

**Senate Finance Committee
Interested Party Testimony
House Bill 166**

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Good morning Chairman Dolan, Vice Chair Burke, Ranking Member Sykes and members of the Senate Finance Committee. I am Tracy Freeman and I am the Director of Federal and State Government Relations for the Nature Conservancy in Ohio. Thank you for the opportunity to provide testimony as an interested party on the Senate's version of HB 166, the FY2020-21 biennial budget.

The Nature Conservancy is a global organization with chapters in all 50 states and projects in over 70 countries. More than 65,000 Ohioans are Nature Conservancy supporters and we own and manage over 20,000 acres of nature preserves throughout the state. We are a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends.

We are pleased to see the Senate, House and Governor DeWine working together to preserve, protect and provide for a strong future for our natural resources in HB 166, the biennial budget for the State of Ohio. The investments in our parks, waterways, forests and the exciting new H2Ohio Fund proposal to dedicate funds to water quality in the budget are important for our quality of life. As we previously testified in the subcommittee, the support for our institutional partners like ODNR, OEPA, ODA and the Lake Erie Commission is critical to improving the resources that make Ohio a wonderful place to live, work and visit. The Outdoor Recreation Economy Association reports that in Ohio outdoor recreation activities contribute more than 24.4 billion dollars in consumer spending, 1.5 billion in state and local tax revenue, 7 billion in wages and salaries and over 215,000 direct jobs annually.

Our state parks are a source of great pride for all of us and maintenance of facilities is crucial to attracting tourists and growing this important sector of our economy. The Nature Conservancy would request that the Senate restore the one-time funding request of \$25 million by ODNR that was included in the House-passed version to provide for necessary repairs to our aging facilities to ensure we continue to provide the kind of outdoor experiences that bring people and nature together. Your commitment to Ohio's natural resources will provide a strong return on investment, not just for us, but for our children and grandchildren.

We are happy that the Senate has included the H2Ohio fund in its budget, and we are particularly pleased to see that the Senate has doubled the money dedicated to the Fund from the 2019 GRF surplus from \$86 million to 172 million. We do, however, want to raise our concern that the General Assembly's deviation from the Governor's original proposal to fully fund H2Ohio within two years could jeopardize the sustainability and predictability of this very important, innovative Fund by leaving it without a dedicated long-term source of revenue. Why does this matter so much? Projects

like restoring wetlands and floodplains, which are proven to filter nutrients and sediment and slow the flow of water are multi-year endeavors. Farmers will be more willing to invest in technology and practices they believe will make a difference if there is funding available now and in the foreseeable future. While the Governor's original proposal was for a decade of funding, the House went even further by establishing a funding mechanism in House Bill 7 called the H2Ohio Trust Fund to provide a long-lasting legacy fund dedicated to water quality. Relying on one-time surpluses and future general revenue funds results in too much uncertainty to embark on long term projects and an inability to adjust and improve the project or program over time. We would request that the Senate and House strike the appropriate agreement to ensure full funding of \$900M to a billion dollars for at least 10 years and hopefully beyond. Our need for clean, safe drinking water, beaches at which to swim, plentiful fishing and boating opportunities and all that our lakes and rivers provide will never go away – not in 10 years, not in our lifetimes.

We are disappointed to see that the Senate removed the language developed with TNC and other stakeholders and added by the House to include an Advisory Council to ensure that the H2Ohio funds are spent wisely. We appreciate the current discussions with Senate members and the Administration on considering an alternative means to provide advice and ensure collaboration on this multi-stakeholder endeavor. Without this language in statute, the H2Ohio funding is distributed to the agencies with very little structure or direction. We have worked closely with the Administration on the concept of a sustainable water fund and while we support the ideas put forth by ODA, ODNR, and OEPA to use this funding for agriculture best management practices, natural solutions like wetland creation, community challenges such as failing septic systems and further research and innovation, there are no requirements or rules to ensure future success and continued commitment to these goals. We want, as you all do, to have H2Ohio be a thoughtfully designed, data driven, environmentally effective and collaborative effort between the state and affected stakeholders in both the short and long-term. We didn't get to where we are overnight, and it will take years of coordinated, dedicated effort between all of us to provide long-lasting results. The goal of the Advisory Council in the House-passed version was to recommend agreed-upon action steps to each agency, bring forth new and updated science and technology, and keep communication open. While we still support that model, as an alternative to what some perceived as an overly bureaucratic new council, we worked with other partners to develop language creating shorter-term stakeholder advisory groups for ODA, EPA, and ODNR in temporary law to help get this new concept on solid ground, provide opportunity to iron out wrinkles and ensure the open interaction and accountability between government and the stakeholders continues. Just as you all set ground rules for your committees to ensure order, that everyone (elected officials and interested citizens), is heard, and actions are taken, an Advisory Council that can perform these functions is needed, at least in the short term for H2Ohio. There are options to compromise on the structure and authority of one or more of these groups, but we believe the option to completely remove them is not the best choice and would request the committee either reinsert the House-passed Advisory council structure or include an amendment with the agreed-upon alternative version that could be placed in temporary law.

We are a realistic, but optimistic, organization and recognize that there is much to celebrate in the Senate's version of House Bill 166. We thank you again for your support of natural resources funding and urge your support for our recommendations to restore outdoor facilities and infrastructure and improve the H2Ohio fund. We are happy to provide specific language or additional information to the committee. Thank you again for the opportunity to provide testimony on House Bill 166, and I would be happy to answer any questions the committee may have.