

**Role and Overview**

The Ohio Air Quality Development Authority helps conserve air as a natural resource, prevents or abates air pollution, and assists in the financing of air quality facilities for industry, commerce, and research.

The Air Quality Development Authority is governed by a seven-member board. Five of the members are public members appointed by the Governor. The other two members are the directors of the Ohio Department of Health and the Ohio Environmental Protection Agency. The day-to-day functions of the authority are performed by a staff of ten with an annual budget of approximately \$18.7 million. The authority assists businesses in meeting environmental mandates by financing the purchase, construction, or installation of air quality improvement facilities. These activities are funded through administrative fees charged to the beneficiaries of its bond issues. The authority operates the Ohio Clean Air Ombudsman for the Small Business Program, which is funded by revenue generated by permit fees collected pursuant to Title V of the federal Clean Air Act Amendments of 1990. The authority also operates the Ohio Coal Development Office, whose mission is to encourage research, development, and deployment of clean coal technologies. Additional information regarding the Ohio Air Quality Development Authority is available at <http://www.ohioairquality.org/>.



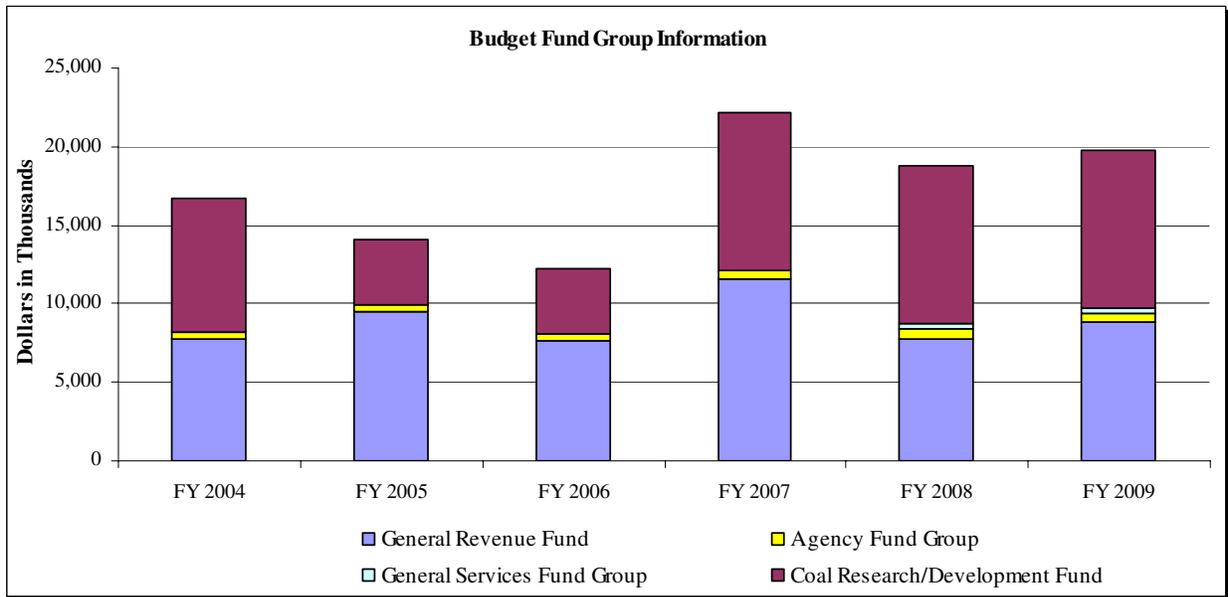
**Turnaround Ohio Initiatives**

- Support the duties of the Governor’s Energy Advisor to create a coordinated and comprehensive state energy strategy.
- Encourage the development and deployment of advanced energy technologies to create jobs and protect the environment.

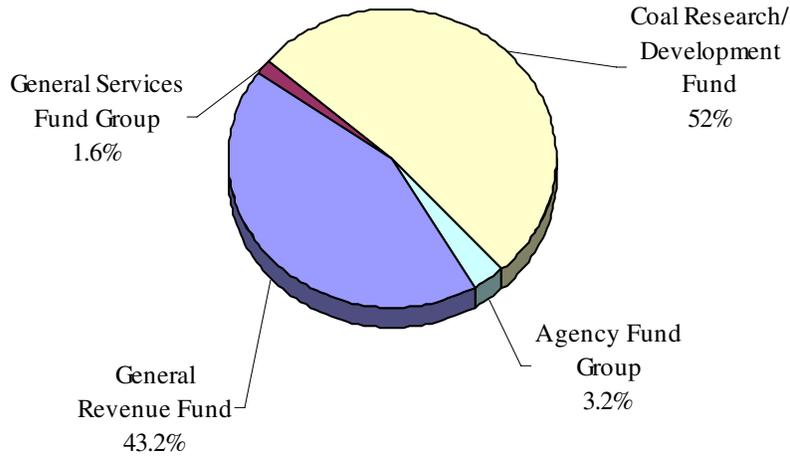
**Agency Priorities**

- Provide financing assistance for public and private investments in air quality improvements.
- Develop and deploy clean coal technologies.
- Assist small businesses to meet mandates established by air quality regulations.

**Summary of Budget History and Recommendations**

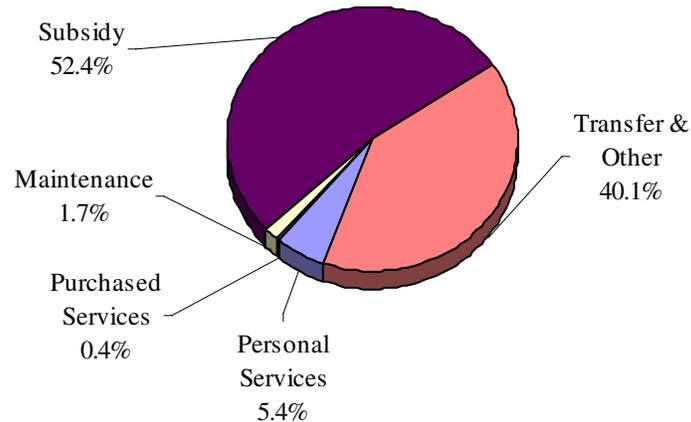


**FY 2008-09 Biennial Appropriation  
by Budget Fund Group**



(In thousands) BUDGET FUND GROUP	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	7,701	9,517	7,596	11,555	52.1	7,803	(32.5)	8,805	12.8
General Services Fund Group	0	0	0	0	.0	307	.0	307	.0
Coal Research/Development Fund	8,520	4,072	4,182	10,000	139.1	10,000	.0	10,000	.0
Agency Fund Group	445	450	444	599	34.9	613	2.4	629	2.6
<b>TOTAL</b>	<b>16,666</b>	<b>14,040</b>	<b>12,222</b>	<b>22,154</b>	<b>81.3</b>	<b>18,723</b>	<b>(15.5)</b>	<b>19,742</b>	<b>5.4</b>

**FY 2008-09 Biennial Appropriation  
by Expense Category**



(In thousands) OBJECT OF EXPENSE	ACTUAL			ESTIMATE	%	RECOMMENDED			
	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	%	FY 2009	%
Personal Services	670	686	666	742	11.4	1,001	34.9	1,094	9.4
Purchased Services	13	32	73	69	(5.1)	69	.0	69	.0
Maintenance	235	157	252	291	15.7	350	20.3	315	(10.1)
Equipment	4	0	1	0	(100.0)	0	.0	0	.0
Subsidy	8,551	4,120	4,195	12,071	187.8	10,071	(16.6)	10,071	.0
Transfer & Other	7,193	9,046	7,035	8,981	27.6	7,232	(19.5)	8,193	13.3
<b>TOTAL</b>	<b>16,666</b>	<b>14,040</b>	<b>12,222</b>	<b>22,154</b>	<b>81.3</b>	<b>18,723</b>	<b>(15.5)</b>	<b>19,742</b>	<b>5.4</b>

**PROGRAM SERIES 01: Air Quality Development Authority**

This program series combines financing, technical assistance, and research and development support to encourage investment resulting in better air quality. The effort makes environmental protection and economic development mutually compatible and beneficial.

**Program 01.01: Project Development and Financing**

Through the issuance of bonds, the program assists Ohio entities in financing air quality improvements. It oversees administration of those bond issues and educates various constituencies on air quality issues.

**The Executive Recommendation will:**

- Provide support for the administration and management of \$1.7 billion in outstanding debt;
- Educate potential client base about the program;
- Assist in developing eligible projects and coordinating the application process; and
- Oversee issuance of new project revenue bonds.

**State of Ohio**  
**Air Quality Development Authority**

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	570	898-601	Operating Expenses	255,000	264,000
<b>TOTAL FOR PROGRAM</b>				<b>255,000</b>	<b>264,000</b>

**Program 01.02: Clean Air Resource Center**

This program fulfills the federal requirement to provide specific assistance to small businesses, which must comply with the Clean Air Act. It provides technical and financing assistance, and fills the role of the Small Business Ombudsman for Clean Air.

**The Executive Recommendation will:**

- Educate small businesses about the requirements of the Clean Air Act;
- Provide technical advice on rules, regulations, and compliance options such as new technologies and pollution prevention;
- Analyze the financing needs of small businesses as they meet regulatory challenges; and
- Provide financing assistance for small business investment necessary to comply with the Clean Air Act, ranging from new management systems to process changes to new or modified equipment.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	4Z9	898-602	Small Business Ombudsman	287,146	294,290
AGY	5A0	898-603	Small Business Assistance	71,087	71,087
<b>TOTAL FOR PROGRAM</b>				<b>358,233</b>	<b>365,377</b>

**Program 01.03: Ohio Coal Development Office (OCDO)**

This program encourages research, development, and deployment of clean coal technologies through awarding grants and loans. Since coal is a prominent Ohio energy source, research is geared toward economic development, environmentally sound coal usage, and sustainability of coal use as a clean energy source. OCDO also supports the Ohio Coal Research Consortium, a network of Ohio universities conducting basic research in the clean coal technology arena.

**The Executive Recommendation will:**

- Award and administer grants to assist the development and deployment of technologies which will make coal an economically and environmentally responsible energy source, especially Ohio coal;
- Provide technical, administrative, and management assistance to grantees;
- Monitor technological advances in the field and strategic policies developed by federal agencies and corporations;
- Work with its Technical Advisory Committee to determine program direction, identify R&D priorities, develop program solicitations, review proposals, and award grants; and
- Support the Ohio Coal Research Consortium.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	898-402	Coal Development Office	570,692	612,692
GRF	GRF	898-901	Coal R&D Gen Obligat Debt Srv	7,232,400	8,192,500
046	046	898-604	Coal Research & Development Fnd	10,000,000	10,000,000
<b>TOTAL FOR PROGRAM</b>				<b>17,803,092</b>	<b>18,805,192</b>

**PROGRAM SERIES 02: Governor’s Energy Advisor**

This program series implements Executive Order 2007-02S.

**Program 02.01: Coordination of State Agency Energy Programs**

The program works with delegated personnel from each state agency to identify, categorize, and coordinate all programs that have an impact on state energy policy.

**The Executive Recommendation will:**

- Identify all programs with an impact on energy issues;
- Coordinate and target implementation of those programs to accomplish established energy policy objectives;
- Work with stakeholders across the state to guarantee that all interests are understood and considered; and
- Develop a comprehensive state energy strategy.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5EG	898-608	Energy Strategy Development	230,250	230,250
<b>TOTAL FOR PROGRAM</b>				<b>230,250</b>	<b>230,250</b>

**Program 02.02: Energy Leadership by Example**

The program works with delegated personnel from each state agency to achieve targeted reductions in energy consumption and to develop a parallel program in state institutions of higher education.

**The Executive Recommendation will:**

- Develop a common measurement tool to ensure that all state agencies compute and track energy consumption in a consistent manner that allows “apple to apples” comparisons;
- Guide agencies in the use of that tool to develop plans to reduce energy consumption by 5 percent in the first year of the biennium and by a total of 15 percent within four state fiscal years;
- Develop and achieve numerical goals for alternative fuel vehicles in the state fleet; and
- Work with colleges and universities to design and implement the Governor’s Higher Education Energy Challenge using teams of staff, faculty, students, and administrators to design innovative strategies for campus energy efficiency and conservation.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GSF	5EG	898-608	Energy Strategy Development	76,750	76,750
<b>TOTAL FOR PROGRAM</b>				<b>76,750</b>	<b>76,750</b>

## LINE ITEM SUMMARY - Air Quality Development

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	898-401	Future Gen Assistance	0	0	0	2,000,000	0	(100.0)	0	.0
GRF	898-402	Coal Development Office	507,573	470,757	560,032	573,814	570,692	(.5)	612,692	7.4
GRF	898-901	Coal R&D Gen Obligat Debt Srvc	7,192,980	9,046,075	7,035,492	8,980,800	7,232,400	(19.5)	8,192,500	13.3
<b>TOTAL General Revenue Fund</b>			<b>7,700,553</b>	<b>9,516,832</b>	<b>7,595,524</b>	<b>11,554,614</b>	<b>7,803,092</b>	<b>(32.5)</b>	<b>8,805,192</b>	<b>12.8</b>
5EG	898-608	Energy Strategy Development	0	0	0	0	307,000	.0	307,000	.0
<b>TOTAL General Services Fund Group</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>307,000</b>	<b>.0</b>	<b>307,000</b>	<b>.0</b>
046	898-604	Coal Research & Development Fnd	8,520,120	4,072,448	4,182,174	10,000,000	10,000,000	.0	10,000,000	.0
<b>TOTAL Coal Research/Development Fund</b>			<b>8,520,120</b>	<b>4,072,448</b>	<b>4,182,174</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>.0</b>	<b>10,000,000</b>	<b>.0</b>
4Z9	898-602	Small Business Ombudsman	194,006	188,144	200,216	264,196	287,146	8.7	294,290	2.5
5A0	898-603	Small Business Assistance	28,495	47,459	12,568	71,087	71,087	.0	71,087	.0
570	898-601	Operating Expenses	222,816	214,851	231,145	263,693	255,000	(3.3)	264,000	3.5
<b>TOTAL Agency Fund Group</b>			<b>445,317</b>	<b>450,454</b>	<b>443,929</b>	<b>598,976</b>	<b>613,233</b>	<b>2.4</b>	<b>629,377</b>	<b>2.6</b>
<b>TOTAL Air Quality Development</b>			<b>16,665,990</b>	<b>14,039,734</b>	<b>12,221,627</b>	<b>22,153,590</b>	<b>18,723,325</b>	<b>(15.5)</b>	<b>19,741,569</b>	<b>5.4</b>