



Testimony on House Bill 166

Laurie A. Stevenson, Director

Good morning Chairman Hoops, Ranking Member Hicks-Hudson, and members of the House Finance Subcommittee on Agriculture, Development and Natural Resources. My name is Laurie Stevenson, and I am the Director of the Ohio Environmental Protection Agency. I appreciate the opportunity to provide testimony today on Ohio EPA's portion of House Bill 166, Governor DeWine's budget proposal.

Ohio EPA was established in 1972 and we have a mission of ensuring that Ohio's citizens are safe and protected from exposure to contamination in our water, air and on our land. We also have a responsibility to oversee the protection of our wonderful natural resources, so that they can be enjoyed by all of Ohio for generations to come. To fulfill these important responsibilities, we currently have 1,140 full-time staff working throughout the state. During our busy field sampling months, we also employ around 100 seasonal interns who are instrumental in helping us collect important water quality data and information.

We have a headquarters office in Columbus, a field office in Groveport, a laboratory in Reynoldsburg and five district offices. Our diverse team includes biologists, geologists, chemists, engineers, data experts, program managers, communication specialists and administrative support staff. Our core mission is to ensure compliance with environmental laws and regulations, and we do this in many ways. We issue permits to thousands of businesses throughout the state to control discharges of pollution. We conduct field inspections, collect samples and review monitoring reports and data. We respond to complaints from citizens regarding potential environmental problems and have an emergency response team available 24 hours-a-day/7 days-a-week to respond to spills and other emergencies.

Much of the work we do directly relates to Governor DeWine's mission of protecting families and children, including reducing air pollution, protecting sources of drinking water, cleaning up hazardous chemicals and controlling scrap tire dumps to prevent mosquito borne illnesses.

As Director, I take our commitment to ensuring the protection of human health through compliance of our laws very seriously. I began my own career at Ohio EPA as a field inspector, overseeing compliance with the hazardous waste regulations. However, I also recognize that the environmental regulations can be complex and sometimes difficult to understand. This is especially true for small business owners who are working hard to run a successful business, but are not necessarily environmental experts. Small business owners wear many hats in running a business and it can be challenging for them to keep up with changes in the environmental regulations. Small communities responsible for environmental compliance face similar challenges.

For the past 20 years of my career, I have worked in various compliance assistance programs within Ohio, because it is my belief that we have an equally important responsibility to help businesses and communities get access to the tools, information and resources to achieve compliance and be successful. Within Ohio EPA, we have built a strong foundation of assistance programs and services, including helping small businesses with permit applications and other EPA paperwork, providing training and workshops to help businesses understand the regulations, helping small wastewater plants improve their operations and providing funding for communities to address their wastewater and drinking water infrastructure needs. We also help businesses and communities identify and implement sustainable practices that reduce waste and save them money. In 2017, Ohio was the first state in the nation to set up a materials marketplace, a free online tool for businesses and communities to find outlets for their recyclable and reusable materials that would otherwise go to landfills.

Because of these efforts, we believe Ohio EPA is a national leader in the protection of human health and the environment, and an asset when assisting companies that locate and expand in Ohio. It's my priority to ensure we maintain this very important balance of using our regulatory and enforcement tools along with our business assistance tools to maintain a healthy environment and help Ohio grow.

To support the important work we do in all of these areas, our budget proposal for fiscal year 2020 totals \$219.7 million. Proposed funding for fiscal year 2021 totals \$220.5 million, a slight 0.4 percent increase from fiscal year 2020. By way of background, many of Ohio EPA's programs are funded through permitting, waste disposal and pollution emission fees collected from facilities we regulate.

Only a small proportion of our overall budget, about five percent, is from General Revenue Funds to support the E-Check auto emissions testing program. For each fiscal year in 2020 and 2021, our budget proposes approximately \$11 million in General Revenue Funds for administering the E-Check program, which is required in seven Northeast Ohio counties that are not meeting federally mandated ozone air quality standards.

Ohio EPA's budget does not include any fee increases. We are asking to continue our existing fees through the FY20-21 biennium. These fees support air pollution control, surface water and drinking water protection, environmental remediation, emergency response and waste management. These fees support 66 percent of the Agency's budget.

Through restructuring, attrition and careful evaluation of our personnel needs, our proposed budget will reduce our number of full-time equivalents by 41 positions. As vacancies occur, we assess both needs and resources to determine if there are more efficient ways to get work done without diminishing our core program responsibilities. We are mindful of our responsibility for administering the state's dollars carefully and adjusting staffing within our resources, not automatically refilling a vacancy or simply adding more staff when a new program comes along. I will continue to focus in this area to ensure we are operating as efficiently as possible. I am a strong proponent of strategic planning and establishing goals and objectives to keep Agency staff focused and working efficiently towards a common vision. I'm also very interested in getting feedback from our customers and stakeholders so that we can continuously look for ways to improve how we serve them.

I'd like to highlight two noteworthy areas of our budget request that we are excited about because of their alignment with the Governor's vision for investing in Ohio's children and Ohio's future.

The Volkswagen enforcement case settlement provides Ohio a unique opportunity in this budget to protect children from dangerous diesel emissions. Children are the most vulnerable population to the pollutants in diesel exhaust, as their lungs are still developing and they breathe at a faster rate than adults. In two rounds of public comments as we were crafting Ohio's plan to distribute the state's allotment from the VW lawsuit, the most requested use for these funds was school bus replacements. Our plan designates \$15 million dollars for SFY 19 through SFY 21 for grants to replace aging diesel school buses with new clean diesel, propane or compressed natural gas buses.

The first \$5 million in grants is already at work, replacing 179 old school buses, and reducing more than 38 tons of pollution each year. This benefit should triple when the

remaining funds for school bus replacements are awarded. VW funds also are supporting other projects to protect both children and adults, such as replacing refuse collection and delivery trucks operating daily in neighborhoods; transit buses; and big diesel engines in locomotives and tugboats. We are excited about the opportunity to help Ohio fleet owners retire old, polluting vehicles and replace them with cleaner alternatives.

As emphasized in his first State of the State speech, and displayed in the Executive budget proposal, Governor DeWine is making water quality a top issue of his administration. The Governor has proposed the creation of the H2Ohio Fund to put our state on the path we need to be on to implement solutions that ensure Ohioans have access to clean and safe water. His proposal is also a call to action for all of us to invest in the protection of our most valuable natural resources for the benefit of generations who will be here long after we are gone. His vision is for Ohio because communities throughout the state face water-related challenges.

As the Director of Ohio EPA, I am very excited about his vision and am looking forward to working with him to tackle what I think will be the most important priority of my tenure. I am also looking forward to working closely with the directors of the Ohio Department of Natural Resources and Ohio Department of Agriculture to implement wide-ranging projects that will have a meaningful and measurable impact on improving water quality.

In fiscal year 2020, Ohio EPA will be responsible for administering \$8.675 million in H2Ohio funding. The areas that we have prioritized for initial and potential future funding include addressing failing home septic systems, helping provide water and sewer service in disadvantaged communities, targeting daycares for lead line replacement, funding water quality data collection and measurement efforts, and supporting research on innovative treatment technologies to address phosphorus.

In summary, we are doing everything we can as an Agency to help Ohio shine as an innovative and creative state; the place where everyone wants to work, invest and live. While we are a regulatory agency, our customer service and business assistance philosophy can be a key positive driver in creating new jobs and strengthening our communities while also protecting the environment.

As director of Ohio EPA, I share the Governor's vision for protecting our children, serving all Ohioans and preserving our natural resources. I appreciate the opportunity to speak with you today and would be happy to answer any questions you have.