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Committee

Testimony on House Bill 33

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Good morning, Chairman Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson, and members of the Senate Agriculture and Natural Resources Committee. My name is Anne Vogel, Director of the Ohio Environmental Protection Agency. Thank you for giving me the opportunity to speak to you today about Ohio EPA's fiscal year 2024 – 2025 budget requests.

Ohio EPA Overview

Since 1972, Ohio EPA has fulfilled our important mission of protecting the environment and citizens of Ohio. Ohio EPA does this through many regulatory programs that help ensure that we have clean water, breathe clean air, and are protected from hazards associated with managing wastes, spills, and releases. Ohio EPA has an important role in supporting economic development through efficient permitting processes and helping communities bring old industrial sites back to useful life. Helping keep citizens informed on environmental topics, supporting students through environmental education and conducting outreach to help businesses understand our regulations are also important activities of our Agency.

Ohio EPA has a team of just over 1,100 employees who assist in permitting new development projects, responding to environmental emergencies, inspecting regulated facilities, investigating environmental complaints, providing financial, technical, and compliance assistance and orchestrating environmental education and outreach. Ohio EPA is a leader among state environmental agencies, with nationally renowned experts in their fields providing their expertise to Ohio businesses and communities every day.

Ohio EPA has five district office locations throughout the state: a Central office in downtown Columbus, and district offices in Bowling Green, Dayton, Logan, and Twinsburg that allow our team to have a strong presence statewide and make an impact in the communities they serve.



Ohio EPA also has a laboratory at the Ohio Department of Agriculture campus in Reynoldsburg, where Ohio EPA staff analyze over 100,000 tests annually for pollutants in a variety of media including drinking, ground and surface waters, sediment, air, and fish tissue for Ohio's Sport Fish Tissue Monitoring Program. Additionally, Ohio EPA has a Groveport field

office, that houses the Ohio EPA's Office of Emergency Response that responds to spill and other environmental emergencies 24 hours a day, 7 days a week. It is these Emergency Response staff who responded immediately to the East Palestine train derailment.

Budget Overview

Ohio EPA's budget request is \$272.5 million for Fiscal Year 2024, and \$275.5 million for Fiscal Year 2025.

The increase from Fiscal Year 2023 is primarily attributable to the additional \$21 million appropriated for H2Ohio funding in both Fiscal Year 2024 and Fiscal Year 2025. Other increases include filling vacant positions, greater availability of recycling grants funding, and increased spending of federal infrastructure grant program funds awarded to Ohio.

Fee Extensions

Ohio EPA's primary sources of revenue are fees, settlements, cost recoveries, and penalties. Approximately 68 percent of Ohio EPA's requested appropriation is in dedicated purpose funds, revenue generated each year by fees which are paid by our regulated customers seeking permits, licenses, or those disposing of waste in the state of Ohio. Fee revenue collected by Ohio EPA is generated by fees that sunset every biennium. These include fees that support the air, drinking water, surface water, and waste management programs.

These fees allow Ohio EPA to support scrap tire remediation, certify public water system operators and license drinking water systems that provide clean drinking water to Ohioans, permit wastewater systems for better water quality and issue

federally enforceable state operating permits for industries through our air program, that if not for this permit these industries would be subject to additional federal requirements.

I want to thank the General Assembly's continued support of Ohio EPA's existing fees that have allowed our team to continue our important work of protecting Ohioans and ask once again that the legislature extend the sunset on these fees for another biennium. Ohio EPA is not proposing any new fees nor increases to any of our current fees, but requests extending sunset dates for applicable fees.

I am also asking for the General Assembly's support to adjust the allocations of two fees that have statutory allocations to specific funds within Ohio EPA. Adjusting these allocations will allow for targeted support to Ohio EPA programs that need it most without increasing any fees or impacting external stakeholders who receive portions of Ohio EPA fees.

E-Check

Ohio EPA is requesting \$27.7 million in continued General Revenue Fund (GRF) support to administer the E-Check program in Northeast Ohio. This allows for the E-Check program to be provided at no cost to individual motorists and is Ohio EPA's only GRF appropriation. The E-Check program is required by the federal Clean Air Act in seven Northeast Ohio counties that are not meeting federally mandated ozone air quality standards.

The federal Clean Air Act requires that Ohio maintain a mobile source emissions control program in areas of the state that do not meet the federal air quality standards for ozone. Every two years, motorists in the seven counties must take their vehicle in for an emissions test to renew their vehicle's registration and one of the many test stations, self-service kiosks, or repair shops that provide testing. The self-service kiosks allow motorists to test their vehicles conveniently 24-hours a day, 7 days a week.

Continued support for this federally required program prevents a reduction in federal highway funding and helps prevent additional regulations on the businesses that would hinder development in the Northeast Ohio region. Again, E-Check is provided at no cost to individual motorists due to the support of the General Assembly. The amount of GRF requested for the upcoming biennium will ensure all current stations and self-service kiosks remain open, with no cost to motorists at the test point.

Superfund Sites

In this budget, we are proposing to create a new fund to pay for Ohio's portion of the cost-share on remediation and long-term care for certain sites on the National Priorities List, commonly known as "Superfund Sites".

Superfund sites are federally led and managed, but states pay a 10 percent cost share when sites without a responsible party move to the remediation phase, and 100 percent of the costs in the post remediation phase. Having a stable source of revenue to pay for Ohio's cost share increases Ohio's chances of being able to draw 90 percent of funding for these sites from the federal government. Some of these projects can cost up to \$100 million in remediation needed and leveraging Ohio's 10 percent contribution to the clean-up of these sites can cover substantial costs that Ohio would otherwise pay ourselves.

Ohio currently has 15 active Superfund sites that have not yet reached the remedial action state and Ohio will be responsible to pay our capital cost share and operation and maintenance on at least six of those sites. Prior to remedial action implementation, Ohio is required to sign a Superfund State Contract guaranteeing payment of our share of costs. Although U.S. EPA controls the schedule of when a site will begin remedial action, it is anticipated that Ohio will have new payments due in 2024 and 2025 and that payments will be required for decades beyond.



Former Peter's Cartridge Superfund Site
Photo: Cartridge Brewing

The new fund will also be used to cover the long-term operations and maintenance on remediated sites, which ensures the health and safety of Ohioans for years to come and can help these sites find a second life and be reused for commercial development or conservation such as the former Peter's Cartridge site in King's Mill, Ohio. Following the completion of remedial activities in 2017, a

portion of the former Peter's Cartridge site was delisted from the National Priorities List. The delisted portion of the site was able to go through Ohio EPA's Voluntary Action Program and a covenant not to sue was issued by Ohio EPA in 2021. The site has since been redeveloped for restricted residential and commercial use, and currently includes multifamily residential apartments and the Cartridge Brewing Restaurant.

Scrap Tires

Ohio EPA greatly appreciated the General Assembly's support of the changes to the scrap tire program in the last biennium. The collection of proposed changes in this budget request to the scrap tire program will reduce the number of tires dumped statewide and provide more opportunities for the state to partner with communities and organizations who want to help keep Ohio beautiful.

Ohio EPA will expand opportunities for communities, nonprofits, schools, and civic organizations to conduct scrap tire cleanups and amnesty events by reducing red tape for those holding clean up events and expanding eligibility to receive grant support from Ohio EPA.

Ohio EPA is requesting removing the financial barriers it takes to become a scrap tire transporter. These businesses provide critical services to Ohio's scrap tire management program and eliminating the registration fees and reducing the amount of financial assurance they must carry opens the door for more individuals to do business as a transporter.

And in the last biennium, the General Assembly raised the ceiling for no-fault scrap tire clean-ups. This has allowed Ohio EPA to complete 6 no-fault clean ups of over 5,000 tires, like East Fork State Park in Clermont County where thousands of tires were being dumped and had become an eyesore for hikers, hunters, and horse riders.



East Fork State Park Tire Removal in Clermont County

Currently, Ohio EPA can only use funding to clean up tires at these sites, and residual waste is often left behind and must be removed at the cost of the property owner. Ohio EPA is asking for the ability to clean up the residual wastes at scrap tire clean-up sites, so that citizens and local governments are not left with additional costs, and sites are completely free of waste and debris.

Efficiencies: Innovate the Code and Environmental Covenants

There are also additional measures to increase efficiency included in the proposed budget. There is a provision that eliminates the current requirement to have

original signatories sign any changes to an environmental covenant. In some instances, the original signatories cannot be located and this would allow Ohio EPA to amend or terminate the covenant with the current owner of the subject property.

Additionally, EPA is included in the list of agencies proposed through the Common Sense Initiative to reduce cost of providing notices on agency actions by allowing the use of electronic notification.

REHS Technical Fix

I would like to highlight one technical fix needed in the current budget version. Changes proposed to registered sanitarians would compel Ohio EPA staff that provide oversight of hazardous waste to become registered environmental health specialists (REHS).

Currently, only employees who oversee solid waste in the Division of Materials and Waste Management (DMWM) at Ohio EPA are required to be REHS. Employees who oversee hazardous waste in the Division of Environmental Response and Revitalization (DERR) are not REHS.

The proposed change would stop work performed by DERR until inspectors can fulfill the training and testing requirements for REHS. DERR employees would not be considered properly trained for the work that they do, which would have a significant negative impact on ongoing and future enforcement activities. Creating a requirement for training and registration at this time could potentially call into question the qualifications for our inspectors on previous inspections. Halting inspections until all employees become REHS would eliminate Ohio EPA's ability to ensure that hazardous wastes are properly managed.

H2Ohio

Finally, I would like to thank the General Assembly for your continued support of H2Ohio, which has allowed Ohio EPA, Ohio Department of Agriculture and Ohio Department of Natural Resources the ability to improve the lives of Ohioans across the state through better water quality. I had the privilege of working on this Initiative while in the Governor's Office and have seen the impacts it has had across Ohio.

Ohio EPA is requesting an appropriation of \$20 million in fiscal year 2024 and fiscal year 2025 to continue H2Ohio projects that assist communities with funding to do critical water and sewer infrastructure projects, replacing childcare facilities and community lead service lines and failing home septic systems.

More than 59,000 Ohioans will be served by one of the 65 H2Ohio projects already awarded. Ohio EPA's H2Ohio funding addresses critical water and wastewater infrastructure needs in Ohio communities, particularly in economically disadvantaged communities that have projects that would not be possible without additional financial support. The map on your iPads shows all the projects Ohio EPA has funded so far through H2Ohio.



Since becoming Director and speaking with my talented team, I have found that every town or village statewide needs something when it comes to water or wastewater infrastructure. While there are numerous programs that help support communities by funding water and wastewater infrastructure projects through loans and grants, H2Ohio has the unique ability to fill funding gaps that cannot be addressed by other existing programs, including the IJJA funding. In many situations, H2Ohio awards are the “last mile” of funding for communities that are receiving loan and grant funding from other sources and helps ease the burden for grantees and their ratepayers, who often shoulder the cost of large water and sewer projects through increased rates.

Ohio EPA is also requesting an additional \$13.5 million each fiscal year to support the H2Ohio Rivers Initiative, a new program, which will give Ohio EPA and Ohio Department of Natural Resources, and Ohio Department of Agriculture opportunities to continue the important work of improving Ohio's rivers throughout the state.

Ohio EPA's focus with this initiative will be river restoration, road salt management, low head dam removal and emerging contamination assessment. Ohio EPA, along with ODNR proposes to remove aging and non-functional low head dams to improve safety and the health of Ohio's large Rivers such as the Ellis Dam near Zanesville on the Muskingum River. Ohio EPA will prioritize and fund river and habitat restoration in areas with impairments through stream restoration, habitat

creation, and contaminated sediment removal. The goal of this program will be to remove water quality impairments to improve the ecosystems and put these waterbodies across Ohio on a path to exceptional warm water habitat and/or a scenic river designation. Ohio EPA will also work with Ohio Department of Transportation to decrease salt runoff into the rivers through cost-sharing incentives, education, and outreach.

Lastly, through the H2Ohio Rivers Initiative, Ohio EPA will survey Ohio's large rivers for previously unmeasured contaminants and contaminants of emerging concern. Ohio EPA would assess the levels of these contaminants in the environment and their potential impact to aquatic life. This proposal is an extension of extensive sampling that was conducted in 2020 and 2021 on all large rivers throughout the Ohio. This collection of new data will enable Ohio EPA to compare Ohio's waters with draft U.S. EPA aquatic life PFOA and PFOS values published in 2022. This data collection will establish baseline concentrations in Ohio's surface waters and aquatic life. Ohio EPA does not anticipate the findings to exceed U.S. EPA's criteria. With respect to PFAS, the science continues to evolve, and Ohio EPA wants to ensure Ohio has the best information to protect Ohioans.

Overall Ohio has made great strides in improving water quality under Governor DeWine's H2Ohio Initiative and Ohio EPA and our partners look forward to continuing this important work to improve water quality, protect wildlife and create healthy environments for Ohioans to recreate in rivers across the state.

Conclusion

I am excited about the opportunities this budget request presents for Ohio EPA to continue improving the lives of Ohioans around the state. As Governor DeWine said in his State of the State Address "We meet at a time of great opportunity for Ohio and its citizens". I believe Ohio EPA plays a pivotal role in why businesses choose to build here and why people choose to live here.

As the Ohio EPA Director, I hope to continue to empower our team and our role in Ohio to keep this time of great opportunity rolling. Thank you for your time today and I am happy to answer any questions.