

Air Quality Development Authority

Role and Overview

The Ohio Air Quality Development Authority (OAQDA) 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 nine with an annual budget of approximately \$18.8 million. The authority assists businesses in meeting environmental mandates by financing the purchase, construction, or installation of air quality 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 Clean Air Act Amendments of 1990. The authority also oversees the Ohio Coal Development Office, whose mission is to encourage research, development, and deployment of clean coal technologies. Operating costs of the program are funded through General Revenue Fund appropriations; grants and financing of the program are supported by the proceeds of Ohio Coal Development bonds, general obligation issues of the state. More information regarding the Ohio Air Quality Development Authority is available at <http://www.ohioairquality.org/>.

Executive Priorities for the Air Quality Development Authority

- Provide financing assistance for investments resulting in better air quality.
- Assist small businesses in complying with Clean Air Act requirements.
- Support and encourage development and deployment of clean coal technology.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
	FY 2002	FY 2003	FY 2004			FY 2005	FY 2006	% CHANGE	FY 2007
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	0	0	7,701	9,749	26.6	7,640	(21.6)	9,555	25.1
Coal Research/Development Fund	0	0	8,520	8,500	(.2)	10,000	17.6	10,000	.0
Agency Fund Group	484	407	445	562	26.2	591	5.2	599	1.3
TOTAL	484	407	16,666	18,811	12.9	18,231	(3.1)	20,154	10.5

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
	FY 2002	FY 2003	FY 2004			FY 2005	FY 2006	% CHANGE	FY 2007
OBJECT OF EXPENSE	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	332	297	670	802	19.7	841	4.8	849	.9
Purchased Services	0	0	13	25	91.5	0	(100.0)	0	.0
Maintenance	86	92	235	212	(10.0)	238	12.5	243	2.1
Equipment	0	0	4	2	(53.6)	10	400.0	10	.0
Subsidy	66	18	8,551	8,585	.4	10,071	17.3	10,071	.0
Transfer & Other	0	0	7,193	9,185	27.7	7,071	(23.0)	8,981	27.0
TOTAL	484	407	16,666	18,811	12.9	18,231	(3.1)	20,154	10.5

Air Quality Development Authority

PROGRAM SERIES 01: Air Quality Development Authority

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

Program 01.01: Facility 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.

What the Budget Buys:

- Provides support for the administration and management of \$1.7 billion in outstanding debt;
- Educates potential client base about the program;
- Assists in developing eligible projects and coordinates the application process; and
- Oversees issuance of new project revenue bonds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	570	898-601	Operating Expenses	256,875	263,693
TOTAL FOR PROGRAM				256,875	263,693

Program 01.02: Clean Air Resource Center

The 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 Small Business Ombudsman for Clean Air.

What the Budget Buys:

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

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	4Z9	898-602	Small Business Ombudsman	263,165	264,196
AGY	5A0	898-603	Small Business Assistance	71,087	71,087
TOTAL FOR PROGRAM				334,252	335,283

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Program 01.03: Ohio Coal Development Office

This program is Ohio's clean coal technology research, development, and deployment office. It supports these efforts through grants and loans that co-fund projects that develop and implement clean coal technologies. Section 15, Article VIII of the Ohio Constitution authorizes this program.

What the Budget Buys:

- Awards and administers grants to assist the development and deployment of technologies which will make coal an economically and environmentally responsible energy source, especially Ohio coal;
- Provides technical, administrative, and management assistance to grantees;
- Monitors technological advances in the field and strategic policies developed by federal agencies and corporations;
- Works with its Technical Advisory Committee to determine program direction, identify R&D priorities, develop program solicitations, review proposals and award grants; and
- Supports the Ohio Coal Research Consortium, a network of Ohio universities conducting basic research in the clean coal technology field.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	898-402	Coal Development Office	568,814	573,814
GRF	GRF	898-901	Coal R&D Gen Obligation Debt Service	7,071,100	8,980,800
046	046	898-604	Coal Research & Development Fund	10,000,000	10,000,000
TOTAL FOR PROGRAM				17,639,914	19,554,614

LINE ITEM SUMMARY - Air Quality 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	898-402	Coal Development Office	0	0	507,573	563,814	568,814	.9	573,814	.9
GRF	898-901	Coal R&D Gen Obligation Debt Srvc	0	0	7,192,980	9,185,100	7,071,100	(23.0)	8,980,800	27.0
TOTAL General Revenue Fund			0	0	7,700,553	9,748,914	7,639,914	(21.6)	9,554,614	25.1
046	898-604	Coal Research & Development Fund	0	0	8,520,120	8,500,000	10,000,000	17.6	10,000,000	.0
TOTAL Coal Research/Development Fund			0	0	8,520,120	8,500,000	10,000,000	17.6	10,000,000	.0
4Z9	898-602	Small Business Ombudsman	197,653	204,778	194,006	233,482	263,165	12.7	264,196	.4
5A0	898-603	Small Business Assistance	66,121	17,526	28,495	85,000	71,087	(16.4)	71,087	.0
570	898-601	Operating Expenses	219,853	184,260	222,816	243,383	256,875	5.5	263,693	2.7
TOTAL Agency Fund Group			483,627	406,564	445,317	561,865	591,127	5.2	598,976	1.3
TOTAL Air Quality Development			483,627	406,564	16,665,990	18,810,779	18,231,041	(3.1)	20,153,590	10.5