



**Interested Party Testimony of Ohio Environmental Council Action Fund
State Biennial Operating Budget - Substitute House Bill 110
Presented to the Ohio Senate Finance Committee
May 19, 2021**

Chairman Dolan, Vice Chair Gavarone, Ranking Member Sykes, and Members of the Ohio Senate Local Government and Elections Committee, thank you for the opportunity to testify before this committee today on Sub-House Bill 110 (HB 110) the proposed budget for Fiscal Years 2022-2023. My name is Trent Dougherty, General Counsel for the Ohio Environmental Council Action Fund (OECAF).

In February, Governor DeWine introduced one of the most pro-environment and proconservation budgets seen in Ohio in decades. The Governor’s proposal not only shows how the executive branch wants to spend money, but shines a light on what are the priorities of Ohio and Ohioans. The *As Introduced* version of HB110 showed that this Administration prioritized access to clean, safe, and affordable drinking water, and more and better public lands.

Your colleagues in the House kept much of the Governor’s pro-conservation budget intact, and in some places, increased financial support for important local outdoor recreation project investments, including the \$2M appropriation for the Baileys mountain bike trail project in the Wayne National Forest. These local recreation projects are important economic drivers and provide numerous public health and environmental benefits. However, the House included two significant exceptions that betray the dedication to the human health and environment of Ohio seen elsewhere in HB 110. As we explain below, **we urge this committee to restore the “As Introduced” version of funding for the successful H2Ohio program, and to oppose efforts to exploit Ohio’s public lands at the expense of Ohio’s taxpayers.**

Restore Necessary Funding to H2Ohio

H2Ohio is one of the most comprehensive, science-based plans for clean water in state history. Designed to improve Ohio’s water quality from source to tap, H2Ohio focuses

specifically on reducing phosphorus in Ohio's waterways through conservation best practices, creating wetlands, addressing failing septic systems, and preventing lead contamination in drinking water. The H2Ohio program provides direct funding to reduce pollution in our waterways and help communities across Ohio afford the necessary upgrades to provide residents safe and and more affordable drinking water. The H2Ohio program is poised to continue improving drinking water quality for Ohioans if the resources are made available.

The Governor's proposed state operating budget included continued investment in H2Ohio funding to the tune of \$240 million over the next two years. This worthwhile investment would provide the OEPA with \$46 million a year, the ODA with \$49.3 million a year, and the ODNR with \$25 million a year.

Unfortunately, this much-needed increased investment in the H2Ohio program was almost entirely removed in the substitute budget bill through reductions in proposed funding for the Ohio EPA's water infrastructure projects. With no explanation, the House approved a \$36 million per year slash to the Ohio EPA's portion of H2Ohio program. While the line item is an increase over that proposed two years ago, that \$72 million would go directly to fixing water quality problems that affect households in every corner of the state. From lead service line replacement that would help ensure clean and safe drinking water, to repairing failing household septic systems that have been an environmental and health problem in our rural areas - fully funding Ohio EPA's H2Ohio makes Ohio a safer and healthier place to live. We should be doing more, not less, to ensure clean, safe drinking water for all who call Ohio home. **We urge the Senate to restore this funding for the health and wellbeing of Ohioans in urban, suburban and rural communities!**

Remove Amendments to Fast-Track State Park Drilling

During this very trying year, we commend Governor DeWine's and ODNR's commitment to keeping the state's public lands open and serving the public at a high level. The COVID-19 pandemic has been in full swing in Ohio for nearly a year now. As we are seeing in real time, maintaining public access to quality outdoor recreation opportunities is now more important than ever. Ohio and out-of-state residents are escaping to the outdoors at record levels as a matter of basic health, sanity, and overall wellness. State Parks and their facilities, as well as ODNR properties in general, are seeing significant visitation increases. The modest budget increase proposed for Ohio's State Parks is needed to meet increased public demand. We urge this committee to support the

Governor's proposed ODNR funding levels not just as a matter of conservation and good stewardship, but as a matter of public health as well.

However, inexplicably and without discussion or debate, the House added amendments to the state's Oil and Gas Leasing Commission that jeopardizes the investments in our state parks. In the House Finance Committee's omnibus amendment, and at the behest of the oil and gas industry, the lower chamber snuck an amendment into the Budget Bill that fast-tracks oil and gas development on public lands, reneges on processes agreed upon in HB133 in 2011, and puts the state park natural legacy at risk (see pages 320 - 333).

Specifically, Sections 155.30 through 155.36 (Lines 9851 - 10252) seek to significantly alter the Oil and Gas Leasing Commission and public lands leasing process established in 2011 (HB 133; R.C. 1509.70 - 1509.77). The leasing commission process established nearly ten years ago is not perfect, but at the very least it established some mechanisms for transparency, objectivity, public oversight, and public involvement. This egregious bill language eliminates those checks and balances and in so doing breaks promises made to the public that have stood for nearly ten years.

The House's amended language in HB 110:

(1) Plows all leasing revenues back into facilitating more oil and gas industry development of our state parks, forests, and wildlife areas. Section 155.33(G) (lines 10155 - 10179) eliminates the arrangement under current law in which leasing revenues are to be reinvested in public land acquisitions and capital improvements. The bill language creates the oil and gas land management commission administration fund and directs that all state leasing revenues are to be credited to said fund. Section 155.35 (lines 10234 - 10245) specifies that the fund is to be spent by the leasing commission and ODNR to implement the state lands leasing program. **This leaves the owners of the parks left with none of the revenue for impact to the parks they love and enjoy - Ohioans deserve better.**

(2) Eliminates public involvement and oversight from the state public lands leasing process. Section 155.33 (line 9976 et seq.) frees state agencies to immediately begin leasing state public parcels prior to the creation of parcel nomination or public notice rules and independent of involvement or oversight by the leasing commission. This will eliminate the requirement, under current law, that state agencies consult with the leasing commission in order to lease public lands outside of the nomination process. The leasing commission, which this bill renames the "Oil and Gas

Land Management Commission,” includes representation from the public and a statewide environmental organization and plays an important public oversight and transparency role.

(3) Makes it state policy to "promote" drilling in state lands. Section 155.31 (line 9893) changes state policy from “providing access and support” for state public lands oil and gas development to “promote” said development.

Oil and gas development in and under our public natural areas is in direct conflict with public enjoyment and public health. Surface infrastructure can destroy wildlife habitat and the visual integrity of our parks. Air pollution from all stages of drilling, which is unavoidable, is a serious threat to public health and enjoyment — a threat that does not respect property boundaries. The State of Ohio holds our state lands in trust for the people of Ohio, not for the oil and gas industry. Narrow interests — especially those that conflict with the interests of the broader public — should not be promoted and activities fast-tracked above the interests of everyday Ohioans and their families. Yet this bill language does precisely that -- tipping the scales so far in favor of development, it preordains the basic decisions of the leasing oversight commission.

We urge the Ohio Senate to remove these provisions, and maintain current law.

Invest in Local Communities through Brownfields Redevelopment

Additionally, the OECAF wishes to express our support for including brownfields redevelopment in the budget bill. Brownfields redevelopment is a smart investment, a jobs creator, and an economic generator for communities across Ohio. “Brownfields,” environmentally contaminated former industrial and commercial sites, are present in all 88 counties in the state. They are risks to health and pathways for pollution. Providing communities with the resources to clean these sites up and repurpose them enhances property values, drives local investment, and supports local jobs growth.

Brownfield reclamation and redevelopment has suffered in Ohio since the sunset of the Clean Ohio Revitalization Fund (CORF) in 2013. Reestablishing CORF now will help clean the environment and spur local economies at a time when our communities have been hit hard by the COVID-19 pandemic.

Thus, OECAF supports amending HB110 to include a dedicated 75% of the excess liquor profits returned to the state from JobsOhio as the source of funding for CORF, with the remaining 25% going to the General Revenue Fund.

In conclusion, Chairman and Members of the committee, we urge the Senate to support investment in communities today, and investment in the state's natural legacy for tomorrow. We urge this committee to resist amendments that rollback protections for our precious public lands or starve environmental enforcement of necessary resources. We thank you for considering our perspective and our recommendations. We are pleased with the budget that the Governor proposed, and we look forward to working with the Senate during the upcoming weeks to craft a bill that protects Ohio's communities today and preserves Ohio's natural treasures for future generations.