House Finance: Ag & Development Subcommittee
Testimony on HB 49
March 16, 2017

Mr. Chairman, members of the House Finance Subcommittee, I am Kris Swartz, Wood County SWCD Supervisor and Past President of the Ohio Federation of Soil and Water Conservation Districts. I am pleased to testify on behalf of Ohio's 88 Soil and Water Conservation Districts in regards to House Bill 49, the State Budget Bill.

Ohio's 88 SWCDs are "locally led" -- in that each locally elected SWCD board and their staff works with the citizens of its community to address the conservation needs of that area. So in turn, our SWCDs are very diverse networks, working with local agencies, state and federal agencies, and private individuals and organizations to promote responsible land and water use decisions. We are dedicated to the conservation, protection, and improvement of soil and water resources by providing information, technical guidance, and cost-share assistance. Our goal is to coordinate and focus assistance from all available sources—public and private, local, state and federal—in an effort to develop cost efficient solutions to natural resource concerns.

When the SWCDs were created 75+ years ago, it was done on a partnership between the local and state governments -- with the goal of a true 1:1 match. ORC Section 940.15 states, "there shall be paid in each calendar year to each soil and water conservation district an amount not to exceed one dollar for each dollar received in accordance with section 940.12 of the Revised Code."

Historically, the legislature strived to meet this match level each budget cycle. However, when the state began facing some financial challenges, SWCD funding changed dramatically. Once a totally GRF funded effort, our funding now comes from four sources on the state level: General Revenue Funds (\$3.25 million), a \$.25 per ton fee on Construction and Demolition Debris (approximately \$1.4 million), a \$.25 per ton fee on Municipal Solid Waste (approximately \$3.25 million), and a \$.50 per tire Scrap Tire Fee (approximately \$3.6 million per year).

We are grateful for the support both the Administration and the General Assembly have provided throughout the years. Ohio SWCDs have been fiscally responsible and continue to manage in a very efficient and effective way in order to make the most of the financial resources entrusted to our efforts. Yet – we are concerned for the future. While the funding has been consistent, we have not experienced an increase in state match throughout the past 6+ years, yet the natural resources challenges have increased dramatically. This current budget includes a reduction in appropriation of \$800,000 in the first year, which also provides concern. With both the Governor's and legislature's focus to tackle the water quality issues all across Ohio, a desire to keep Agriculture and development strong for our state's economy, and to ensure a vibrant quality of life for our state's residents, our SWCDs have more responsibilities and greater demands that must be achieved, especially with the implementation of both Senate Bill 150 and Senate Bill 1. Districts <u>ALL</u> throughout Ohio are focused on making a positive difference in rural, urban and suburban settings to address these resource challenges. However, we are being stretched thin in many areas and truly need to see an increase in funding to ensure we are able to meet the demands and expectations. As you know, local governments are experiencing many budget challenges —but these partners believe in the work we are doing and have committed dollars for getting conservation on the



ground. Our partnerships include groups like the Farm Bureau, commodity and environmental organizations, and more – and these groups are all relying on the SWCDs as the "boots on the ground" serving landowners, developers and more – to get the job done. We truly need to get back to a 1:1 match to allow our districts to receive the proper training, to hire the right staff members, and to increase our outreach efforts in order to ensure the new regulations are being met and we achieve success in terms of improvements in soil health, water quality and more. This must be a statewide effort – not just in the Lake Erie watershed – in order to keep districts accomplishing great things for Ohio, we must keep them strong – and be proactive and not reactive to resource challenges.

For SWCDs to attain a true 1:1 match, State funding would need to be raised by approximately \$4.0 million per year minus the earmarks. Of the current \$11.15 million, \$350,000 is specifically earmarked for Western Lake Erie Basin SB 1 Implementation, \$250,000 is for Heidelberg University's Water Lab, and an additional \$622,000 is set aside for targeted commitments determined by the Ohio Soil and Water Conservation Commission. This leaves \$10.278 million for state match for Ohio's 88 SWCDs, whereas the local match rate is around \$14.4 million. Thus, when assessing State Funding verses Local Funding, the match rate is at an all-time low of 71%.

Ohio's SWCDs are also critical in delivering the conservation programs contained within the federal Farm Bill. With serious declines in staffing, our partner, the USDA NRCS relies on SWCDs to deliver approximately 60%, if not more, of the conservation workload in Ohio. Cost-share programs for landowners have increased and in order to get these programs implemented, SWCD technicians are necessary. Federal program dollars for Ohio continue to grow in an effort to address water quality issues both involving the Lake Erie Basin, as well as the Ohio River (with drainage into the Mississippi River Basin). In addition to the current conservation program workload, Ohio is managing 3 federally created Regional Conservation Partnership Program Grants: *Tri-State Western Lake Erie Basin Phosphorus Reduction Initiative (involving 22 SWCDs in NW Ohio), Promoting BMPs for Phosphorus Reduction in central Ohio (involving 4 SWCDs) and the East Fork Nutrient Reduction Grant (involving Clermont and several additional SWCDs in SW Ohio)*. Furthermore, we have 3 urban grant initiatives involving Lucas, Cuyahoga and Muskingum SWCDs – each initiative different but designed to address food desserts and other key resource needs.

Ohio historically has been a national leader in conservation efforts and we would like this to continue. However, as funding continues to remain stagnant or reduced, there is concern that local dollars could be decreased. These lead to a domino effect and could further impact federal funding, which in turn impacts projects and programs available to address resources challenges (and stimulate the economy).

Ohio's SWCDs are diverse. In addition to the agriculture related efforts, we have a growing number of Districts delivering the storm water/ Phase 2 NPDES regulatory program throughout communities all throughout the state. We lead the nation in water quality trading programs designed to help businesses meet Clean Water standards. Additionally, Districts handle ditch maintenance, floodplain management, CAUV, pipeline standards and many more additional responsibilities in various areas.

Ohio benefits tremendously from the economic gains resulting from a strong agriculture industry and a healthy environment. For well over 75 years, Ohio's SWCDs have stepped up and delivered. We want to continue making a positive impact on the land and in the area of water quality and would appreciate your support in our efforts to help us get back to a 1:1 match level.

On behalf of Ohio's 88 SWCDs, we thank you for believing and supporting our efforts.