



Ohio Legislative Service Commission

Tom Middleton

Fiscal Note & Local Impact Statement

Bill: H.B. 340 of the 131st G.A.

Date: October 8, 2015

Status: As Introduced

Sponsor: Rep. Amstutz

Local Impact Statement Procedure Required: No

Contents: Extends the operation of the Local Government Innovation Council and declares an emergency

State Fiscal Highlights

- The bill extends the operation of the Local Government Innovation Council through December 31, 2019. Current law sunsets the Council, an entity housed within the Development Services Agency (DSA), at the end of December 2015.
- Overall, DSA's costs for managing the grant and loan programs overseen by the Local Government Innovation Council have been minimal. The expenses associated with extending the Council's operations beyond the end of calendar year 2015 will be absorbed within DSA's appropriations for the FY 2016-FY 2017 biennium and thereafter.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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.

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, new 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 created by H.B. 64, the main operating budget act for FY 2016-FY 2017.

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>.

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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