



**Ohio Senate Local Government and Elections Committee
Interested Party Testimony
Substitute House Bill 110**

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Good morning Chair Gavarone, Vice Chair O'Brien, Ranking Member Maharath and members of the Senate Local Government and Elections 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 air pollution. 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 (OEPA), Ohio Department of Natural Resources (ODNR), 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 and eliminate the one-time injection of money to meet significant demand in the farmland preservation program. 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 budget and urges the Senate to restore the \$72M cut to the program and other changes made 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.

Since the Toledo Water Crisis in 2014, when over 500,000 Ohioans could not drink their water because of a harmful algal bloom in Lake Erie, Ohioans have implored the state to take action to address water quality issues, not just in "our" Great Lake, but across our state. Our elected leaders, state agencies and many private partners have taken action. The H2Ohio program created in the previous state budget is an innovative approach to improving our water resources and meeting our commitment to reduce by 40% the nutrients that run off into Lake Erie that and cause harmful algal blooms. As a national organization we can testify to the interest shown by other states in this 3-pronged approach program and its early successes. In just the initial years of H2Ohio's existence, the program has achieved inspiring results:

- Through the efforts of ODA and Ohio farmers, over 1M acres of farmland across the Western Lake Erie Basin, or 43% of the total acres in the basin, are enrolled in at least one practice to reduce nutrient runoff to the Maumee River.
- ODNR and partners like TNC have created, restored, or enhanced 5,700 acres of wetland across the state that will filter water from more than 90,000 acres in the same watersheds. Not only do these wetlands filter nutrients from the water, acting as "nature's kidneys," but they provide a number of ancillary benefits to people and nature – from increased habitat for animals and opportunities for outdoor recreation for people, to combating climate change by pulling carbon dioxide from the air.
- EPA has repaired or replaced 180 failing home sewage treatment systems that contribute nutrients to waterways and has also replaced 185 lead service lines across the state.

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 also 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.
- ODNR'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.
- EPA's H2Ohio appropriation will be used to further the agency's critical 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 critical 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 support efforts 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 133 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. This increased use of our state parks, preserves, and other natural areas necessitates additional funding for maintenance, cleaning, and law enforcement to ensure that Ohioans can continue to enjoy these amenities safely and without issue.

Investments in conserving Ohio's natural resources today will also 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.

Increased funding for ODA's Farmland Preservation Division

TNC asks the Senate to reinstate the increased funding 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 meet the consistently high demand from farmers around the state seeking to preserve their land for future generations.

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. 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 go into a fund designed to help the oil and gas industry instead of benefiting the people of Ohio, who are the owners of the land at our state parks.

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, however the new provisions in the House version should be removed to protect the natural integrity of our state parks and address Ohioan's desire that all sources of energy, not just oil and gas, be developed in our state.

These outdoor places are so vital to public health and outdoor recreation. Especially 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, it is not advisable for the General Assembly to cater to the needs of the oil and gas industry over other industries and the needs of the people of Ohio.

We know that your job as elected officials is 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 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.