



**Interested Party Testimony of Ohio Environmental Council Action Fund  
Sarah Spence, Director of Government Affairs  
State Biennial Operating Budget - Substitute House Bill 49  
May 17, 2017**

Chairman Jordan, Vice Chair O'Brien, and Members of the Ohio Senate Finance - General Government and Agency Review Subcommittee, my name is Sarah Spence, Director of Government Affairs for the Ohio Environmental Council Action Fund (OECAF). Thank for the opportunity to speak to the committee today on substitute HB 49.

The four agencies the OECAF works with the most are the Ohio EPA, Department of Natural Resources, Department of Agriculture, and the Public Utilities Commission. From an environmental protection and natural resource conservation perspective, these four departments have a great responsibility to ensure the public's safe use and enjoyment of modern life's most basic needs: air, water, land, food, and energy. Therefore, we support robust budgets and staffing for the important role each of these agencies play in the lives of Ohioans.

The OECAF has deep respect for Director Butler, Director Zehringer, Director Daniels, and Chairman Haque and their expert staff who work hard everyday to protect and conserve Ohio's environment and natural resources. While we understand the need for fiscal restraint with General Revenue Funding, we ask that the reductions and consolidations of funds for these agencies be done with a focus on both the short and long term implications to each agency's ability to perform its functions, not just the Department's overall bottomline.

A couple weeks ago, we testified before the House Finance Committee on the OECAF's three priority areas for the As Introduced version of HB 49:

1. Restoring the \$2 million cut to ODNR Division of Forestry (Fund 727321) for FY18: This represents a 40% reduction from Forestry's FY17 GRF funding estimates, and the actual expenses for the past half decade. The cut will reduce resources to vitally important items that do not necessarily generate revenue, but are essential to forest ecosystem health and maintaining the forests for those who live near and recreate in our state forests, including support for outdoor recreation like Forestry's several campgrounds and horse camps, as well as hundreds of miles of bridle and hiking trails and for forest ecosystem health and pest control.
2. Adequately funding Ohio's efforts to eradicate toxic algae in Lake Erie and around Ohio.
3. Closing the Emergency Chemical Reporting Gap in Ohio Law during oil and gas emergencies for defined first responders and drinking water operators: Recent oil and gas incidents have exposed significant problems with Ohio's chemical disclosure laws.

In Ohio, the Ohio DNR Division of Oil and Gas Chief may receive trade secret chemical information but not share it with anyone, even in the case of emergencies (1509.10(J)(2)), except for medical professionals for the purposes of treating or diagnosing patients affected by an oil or gas incident. We respectfully request an amendment to the budget bill that would provide immediate access of all chemical information, including trade secret chemicals, to pertinent state agencies, defined emergency responders and drinking water operators, during an emergency, incident, spill or release.

While these issues remain a priority, and we will continue to advocate for these changes, there are policy issues to HB 49 added by the House that need to be addressed.

First, language was added that would require the Chief of the Division of Oil and Gas Resources Management to issue an order for unit operation of a pool or part of a pool for oil and gas where 65% of landowners agree. While we appreciate the exemption for state parks in operation before January 1, 2017 and nature preserves, the exemption does not extend to local park districts. Our local park districts play a vital role in conserving open, green space that provide Ohio families places and opportunities to discover and experience nature. They also help benefit local economies by helping draw visitors into these areas who spend their hard earned dollars on food, shopping and lodging near these areas. In just the Columbus and Franklin County Metro Park system alone, more than 10 million people visited 19 parks, and more than 180,000 people participate in free nature education programs. Forcing unitization of local parks is both unnecessary as well as potentially detrimental to the use and enjoyment of these protected local treasures. **We ask that this language be amended to add local park districts to the exemption.**

Second, language was added that would change the appointing authority of members of the Oil and Gas Leasing Commission from the Governor to the General Assembly. In 2011, the Ohio General Assembly passed a law that transferred all state agencies' authority to lease out their mineral rights and centralized all of the state's leasing authority in an Oil and Gas Leasing Commission. Members of the Commission are appointed by the Governor. We believe that this authority should remain within the executive branch. The the original leasing authority was vested with the executive branch, and the agencies under the executive branch are in the best position to fully assess the costs, impacts and benefits of potential leases. **We ask that this language be removed from the bill.**

Last, the House added language that would carve out \$15 million per fiscal year from the Volkswagen Mitigation Trust Agreement to be used based on a preferential scheme that gives first preference to projects that reduce carbon dioxide and nitrogen oxide and second preference to projects that reduce carbon monoxide. It also sets aside another \$15 million per fiscal year for transit authorities. While all of these are laudable uses of these resources, the federal settlement with VW already sets up clear parameters for the program, which are based on VW's violation of nitrogen oxide emissions of federal clean air laws. Any effort to impose a different or additional standard, such as carbon dioxide, is out of step with the settlement and could hinder the state's efforts to develop a program acceptable to the trustee. We also oppose carving out funds based

on fleet type. The purpose of this program is to fund the most deserving projects. Private, government, schools and other, including transit, are eligible. To carve out a special portion of funding for just public transit would reduce resources available for all others deserving of consideration. **We ask that this language be removed from the bill** .

In light of updated Lake Erie algae bloom forecast, issued from NOAA and the Great Lakes Experimental Research Laboratories, predicting a bloom size larger than last year barring unexpected extreme rainfall in the coming weeks, we have to reiterate the utmost importance of adequately funding agencies and programs that are responsible for ensuring Ohio meets its phosphorus reduction commitment. Specifically, we recommend:

- Restoring the Healthy Lake Erie Fund (Fund 725505) to its current \$1 Million annual appropriation for FY2018 and FY2019.
- Supporting the Federation of Soil and Water Conservation Districts call for increased funding to local districts across Ohio.
- Increasing funding for Ohio Sea Grant and Heidelberg University Water Quality Lab (Fund 700660) to \$275,000 for FY 2018 and \$350,000 for FY 2019.
- Providing additional, dedicated, funds to Department of Agriculture's Division of Soil, Water and Conservation to implement and enforce key initiatives of Ohio's Agriculture Pollution Abatement Program.

We fully understand the tight budget situation that the state is facing, and the decisions that you as lawmakers have to make in order to keep Ohio fiscally sound. Making these small commitments in Lake Erie will have a huge impact to our state. Each year more than seven million people flock to Ohio's portion of the Lake Erie basin, including Kelleys, South Bass and Middle Bass Islands, to recreate and reconnect with nature and family. As a result, more than 124,000 jobs are sustained, netting \$3.7 billion in wages annually. Tourism, travel, and sport fishing contribute more than \$14.1 billion a year in revenue to Ohio's economy, and \$1.8 billion in federal, state, and local taxes.

In conclusion, Chairman Jordan and members of the subcommittee, thank you for considering our perspective and our recommendations. We look forward to working with the Senate during the upcoming weeks to craft a bill that protects both Ohio's environmental and fiscal health.