	0	7,600,000	10,000,000	10,000,000	.0	0	(100.0)
GRF	195-516	Shovel Ready Sites	0	0	0	2,350,000	0	(100.0)	0	.0
GRF	195-905	Third Frontier Res & Com Debt Srv	0	0	0	0	0	.0	13,910,000	.0
GRF	195-906	Coal Research/Dev. G.O. Debt Svc	7,722,912	9,946,131	0	0	0	.0	0	.0
TOTAL General Revenue Fund			125,284,348	126,693,081	86,845,094	97,184,206	97,209,946	.0	101,119,946	4.0

** Please see the Appropriation Line Item analysis for further detail.

Executive Budget For Fiscal Years 2006 and 2007

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
135	195-605	Supportive Services	7,720,446	7,030,962	7,032,597	7,539,686	7,450,000	(1.2)	7,539,686	1.2
136	195-621	International Trade	0	17,213	7,702	24,915	0	(100.0)	0	.0
5AD	195-667	Investment In Training Expansion	0	0	0	12,800,000	5,000,000	(60.9)	5,000,000	.0
5AD	195-668	Worker Guarantee Program	0	0	0	3,000,000	3,000,000	.0	3,000,000	.0
5AD	195-669	Wright Operating Grants	0	0	0	10,000,000	0	(100.0)	0	.0
5AD	195-677	Economic Development Contingency	0	0	0	0	0	.0	10,000,000	.0
685	195-636	General Reimbursements	827,615	697,671	295,475	1,232,530	1,000,000	(18.9)	1,000,000	.0
TOTAL General Services Fund Group			8,548,061	7,745,846	7,335,774	34,597,131	16,450,000	(52.5)	26,539,686	61.3
3AE	195-643	Workforce Development Initiatives	0	0	357,664	5,800,000	5,800,000	.0	5,800,000	.0
3K8	195-613	Community Dev Block Grant	60,918,095	55,114,171	57,845,224	65,000,000	65,000,000	.0	65,000,000	.0
3K9	195-611	Home Energy Assist Block Grant	81,242,928	87,110,010	84,125,862	85,036,000	90,500,000	6.4	90,500,000	.0
3K9	195-614	HEAP Weatherization	18,703,104	15,517,099	14,684,322	16,219,479	16,219,478	.0	16,219,478	.0
3L0	195-612	Community Services Block Grant	25,451,595	25,185,963	25,990,324	25,235,000	25,235,000	.0	25,235,000	.0
3V1	195-601	HOME Program	28,000,622	26,096,926	29,778,715	40,000,000	40,000,000	.0	40,000,000	.0
3X3	195-619	TANF Housing	1,547,587	5,015,081	3,797,971	0	0	.0	0	.0
308	195-602	Appalach. Regional Commission	298,820	242,362	298,272	600,660	600,660	.0	600,660	.0
308	195-603	Housing & Urban Development	3,588,279	4,261,421	4,669,493	5,000,000	5,000,000	.0	5,000,000	.0
308	195-605	Federal Projects	10,052,223	16,877,244	19,000,209	19,062,706	15,300,249	(19.7)	15,300,249	.0
308	195-609	Small Business Administration	3,511,221	3,684,493	3,763,821	4,296,381	4,296,381	.0	4,296,381	.0
308	195-618	Energy Federal Grants	3,389,199	2,762,738	2,956,923	3,397,659	3,397,659	.0	3,397,659	.0
335	195-610	Oil Overcharge	1,664,615	2,583,640	1,718,021	8,500,000	3,000,000	(64.7)	3,000,000	.0
380	195-622	Housing Development Operating	4,598,724	4,176,658	4,233,775	5,667,627	0	**	0	.0
TOTAL Fed Special Revenue Fund Group			242,967,012	248,627,806	253,220,596	283,815,512	274,349,427	(3.3)	274,349,427	.0
4F2	195-639	State Special Projects	889,111	663,754	151,573	10,109,453	290,183	(97.1)	290,183	.0
4F2	195-676	Marketing Initiatives	0	0	0	0	5,000,000	.0	5,000,000	.0
4H4	195-641	First Frontier	493,621	334,229	201,950	500,000	500,000	.0	500,000	.0
4S0	195-630	Enterprise Zone Operating	202,383	111,979	207,103	211,900	275,000	29.8	275,000	.0
4S1	195-634	Job Creation Tax Credit Operating	371,628	335,623	290,664	375,800	375,800	.0	375,800	.0
4W0	195-629	Roadwork Development	9,729,598	10,240,363	10,780,699	12,699,900	12,699,900	.0	12,699,900	.0
4W1	195-646	Minority Bus. Enterprise Loan	701,759	448,942	720,794	2,580,597	2,580,597	.0	2,580,597	.0
444	195-607	Water & Sewer Commission Loans	174,029	212,440	343,176	523,775	523,775	.0	523,775	.0
445	195-617	Housing Finance Operating	3,891,521	3,580,520	3,717,284	4,983,738	0	**	0	.0
450	195-624	Minority Bus. Bond'g Prog Admin	0	0	0	53,967	53,967	.0	53,967	.0
451	195-625	Econ Dev Financing Operating	2,173,180	1,949,853	1,602,122	2,358,311	2,358,311	.0	2,358,311	.0
5AR	195-674	Industrial Site Improvements	0	0	0	5,000,000	0	(100.0)	0	.0
5M4	195-659	Universal Service	221,704,133	192,738,056	195,141,707	210,000,000	210,000,000	.0	210,000,000	.0
5M5	195-660	Energy Efficiency Loan and Grant	482,120	871,260	1,112,059	12,000,000	12,000,000	.0	12,000,000	.0

** Please see the Appropriation Line Item analysis for further detail.

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5X1	195-651	Exempt Facility Inspection	0	0	0	50,000	25,000	(50.0)	25,000	.0
5Y6	195-648	Economic Development Contingency	0	0	0	1,000,000	0	(100.0)	0	.0
586	195-653	Scrap Tire Loans and Grants	418,004	550,438	0	0	0	.0	0	.0
611	195-631	Water & Sewer Administration	12,116	15,641	13,065	15,713	15,713	.0	15,713	.0
617	195-654	Volume Cap Administration	168,892	118,937	78,072	200,000	200,000	.0	200,000	.0
646	195-638	Low & Moderate Income Housing Trust	22,420,621	18,348,622	26,750,033	45,000,000	46,000,000	2.2	48,000,000	4.3
TOTAL State Special Revenue Fund Group			263,832,716	230,520,657	241,110,301	307,663,154	292,898,246	(4.8)	294,898,246	.7
046	195-632	Coal Research & Development Fd	14,131,765	8,484,681	0	0	0	.0	0	.0
TOTAL Coal Research/Development Fund			14,131,765	8,484,681	0	0	0	.0	0	.0
009	195-664	Innovation Ohio	0	0	53,029	50,000,000	50,000,000	.0	50,000,000	.0
010	195-665	Research and Development	0	0	0	50,000,000	50,000,000	.0	50,000,000	.0
037	195-615	Facilities Establishment	31,371,779	53,433,611	37,453,944	63,931,149	63,931,149	.0	63,931,149	.0
4Z6	195-647	Rural Industrial Park Loan	3,370,000	1,200,000	1,364,924	5,000,000	3,000,000	(40.0)	3,000,000	.0
5D1	195-649	Port Authority Bond Reserves	1,000,000	2,000,000	0	0	0	.0	0	.0
5D2	195-650	Urban Redevelopment Loans	2,020,000	3,210,540	1,309,668	10,475,000	10,475,000	.0	10,475,000	.0
5H1	195-652	Family Farm Loan Guarantee	1,473,619	639,554	152,000	1,500,000	1,000,000	(33.3)	1,000,000	.0
5S8	195-627	Rural Development Initiative	0	500,000	1,359,412	5,000,000	3,000,000	(40.0)	3,000,000	.0
5S9	195-628	Capital Access Loan Program	97,353	425,542	590,614	3,000,000	3,000,000	.0	3,000,000	.0
TOTAL Facilities Establishment Fund			39,332,751	61,409,247	42,283,591	188,906,149	184,406,149	(2.4)	184,406,149	.0
003	195-663	Clean Ohio - Operating	0	0	90,885	150,000	350,000	133.3	350,000	.0
TOTAL Clean Ohio Revitalization			0	0	90,885	150,000	350,000	133.3	350,000	.0
TOTAL Department of Development			694,096,653	683,481,318	630,886,241	912,316,152	865,663,768	(5.1)	881,663,454	1.8

** Please see the Appropriation Line Item analysis for further detail.