



**OHIO SENATE
COMMITTEE ON FINANCE
SUBCOMMITTEE ON CORRECTIONS
MAY 21, 2015**

**SUB. H.B. 64
INTERESTED PARTY TESTIMONY
JOHN STARK
THE NATURE CONSERVANCY IN OHIO**

Chairman Uecker, Vice-chair Brown, and members of the Subcommittee, I am John Stark, Director of Freshwater Conservation at The Nature Conservancy in Ohio. Thank you for the opportunity to testify as an Interested Party on Sub. H.B. 64, the biennial operating budget.

The Nature Conservancy is a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends. We have operated in Ohio since 1959 and have helped conserve nearly 60,000 acres statewide for the benefit of all Ohioans. We work collaboratively with businesses, farmers, sportsmen groups, government and local communities to develop pragmatic, market-based solutions to conservation challenges. More than 45,000 Ohioans are Nature Conservancy supporters.

The Conservancy partners and works extensively with state agencies, commissions, and programs that are leading Ohio's efforts to achieve conservation and restoration goals for the state's natural resources, fish and wildlife habitats, and natural areas. State investments in these agencies and their programs serve as critical catalysts for achieving conservation and environmental goals. For the benefit of all Ohioans who recreate, derive their income from or otherwise rely on these resources for their quality of life, we strongly urge the Subcommittee to recommend and support the highest levels of funding possible for the state's conservation programs in the next operating budget.

Our testimony addresses the budget for the Department of Natural Resources with special attention on policies, programs and line items that address water quality, nutrient management, and gas and oil development.

Overview

After more than a decade of budget cuts at the Ohio Department of Natural Resources, The Nature Conservancy is encouraged that the Administration has maintained or increased funding for the majority of divisions and programs for an overall increase of 5.4 percent in the Department's total budget. As recent water quality challenges and accidents in the oil & gas sector demonstrate, investments in the conservation of Ohio's natural resources are not a luxury but a necessity.

Division of Parks and Recreation

The General Revenue Fund level of support for the Division as proposed by the Governor reflected a 1.7 percent increase over the current fiscal year. Ohio is one of only seven states that does not charge entrance fees to its parks. They attract Ohioans and non-Ohioans as affordable recreational and vacation options. As the state continues to renovate, replace, and upgrade its facilities through the investment provided in the current capital budget, the parks and their amenities will attract more visitors and use. Providing the financial resources to maintain new and renovated facilities, increased law enforcement, custodial and maintenance services, park naturalists and other services for visitors makes good sense.

The House reduced the funding by \$500,000 per year for a total reduction of \$1 million for the biennium and re-appropriated it to the healthy Lake Erie Program. Although the funds remain within the agency's budget and are applied to a program which The Nature Conservancy views as essential to improving Lake Erie's water quality, we urge the Subcommittee to restore the Parks budget to the Governor's requested level while providing an additional \$1 million to the Healthy Lake Erie Program.

Healthy Lake Erie Program

Nutrient management from agriculture, combined sewer overflows, failing septic systems and other sources is perhaps the greatest water quality challenge facing Ohio today. The Nature Conservancy appreciates the leadership that the Administration and General Assembly have provided in advancing policies that will help improve water quality and manage nutrient loading to reduce the threat of harmful algal blooms to drinking water, fish and wildlife, recreational activities, and local economies, particularly in the Western Lake Erie Basin. Lake Erie is the basis of a tourism and recreation industry worth \$11.5 billion annually. It is critical that Ohio continue to expand its available tools to improve water quality to maintain the Lake's ecological health, safe drinking water, and recreation and economic opportunities.

The Healthy Lake Erie program was created to help farmers understand and implement 4R Nutrient Stewardship practices. The program is a key to identifying and expanding best management practices to improve Lake Erie water quality. Sub. H.B. 64 would allow the funds to be used for soil testing, water quality testing, and research and pilot projects aimed at reduction of harmful algal blooms. As we commented earlier, The Nature Conservancy supports the additional funding provided by the House that would result in expanded

investment in these practices to help improve Lake Erie water quality, but not by reducing the Parks budget.

Soil and Water Conservation Districts– The \$2.9 million per year (GRF 725502) is flat funding from FY2015. Current state match is 80 percent: state match of \$10,307,766 to county investment of \$12,811,461. We ask the subcommittee to consider increasing the appropriation by \$2 million so that the state match to county investment comes closer to 1:1. Added investments would enhance the ability of local districts to support development of nutrient management plans for farmers that include conservation best management practices and soil testing services. An increased demand for these services is anticipated with broader adoption of 4R Nutrient Stewardship approaches and state certification of fertilizer and manure applicators. Local Soil & Water Conservation Districts are viewed as trusted resources in rural and urban areas to effectively manage soil and water resources and help support voluntary and regulatory efforts to improve water quality.

Division of Oil and Gas Management

The Ohio House removed provisions in the Governor’s budget that would add new and strengthen existing regulatory oversight and accountability in several areas. All are strongly supported by Director Zehringer and his staff as reflected in the Department’s testimony. We fully support them and strongly urge the Subcommittee to restore them. These include:

- Registration background requirements to include disclosure of convictions or plea agreements regarding violations of the Clean Water Act.
- Requiring disclosure of chemicals and trade secret chemicals by the owner to the Oil & Gas Division Chief upon his request and allowing the Chief to provide that information to a state agency or emergency responders with confidentiality ensured (?).
- Requiring a brine permit holder to maintain surety bond and liability insurance.
- Requiring brine transporters to retain chain of custody record and vehicle identification as a brine transporter.
- Increasing civil penalties for violations of permit or registration certificates, extraction, brine management, and brine transportation.

We would like to emphasize the importance of brine permit holders being required to maintain surety bond and liability insurance. The storage and disposal of contaminated wastewater from hydrofracturing can lead to pollution of rivers and streams, harm wildlife and natural habitats, and threaten public health. Surety bonds provide strong guarantees that funds will be available for cleanup in the event of an accident or spill; and, liability insurance can play an important role in protecting the public against the cost of damage to neighboring properties and natural resources and public health as a result of an accident or spill.

All of these provisions were supported by The Nature Conservancy in S.B. 46 and H.B. 490 in the previous General Assembly. They provide common sense regulations that are not overly burdensome, protect natural resources and public safety, and serve as incentives for industry-adopted best management practices. We strongly urge the subcommittee to restore these

provisions and to maintain the increases in the Division's budget to effectively manage these new responsibilities.

Division of Forestry

The General Revenue Fund support proposed for the Division of Forestry is flat funding. The Division absorbed a 10 percent reduction from FY2013 in the current operating budget and has experienced a 49 percent decrease since 2007. This eroding support likely will result in a further reduction in forestry assistance available to private landowners, less than desirable management of state forests, and inadequate wildfire prevention and response. The Nature Conservancy is strongly concerned about these reductions and urges a return to the 2013 funding level.

SUMMARY

The Nature Conservancy appreciates the funding levels provided in the operating budget bill for the Department of Natural Resources as introduced but believes they fall short in several areas. We support the increased funding for the Healthy Lake Erie program but not by reducing the Parks budget. We also urge the Subcommittee to restore the expanded and strengthened regulatory oversight provisions for the gas and oil industry that were removed by the House. They will help increase protection of natural resources and public safety. We respectfully ask that you consider higher funding levels for the Division of Forestry and local Soil and Water Conservation Districts' state match.

We thank the Administration and the subcommittee for continued public investments in natural resources that provide clean water and air; improve public health; provide free and low-cost recreational and sporting opportunities for Ohioans; and serve as an economic catalyst to help support the state's economy and create jobs.

Thank you for the opportunity to give testimony. I would be happy to try to answer any questions.

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