



**Ohio Senate Finance Committee
Interested Party Testimony
Substitute House Bill 110**

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Good morning Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes and members of the Senate Finance Committee. I am Tracy Freeman, the Government Relations Director for the Nature Conservancy in Ohio. Thank you for the opportunity to provide testimony as an interested party on Substitute House Bill 110, the FY2022-23 biennial state budget.

The Nature Conservancy is a global organization with chapters in all 50 states and projects in over 70 countries. We are a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends. We work collaboratively with businesses, farmers, sportsmen groups, governments, and local communities to develop pragmatic solutions to conservation challenges, including land conservation, water quality, and climate change. 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 invite any of you to visit our open preserves and enjoy the unique places that make Ohio a great place to live, work and play.

The Nature Conservancy is encouraged to see funding directed to protect and preserve lands and waters across Ohio included in the budget. We strongly supported the funding proposed in the introduced version of HB110 for critically important agencies that protect Ohio's lands and are working to improve our water quality such as Ohio Environmental Protection Agency (EPA), Ohio Department of Natural Resources (DNR), Ohio Department of Agriculture (ODA), and the Lake Erie Commission (LEC). We appreciate that the House of Representatives largely maintained the funding levels proposed for these critical agencies. However, we were discouraged to see the House significantly reduce H2Ohio funding, eliminate the one-time injection of money to meet significant demand in the farmland preservation program, and add a provision in temporary law to prevent two specific county park districts from using power granted to them in Ohio law to help create recreational trails. We were also very concerned to see the House make changes to the Oil and Gas Leasing Commission that would jeopardize the integrity of our public lands and make it a requirement to promote oil and gas drilling over other energy sources on state land.

We respectfully request the Senate reexamine these troublesome provisions in the budget passed by the House. In all times, but especially during the last difficult year, Ohioans rely on natural areas as safe places to relax, socialize, and seek solace in nature. The funding levels in this budget largely reflect the importance of protecting Ohio's natural areas for the future. We continue to be excited to partner with

the Administration, the General Assembly, and other key stakeholders in many of the efforts by the state to continue to preserve and improve Ohio's natural resources, but believe that this budget can be strengthened to better serve Ohioans and preserve our state's natural beauty. We would like to call your attention to the specific priorities in Substitute House Bill 110 below:

Robust funding for the H2Ohio water quality initiative

TNC enthusiastically supported the funding proposed for H2Ohio in the introduced version of the budget and urges the Senate to restore the \$72M cut to the program and remove additional conditions on the Ohio Department of Agriculture that were imposed by the House. While we appreciate that substitute House Bill 110 maintains the appropriations for DNR and the LEC, the significant cuts proposed for the EPA and ODA portions of the program and additional restrictions on ODA spending authority will force these agencies to scale back their efforts to improve Ohio's water quality just when H2Ohio should be expanding in more areas of the state. The drastic cuts to the EPA's portion of H2Ohio, used to replace lead service lines and failing home sewage treatment systems, will disproportionately impact disadvantaged communities in urban and rural areas of Ohio. We are aware there is a belief that some of the federal Covid-19 relief dollars may be used for lead service line replacement but the need totals in the billions and Ohioans need every bit of help they can to replace these dangerous, aging water lines.

The science shows that addressing issues like nutrient runoff that causes algal blooms in Lake Erie and improving water quality statewide requires sustained investment over time. We didn't get here overnight, and we won't fix it quickly, but science shows the kinds of investments and practices on the ground that H2Ohio funds, will improve water quality. The budget as originally proposed by Governor DeWine included \$240M over the biennium to continue to improve water quality – each year appropriating \$49M for ODA, \$46M to the EPA, and \$25M to DNR to continue their work. These H2Ohio funds are needed and a sound investment to help solve the problems we face related to water quality and build on the successes of the program in the following ways:

- ODA's H2Ohio appropriation allows the agency to continue to enroll farmers in its nutrient reduction programs and ensure that practices are being implemented through initiatives like the farmer certification effort through the Ohio Agriculture Climate Initiative, of which TNC is a founding member. The number of farmers seeking enrollment in this program far outweighed the anticipated interest and funding in the first 2 years. This funding also allows ODA to expand eligibility to additional counties in the basin and to plan for the eventual expansion of H2Ohio programs across the state.
- DNR's H2Ohio appropriation will be used to continue to construct and rehabilitate wetlands, with help from organizations like TNC to identify and map key locations for effective wetland placement in the Western Lake Erie Basin and statewide. Wetlands are known as "nature's kidneys" and provide critical drainage and filtration of agricultural run-off prior to discharge into our streams, rivers, and lakes.
- EPA's H2Ohio appropriation will be used to further the agency's efforts to help support wastewater and drinking water infrastructure projects in disadvantaged communities, replace

failing home sewage treatment systems, and replace lead service lines that could contaminate drinking water.

We encourage the Senate to restore the H2Ohio funding proposed in the introduced budget to allow ODA, DNR, EPA, and the Lake Erie Commission to continue this high-priority work at the scale necessary to make tangible improvements in our water quality.

Robust funding for agency programs working to improve water quality outside of H2Ohio

In concert with the efforts of DNR, EPA, and ODA specifically related to H2Ohio, these agencies also undertake other actions to improve Ohio's water quality. For example, DNR oversees the Healthy Lake Erie program, which is, among other things, funding efforts to use dredged material to benefit lakeside communities rather than dumping it in the lake. EPA works to monitor and enforce limits on water pollution around the state. And ODA works to improve agriculture practices throughout the state in other ways like the Soil and Water Phosphorus program and the agency's coordination of efforts in each of 7 watersheds around the state through HB7, passed last year by the 133rd General Assembly. TNC was pleased to see the House maintain funding outside of H2Ohio for these agencies and likewise encourages the Senate to support and reinstate robust funding for these agencies' efforts to improve water quality in this budget.

Increased funding for DNR's Division of Parks and Watercraft and Division of Natural Areas and Preserves

TNC also supports the increased funding for the Division of Parks and Watercraft (DPW) and Division of Natural Areas and Preserves (DNAP) proposed by the Governor and included in Substitute HB110 by the House. Just as Ohioans flocked to state parks and preserves in record numbers during the pandemic, Ohioans also flocked to our preserves to take advantage of Ohio's natural resources. According to research conducted by Google, this trend has continued through the spring, with visits to parks, preserves, and other natural areas in Ohio up 98% in April 2021 as compared to April 2020. Investments in conserving Ohio's natural resources today will benefit future Buckeyes. State parks, preserves, and natural areas stimulate local economies and provide areas for outdoor recreation close to home for all Ohioans as well the thousands of tourists who are drawn to our state's natural beauty. Investing in these areas now allows the state to continue to build on the successes of past budgets and will pay dividends into the future.

Restore one-time increased appropriation for ODA's Farmland Preservation Division

TNC asks the Senate to support Senator Peterson's amendment to reinstate a one-time \$7M appropriation for the ODA's Farmland Preservation Division proposed by the Governor in HB110. This division works to preserve farmland for agricultural uses by distributing grants to local governments, county soil water and conservation districts, and local land trusts to purchase agricultural easements from interested landowners through the Clean Ohio Program. The proposed additional appropriation of

\$7M for the division would allow ODA to clear a backlog in applications for the program resulting from consistently high demand from farmers around the state seeking to preserve their land for future generations.

Dedicate excess liquor profits to brownfield redevelopment

TNC supports an amendment to dedicate excess liquor profits to brownfield redevelopment through the Clean Ohio Revitalization Fund (CORF). The CORF was approved by voters in 2000 and reauthorized in 2008 as a part of the Clean Ohio program, and provided over \$400M to clean up brownfield sites for future use across our state. The original 4-pronged approach of the Clean Ohio Fund was very popular, especially the brownfields revitalization funding which offered to many communities, for the first time, dollars to clean up contaminated areas. As many of you may remember, CORF received most of its funds from liquor profit-based bonds and the creation of JobsOhio transferred much of this funding stream to that agency and away from brownfield redevelopment. While JobsOhio clearly does much good work, their brownfields funding is much harder for communities to access. For these reasons, TNC supports the amendment to dedicate excess liquor profits returned to the state by JobsOhio to the Clean Ohio Revitalization Fund. Sometimes, like Coca-Cola, the original is still the best.

Remove House change to eminent domain authority for trails

TNC is opposed to a provision in temporary law the House added to Substitute HB110 that would temporarily restrict the authority of park districts in a few counties in the state to initiate eminent domain proceedings for trail creation. This is a solution seeking a problem. It is our understanding these park districts very rarely even use this authority and can only do so after following requirements as set forth in law. Specific language in this bill addresses a local issue and we don't believe Ohio's state budget is the appropriate venue. Recreational trails are not proposed or constructed in a vacuum. Counties are involved from the beginning and there are numerous opportunities for the public and interested landowners to weigh in. Ohio and many other states commonly construct trails on old unused railroad beds as these are perfect for bicycling, hiking, offering users a chance to see a part of hidden Ohio. We urge the Senate to remove this confusing temporary provision from the budget and allow existing processes to be utilized. Municipalities, counties, colleges, hospitals, public cemeteries and even the state of Ohio have the ability to use eminent domain for things such as shopping mall, hospital and cemetery expansions, utility line easements, and road construction, and public trails are for the public good and overall benefit of all Ohioans.

Eliminate House changes to Oil and Gas Leasing Commission

TNC is very concerned with a provision added by the House of Representatives (Lines 9851 - 10252) that makes it the state policy to "promote" oil and gas drilling, but notably no other sources of energy on state lands. We heard multiple times during hearings on the various energy-related bills in the last General Assembly and in this one how Ohio is "open for business" and we need an varied and "diverse

energy portfolio” to not only meet our citizens and business and industry needs but to attract new investment. Why is it the policy to only “promote” oil and gas drilling and not solar, hydropower, wind, or other options? This change to the Oil and Gas Leasing Commission and public lands leasing process will eliminate mechanisms for transparency and public oversight by encouraging state agencies to immediately begin leasing state public parcels prior to the creation of parcel nomination or public notice rules. This provision also requires that all money received by a state agency in exchange for the lease of state agency-owned land be deposited into the Oil and Gas Land Management Fund, to be used for Commission administration purposes or, in other words, to promote even more oil and gas drilling. For example, if land at a state park is used for oil and gas drilling, the money the state park receives from leasing the land won’t go back into supporting the park, but instead will go into a fund designed to help the oil and gas industry instead of benefiting the people of Ohio, who are the true owners of our public lands.

We do understand that revisiting the Oil and Gas Leasing Commission may be productive and urge the General Assembly, the Administration, and other interested parties to consider this in a standalone bill. The new provisions in the House version were included unexpectedly and should be vetted in the appropriate House and Senate committees designed to debate these matters. We ask that this language be removed to protect the natural integrity of our state public lands, nature preserves and parks and address Ohioan’s desire that all sources of energy, not just oil and gas, be developed in our state. These outdoor public lands places are so vital to public health and outdoor recreation and have proven invaluable during the COVID-19 pandemic, when enjoying nature and visiting our state parks has been one of the safest activities available for people to participate in outside of their homes.

We know that your job as elected officials is very difficult, and you hear from many voices urging support for various programs and provisions. We all need clean water, farms to provide the food we need to live and safe outdoor spaces. Everyone in Ohio and who visits our beautiful state benefits from these – not just any particular interest group. We ask for your support for our recommendations and offer our help as we work together to make Ohio not just a great place to live and work, but a destination for visitors from all over who want to enjoy our natural areas, trails, lakes and rivers. Thank you again for this opportunity to provide testimony as an interested party on Substitute HB 110. I would be glad to answer any questions.