

- Excess moneys in the Lake Erie Resources Fund may be transferred to the Lake Erie Protection Fund
- The commission uses no GRF moneys

Lake Erie Commission

Kerry Sullivan, Budget Analyst

ROLE

The Lake Erie Commission (LEC) was established in 1990 for the purpose of protecting Lake Erie's natural resources, restoring degraded elements of the Lake Erie ecosystem, and promoting economic development of Ohio's north coast. The role of the commission is to ensure the coordination of policies and programs of State government pertaining to water quality, toxins and coastal resource management. Efforts to protect and improve environmental quality of the Lake Erie Basin are coordinated with the development of tourism, recreation, the fishing industry, and the maintenance of Lake Erie ports.

The commission is comprised of the directors of the Ohio Environmental Protection Agency, the Department of Agriculture, Department of Development, Department of Health, Department of Natural Resources, and Department of Transportation. The Lake Erie Commission Office was established in 1992 to serve the commission in protecting and developing Lake Erie's resources. Operating as an independent state agency, the commission office is comprised of six full-time (equivalent) employees who perform the day-to-day functions of the commission with a total operating budget of approximately \$1.7 million.

Agency In Brief					
Number of Employees	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2002	2003	2002	2003	
6	\$1.7 million	\$1.8 million	\$0	\$0	Am. Sub. H.B. 94

OVERVIEW

Appropriations for FY 2002 total \$1,705,863. This amount is \$80,612 greater than the total appropriated in FY 2001, a 5.0 percent increase¹. Appropriations for FY 2003 total \$1,759,979. This amount is \$54,116 greater than FY 2002, a 3.2 percent increase. Funding levels over the 2002-2003 biennium match those requested by the commission and recommended by the Executive.

The Lake Erie Commission uses no GRF moneys, but maintains two State Special Revenue accounts. The Lake Erie Protection Fund receives thousands of individual donations, primarily through the Lake Erie license plate program and the Lake Erie credit card program. The fund is used solely to award grants and contracts, through a competitive proposal process, that protect and enhance Lake Erie. Over the 2002-2003 biennium, the commission will award some 65 grants to private and nonprofit organizations,

¹ Actual expenditures in FY 2001 totaled \$1,460,645

academic groups, and state and local agencies totaling \$1.5 million. The Great Lakes Protection Fund is an interstate trust fund established in 1990 to protect and restore the Great Lakes. One-third of the fund's annual earnings are transferred to the states. Ohio's portion is credited to the commission's second account, the Lake Erie Resources Fund. These moneys are used to fund the operation of LEC and its office.

BUDGET ISSUES

LAKE ERIE PROTECTION AND RESTORATION PLAN

The primary activity of the Lake Erie Commission over the 2000-2001 biennium was the creation of the *Lake Erie Protection and Restoration Plan*, a comprehensive and long-term plan that plots a course for the continued enhancement of Lake Erie and its watershed. The plan is based on the findings of the *1998 Lake Erie Quality Index Report*, which measured the quality of Lake Erie and identified areas in need of significant improvement. The commission's primary focus over the 2002-2003 biennium will be the implementation of 84 strategic actions contained within the *Lake Erie Protection and Restoration Plan*. These actions are designed to improve water quality, further reduce pollution loading, restore natural habitat, enhance recreational opportunities, and stimulate the north coast economy. Responsibilities for each objective have been assigned to the appropriate commission agencies and implementation plans will be developed over calendar year 2001.

LAKE ERIE PROTECTION FUND AND GRANTS PROGRAM

A continuing challenge for the Lake Erie Commission is generating sufficient revenue to maintain both the commission's level of operation and a meaningful Lake Erie Protection Fund grants program. The fund's main income source, the Lake Erie license plate program, has decreased from a high of \$912,210 in FY 1997 to \$781,000 in FY 2000 due to increased competition within specialty license plates sales. Overall, license plate sales have decreased at a rate of five percent annually.

Temporary language was included in Am. Sub. H.B. 94 that will allow the commission to transfer excess funds from the Lake Erie Resources Fund to the Lake Erie Protection Fund to support both ongoing and future grants. The Lake Erie Resources Fund carries an average of \$250,000 in surplus moneys each year. In addition, the commission completed a comprehensive marketing research evaluation of its revenue-generating programs and intends to raise \$10 million toward a Lake Erie Protection Endowment Fund over the 2002-2003 biennium. The commission will also pursue new license plate initiatives and a marketing campaign aimed at reversing decreasing sales. 

FY 2002 - 2003 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>			<i>FY 1999:</i>	<i>FY 2000:</i>	<i>FY 2001:</i>	<i>FY 2002 Appropriations:</i>	<i>% Change 2001 to 2002:</i>	<i>FY 2003 Appropriations:</i>	<i>% Change 2002 to 2003:</i>
Report For: Main Operating Appropriations Bill			Version: Enacted						
LEC Lake Erie Commission									
4C0	780-601	Lake Erie Protection	\$ 810,978	\$ 889,835	\$998,298	\$ 1,044,854	4.66%	\$ 1,070,975	2.50%
5D8	780-602	Lake Erie Resources	\$ 484,181	\$ 479,414	\$462,347	\$ 661,009	42.97%	\$ 689,004	4.24%
State Special Revenue Fund Group Total			\$ 1,295,159	\$ 1,369,249	\$ 1,460,645	\$ 1,705,863	16.79%	\$ 1,759,979	3.17%
Lake Erie Commission Total			\$ 1,295,159	\$ 1,369,249	\$ 1,460,645	\$ 1,705,863	16.79%	\$ 1,759,979	3.17%