
Detailed Fiscal Analysis

The bill extends the presence of the Local Government Innovation Council, to operate through December 31, 2019. Current law sunsets the Council, an entity housed within the Development Services Agency (DSA), at the end of December 2015. The expenses associated with extending the Council beyond the end of calendar year 2015 will be absorbed within DSA's appropriations for the FY 2016-FY 2017 biennium and thereafter, to cover staffing and other administrative duties on behalf of the Council. The bill has an emergency clause to take immediate effect (instead of the 90-day effective date period for conventionally enacted laws). The reason for the emergency is to ensure that the Council maintains its operations for the benefit of the state without interruption.

In addition, the bill adds language defining the types of political subdivisions eligible for grants under the Local Government Safety Capital Grant Program, which is being rolled out in FY 2016. This new program was created in H.B. 64 of the 131st General Assembly, the main operating budget act for the FY 2016-FY 2017 biennium. Currently, Section 710.120 of H.B. 64 states that political subdivisions are eligible for grants under the program. This bill amends the section to specify that the following types of political subdivisions are eligible under the program: (1) counties, (2) townships, (3) municipal corporations, (4) joint emergency medical services districts, (5) fire districts, (6) joint fire districts, (7) fire and ambulance districts, (8) joint police districts, and (9) joint ambulance districts.

This provision has no direct fiscal effect on the state or political subdivisions, since the grant program is voluntary: Local government entities may apply to the Local Government Innovation Council for assistance to cover certain safety-related capital costs, but are not required to do so. DSA received appropriations of \$10 million in each of FY 2016 and FY 2017 to award grants under the Local Government Safety Capital Grant Program. The next section provides some background information on the duties of the Local Government Innovation Council.

Background on the Local Government Innovation Council

The Local Government Innovation Council was created in FY 2012 to manage the awarding of grants and loans to political subdivisions under the Local Government Innovation Program, as governed under Chapter 189. of the Revised Code. Since then, the Council has been tasked with awarding other types of grants to local governments under two separate programs: the Local Government Efficiency Program and, beginning in FY 2016, the Local Government Safety Capital Grant Program. In H.B. 64 of the 131st General Assembly the main operating budget for the FY 2016-FY 2017 biennium, DSA received appropriations totaling roughly \$43.9 million that are to be used for the three programs that the Local Government Innovation Council is responsible for overseeing. For more information on the specific programs and the

funding for each in the current biennium, please visit the Council's web page on the DSA website and the LSC Greenbook for the Development Services Agency, respectively.¹

Council awards by program

The table below displays the number of grant and loan awards that have been made by the Local Government Innovation Council by type since the formation of the Council in FY 2012. Altogether, approximately \$16.2 million in award funding has come in the form of grants, while \$14.1 million has come in the form of loans. Taking away the Local Government Efficiency Program scholarships (which are \$2,000 per person), grants have averaged about \$63,500 per project. The average amount loaned to date is around \$353,000. Please note that the Council has yet to make any awards under the Local Government Safety Capital Grant Program, a new program that is being rolled out in FY 2016.

| Local Government Innovation Council Awards by Program, through September 2015 (Round 14) | | | |
|---|-------------------------|------------------------------|------------------------------|
| Program – Assistance Type | Number of Awards | Total Funding Awarded | Average Award Amount* |
| Innovation – Grant Projects | 144 | \$10,647,725 | \$74,000 |
| Efficiency – Grant Projects | 54 | \$1,934,724 | \$36,000 |
| Efficiency – Grant Scholarships | 1,785 | \$3,570,000 | \$2,000 |
| Total Grants | 1,983 | \$16,152,449 | \$8,000 |
| Innovation – Loan Projects | 40 | \$14,127,344 | \$353,000 |
| TOTAL ALL AWARDS | 2,023 | \$30,279,793 | \$15,000 |

*Average award amounts are rounded to the nearest \$1,000.

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¹ The DSA web page on the Council and the LSC Greenbook web page are respectively at: http://development.ohio.gov/cs/cs_localgovfund.htm and <http://www.lsc.ohio.gov/fiscal/greenbooks131/default.htm>.