



May 8, 2025 – Ohio Senate Agriculture and Natural Resources Committee Testimony of Director John Logue on House Bill 96

Good morning, Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson, and members of the Senate Agriculture and Natural Resources Committee. My name is John Logue, Director of the Ohio Environmental Protection Agency. Thank you for letting me speak to you today about Ohio EPA's fiscal year 2026 – 2027 budget requests.

Ohio EPA Overview

Since 1972, Ohio EPA has been committed to its mission of protecting the environment and the well-being of Ohioans across the state. We do this through regulatory programs that ensure Ohio has clean water and air and is protected from environmental spills and releases. Ohio EPA is the delegated authority by U.S. EPA to oversee federal environmental regulations at the state level, such as the Clean Water Act, Clean Air Act, Safe Drinking Water Act, Resource Conservation and Recovery Act, and National Pollutant Discharge Elimination System. By assuming these responsibilities, Ohio EPA protects human health and the environment while ensuring the state meets federal standards.

Ohio EPA employs 1,050 professionals who permit new development projects, respond to environmental emergencies, inspect regulated facilities, investigate environmental complaints, provide financial and technical assistance, and coordinate environmental education and outreach programs.

Ohio EPA has 24/7 statewide emergency response coverage. In 2024, our team responded to more than two thousand environmental spills. We have a main office in Columbus, four regional offices, and a central lab.

Ohio EPA supports economic development by helping businesses and communities comply with environmental regulations, issuing the necessary permits in a timely fashion, and promoting sustainable growth. For example, our Voluntary Action Program focuses on redeveloping contaminated sites by providing financial assistance and regulatory support to encourage responsible development. We also provide comprehensive support for environmental projects, such as compliance assistance, technical guidance, and financial resources.

Budget Overview

Ohio EPA's budget request is \$264.4 million for Fiscal Year 2026 (9.5% decrease) and \$ 272.6 million (3% increase) for Fiscal Year 2027.

The decrease from Fiscal Year 2025 is due to the conclusion of several one-time federal projects. The increase in Fiscal Year 2027 reflects the statewide payroll cost-of-living adjustment and the request for new cybersecurity resources for water infrastructure.

Fees

Ohio EPA's primary revenue sources are permits, licenses, and waste disposal fees, which account for approximately 70% of our requested appropriation. These fees support programs such as scrap tire remediation, public water system licensing, operator certification, and wastewater system permitting. Ohio industries would be subject to additional federal requirements without these permits issued at the state level.

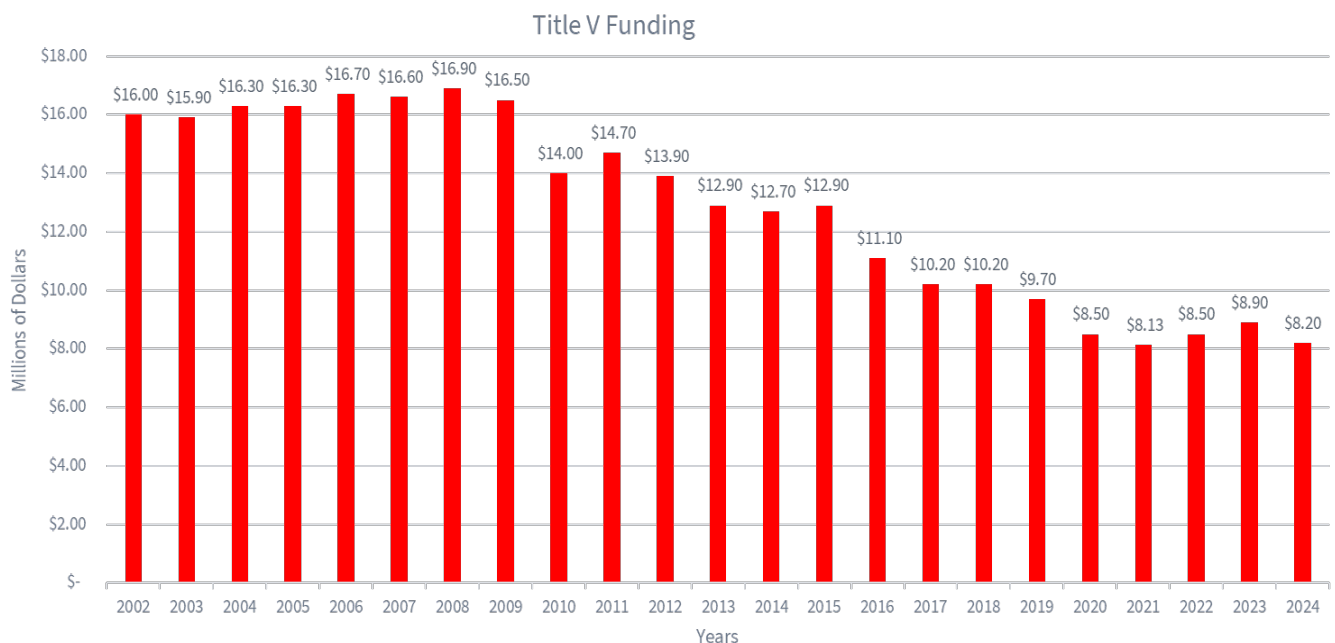
Ohio EPA fees sunset each biennium. I want to thank the General Assembly for its continued support of our existing fees, allowing our team to continue the important work of protecting Ohioans. We request an extension of the agency's fees through the next biennium.

Division of Air Pollution Control (DAPC) Fees

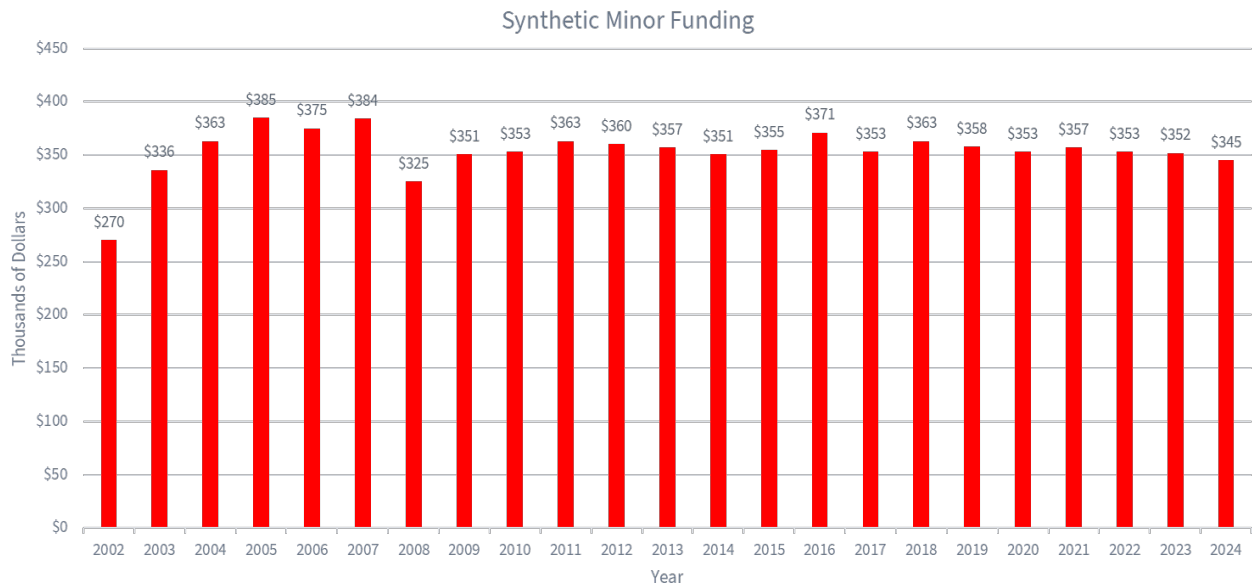
Ohio EPA is requesting to modernize the Division of Air Pollution Control fees to ensure long-term program sustainability, as the program faces a \$7 million shortfall in the next biennium. The Air Division ensures compliance with the federal Clean Air Act, which has improved Ohio's air quality due to significantly fewer emissions. However, these improvements have resulted in less revenue, while federal air permitting requirements have not changed.

The Clean Air Act establishes a framework for permitting major air pollution sources through the Title V program, which is the federal permitting program for large air emitters. Ohio EPA is delegated to operate this program from U.S. EPA. Ohio facilities receive Title V permits from Ohio EPA that detail various air quality standards, monitoring requirements, compliance conditions, and reporting obligations that facilities must meet. Ohio adopted its Title V fee structure in 1993, which is currently \$63.69 per ton (up to 4,000 tons per pollutant). This number is slightly adjusted annually based on the Consumer Price Index.

509 Title V facilities in Ohio pay approximately \$8.5 million annually in fees. More than 100 facilities (24%) pay less than \$1,000 annually.



Ohio EPA also issues synthetic minor permits to facilities that voluntarily limit emissions to avoid regulations like Title V permitting. Synthetic minor facilities are assessed based on the total tons emitted per year. The fee ranges from \$170 to \$3,350. Ohio has about 780 synthetic minor facilities that pay approximately \$350,000 annually. About 450 synthetic minor facilities (57%) pay \$170 annually.



Ohio EPA requires a permit-to-install (PTI) fee that ranges from \$25 to \$9,000. The exact cost depends on several factors, including facility size, type of equipment, and environmental impact. In 2024, 737 PTI construction permits were issued, totaling \$1.1 million, with an average cost of \$1,540.

Year	Number of Invoices	Total	Average Cost
2010	677	\$689,809.81	\$1,018.92
2011	817	\$850,258.93	\$1,040.71
2012	954	\$931,806.38	\$976.74
2013	1,081	\$1,340,244.75	\$1,239.82
2014	1,001	\$1,184,293.11	\$1,183.11
2015	1,054	\$1,757,692.41	\$1,667.64
2016	1,003	\$1,341,500.38	\$1,337.49
2017	912	\$1,215,273.77	\$1,332.54
2018	821	\$1,239,007.23	\$1,509.14
2019	837	\$1,181,457.20	\$1,411.54
2020	700	\$887,489.57	\$1,267.84
2021	667	\$762,687.50	\$1,143.46
2022	612	\$834,038.37	\$1,362.81
2023	698	\$955,320.48	\$1,368.65
2024	737	\$1,134,975.97	\$1,539.99

Without increased funding, there is a possibility U.S. EPA may have to take over certain cases or programs, requiring Ohio industries to engage with U.S. EPA Region 5 in Chicago for permit changes, enforcement, and compliance instead of Ohio EPA staff.

A 2022 U.S. EPA report highlighted a national decline in Title V revenues, identifying Ohio as a state with unsustainable Title V fees. If we do not address the current funding shortfall, permit wait times could drastically increase and affect customer service. The shortfalls could also lead to Ohio EPA losing the air program altogether to U.S. EPA.

In the same report, Indiana was also identified as having unsustainable fees. In October 2022, the Indiana Division of Environmental Management (IDEM) received a letter from U.S. EPA stating that it would assume permitting responsibilities if the state could not secure sufficient funding for the Title V program. The Indiana General Assembly enacted legislation to address the funding shortfalls in 2023.

Ohio EPA met with stakeholders, where we proposed a more balanced fee structure. The proposal in the As-Introduced version of the bill followed a model, recently implemented in Indiana, that generated revenue to fill the \$7 million shortfall across Title V, synthetic minor, and PTIs. The additional revenue generated by a fee increase would maintain air permitting operations and ensure timely permit issuance and support for Ohio’s companies. It is not intended to hire additional staff or create new programs.

Ohio EPA requests supporting the fee schedule initially proposed in the As-Introduced version:

Fee	Number of Facilities	Current Fee	Current Revenue	Proposed Change	Est. Increased Revenue	Est. Total
Title V	509	\$63.69 per ton	\$8,455,000	\$5,000 Base Fee	\$2,545,000	\$11,000,000
PTI Fee	737	Varies	\$800,000	50% Increase	\$400,000	\$1,200,000
Synthetic Minor	791	\$170 - \$3,350 Annually	\$350,000	50% Increase + \$5,000 Base Fee	\$4,121,000	\$4,400,000
Total	2,037	--	\$9,605,000	--	\$7,066,000	\$16,600,000

H2Ohio

Thank you to the General Assembly for its continued support of H2Ohio. Ohio EPA received \$55 million in the last biennium (\$40 million for H2Ohio infrastructure and \$15 million for H2Ohio Rivers) and requests the same amount for the next biennium. The H2Ohio infrastructure money funds critical water and wastewater projects, especially in economically disadvantaged Ohio communities. This money is often last-mile funding, allowing local projects to reach completion. H2Ohio can uniquely fill funding gaps that other programs cannot address. The funding provided in the Governor’s As-Introduced budget would allow Ohio EPA to issue another 400 grants in the upcoming biennium, just as we have in the current biennium. We operate the H2Ohio program with existing staff and every dollar is reinvested back into Ohio’s communities statewide.

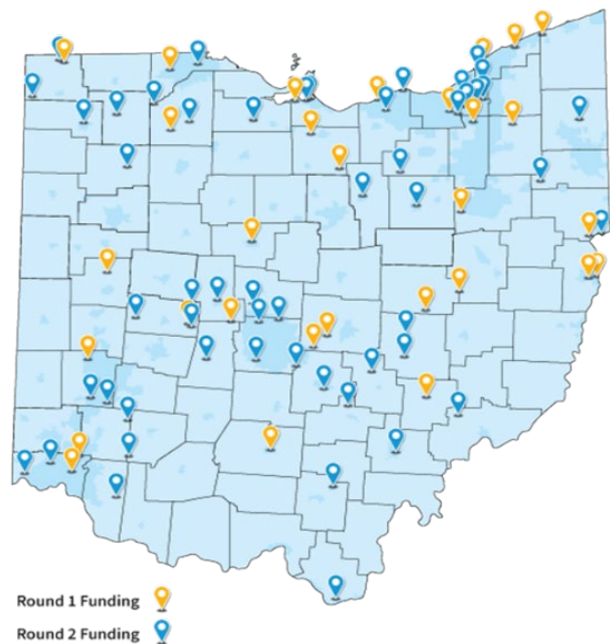
H2Ohio Rivers

H2Ohio Rivers focuses on two key areas:

1. Chloride Reduction Grant Program

This program helps communities manage road salt applications and reduce chloride pollution in Ohio's waterways. Chloride enters surface waters from runoff and is an increasing water quality concern across the state. These funds support upgrades to road salt application equipment and salt storage facilities to improve salt storage and provide tools to reduce the over-application of road salt. To date, we have awarded over 80 communities with grant funding statewide.

Projects include purchasing brine makers, live edge/articulated blades, calibration and spreader control systems, and facility upgrades such as poured concrete and permanent storage covers.



2. Dam Removal Program

Ohio EPA has funded removing or modifying deteriorating dams that harm water quality through oxygen depletion, sediment buildup, and interrupted fish migration. \$10.3 million has been allocated to feasibility studies, design, and construction. In the first year, projects were funded for four dams in Troy and Piqua (Miami County) and the McDonald Steel/Girard Dam (Trumbull County). In the second year, projects were funded in Leavittsburg (Trumbull County), Sydney (Shelby County), and New Philadelphia (Tuscarawas County).

E-Check

Ohio EPA requests a continued General Revenue Fund (GRF) appropriation of \$27 million over the biennium to continue administering the federally required E-Check program in Northeast Ohio.

Under the federal Clean Air Act, Ohio is required to maintain a mobile source emissions control program in areas that do not meet federal air quality standards for ozone, which is currently seven counties in Northeast Ohio. Every two years, drivers in these counties must take their vehicle in for an emissions test at a test station, self-service kiosk, or repair shop to renew their vehicle registration. The self-service kiosks allow motorists to test their vehicles conveniently 24 hours a day, seven days a week.

Continued funding is critical to prevent reductions in federal highway funding and to avoid additional federal regulations that could hinder economic development in the Northeast Ohio region. Thanks to support from the General Assembly, E-Check is provided at no cost to drivers. This appropriation for the upcoming biennium will ensure the program remains free and all current stations and self-service kiosks remain open.

HB 54 (Transportation Budget), passed in March, requires Ohio EPA to submit an updated State Implementation Plan (SIP) to U.S. EPA requesting changes to the current E-Check program. Ohio EPA began the approval process with U.S. EPA last month.

Fee Eliminations

Ohio EPA proposes eliminating two fees to reduce burdens on industry and businesses. These fees generate minimal revenue for the agency:

1. The \$140 registration fee and triennial renewal fee for infectious waste generators. Infectious waste generators include businesses or organizations that produce waste capable of spreading infectious diseases (hospitals, clinics, medical offices, laboratories, veterinary clinics, tattoo parlors, etc.). This fee affects about 500 entities. The registration process for infectious waste generators will remain the same.
2. The tax certification fee is one-half of one percent for obtaining an industrial water pollution control certificate. Businesses installing industrial water pollution control facilities may qualify for a tax exemption for equipment that prevents, controls, or treats water pollution from industrial operations. The Ohio Department of Taxation oversees the program in consultation with Ohio EPA. Ohio EPA currently collects between \$500 and \$1,000 per tax certification, generating about \$30,000 annually. Only the fee collected by Ohio EPA will be eliminated, and businesses can still use the certificate to make tax-exempt purchases on qualifying equipment.

Reduced Fee for Streamlined Waterline Extension Plans

Ohio EPA is asking to charge a reduced fee for streamlined waterline extension projects. Ohio EPA will soon propose an alternative streamlined process available to all water systems through rulemaking. For the program to be successful, it would need a reduced fee structure to align with the streamlined review requirements of the current self-certification provision.

This proposed language would not alter existing fees but expedite approvals by allowing smaller or simpler projects to qualify for lower review fees. The projects would meet specific criteria, such as new waterline construction, extensions, or improvements to existing systems. The goal is to reduce applicants' approval wait time.

Applicants currently pay \$150 + 0.35% of the estimated project cost.

Cybersecurity

Finally, Ohio EPA requests \$8 million in new GRF funding (\$2 million for SFY26 and \$6 million for SFY27) to implement a cybersecurity grant program for Ohio's public water utilities. Public water systems are increasingly vulnerable to cybersecurity threats, potentially disrupting essential water delivery and treatment. This program will provide grants to perform cybersecurity assessments and address vulnerabilities. Funding will be prioritized for public drinking water systems, but wastewater systems will also be eligible. A third party will be contracted to manage the program with direct input and oversight from Ohio EPA. Ohio EPA is working to implement this plan in coordination with the CyberOhio Office and Cyber Reserves and in partnership with Ohio water utilities.

Conclusion

I am excited about the opportunities this budget request presents for Ohio EPA to continue improving the lives of Ohioans around the state. I believe Ohio EPA plays a pivotal role in why businesses choose to build here and why people choose to live here. Thank you for your time today. I am happy to answer any questions you may have.