

Ohio Department of Natural Resources

MIKE DEWINE, GOVERNOR

MARY MERTZ, DIRECTOR

House Finance and Appropriations Subcommittee on Agriculture, Development, and Natural Resources Testimony in Support of House Bill 110 Provided by Ohio Department of Natural Resources Director Mary Mertz March 2, 2021

Good afternoon Chairman Kick, Ranking Member O'Brien, and Members of the House Finance and Appropriations Subcommittee on Agriculture, Development, and Natural Resources. My name is Mary Mertz and I am the Director of the Ohio Department of Natural Resources (ODNR). Thank you for the opportunity to provide testimony today on our department's budget request.

The Ohio Department of Natural Resources (ODNR) is a geographically diverse and expansive state agency. Consisting of eleven divisions that employ almost 2,400 men and women at the height of our busy season, ODNR employees and properties can be found in all 88 counties of the state. Our efforts help provide Ohioans with safe access to the state's beautiful and abundant natural resources that stretch from islands of Lake Erie, through the rolling hills of the Hocking Valley, to the waters of the great Ohio River. Ohio is a magical place full of sites and wonders and it will take continued care and investment to ensure that these experiences we enjoy now remain available to all who call the Buckeye State home.

The worldwide pandemic showed us just how important our public outdoor spaces are to physical and mental wellbeing. During this time, with outside activities being safer than those inside, Ohioans found respite in our state parks, forests, and natural areas. We encouraged people to visit and "find their space." The outdoors is for everyone, and ODNR strives to make all visitors feel welcome, included, and safe. Increased visitorship, especially at our state parks, and the need to meet enhanced cleaning and sanitation standards, challenged ODNR during the busy summer season. Rather than slowing down, we anticipate increased demand to continue this year, as Ohioans look for safe ways to recreate in an ongoing pandemic.

Most of ODNR's operations are supported by revenue earned from programs and not the General Revenue Fund. In fact, just 31% of the department's budget is supported by the General Revenue Fund.

The ODNR budget request is \$483.5 million for FY22 and \$493.3 million for FY23. However, the GRF portion of that amount is only \$145.1 million in FY22, and \$160.1 million in FY23. The budget proposal we present today for ODNR is focused on improving recreation and conservation, providing regulatory oversight, and continuing to grow our H2Ohio water quality initiatives.

Division of Parks and Watercraft

The Ohio Department of Natural Resources is proud that Ohio is one of only seven states in the nation to provide free admission to our state parks. Our state parks system is an important component of Ohio's tourism industry and serves as a key economic driver for local communities. According to Tourism Economics, visitors to Ohio's state parks spent \$328 million in 2019, which generated \$63 million in tax revenues. We expect the economic impact of 2020 to be even more significant as the parks offered safe respites for recreation. Ohioans discovered and rediscovered the joys of hiking, biking, paddling, camping, swimming, and just enjoying nature in State Parks. While not all state parks have visitation counting mechanisms, those parks with counters tracked big increases of day-users in 2020 when compared to previous years. For example, Alum Creek State Park saw a nearly 300% increase in beach use during July's peak of summer temperatures.

Due to the global pandemic the Division of Parks and Watercraft closed its campgrounds and cabins from mid-March to Memorial Day weekend. Upon re-opening we saw a 10% increase in overnights at state operated facilities. In 2019, between June 1st and September 30th, we had 483,260 overnights; during the same period this past summer we had 540,260 overnights. Boating registrations increased by 11,000 vessels from 2019-2020, bringing Ohio to 597,000 registrations and ranking Ohio 6th highest in the nation. These are significant increases and meeting the demand requires further investment in staffing and facilities. The Division of Parks and Watercraft has requested a modest 7% general revenue fund increase over the next biennium to keep up with demand and provide the needed and expected maintenance, cleaning and law enforcement services.

The Division of Wildlife

Ohio has world class opportunities for fishing, hunting, trapping, and other forms of outdoor recreation on 150 wildlife areas encompassing 240,500 acres of public land; 124,000 acres of inland water; 7,000 miles of streams; 2.25 million acres of Lake Erie, and 481 miles of Ohio's portion of the Ohio River all managed by the Division of Wildlife. The division's programs and projects are primarily supported by license fees and permits for hunting, fishing, and trapping in Ohio. As Ohioans sought refuge in the outdoors during the pandemic, the Division of Wildlife saw an increase in hunting and fishing license sales. From fiscal year 2019 to fiscal year 2020, the number of resident fishing licenses increased 8% and deer licenses increased 5%. In the Governor's budget request, the division is asking for a fee reduction for senior permits from \$11.50 to \$11.00. In 2020, the Division issued 28,717 Senior Deer Permits and 6,869 Senior Turkey Permits. The Division is also seeking elimination of the Lake Erie Sport Fishing Permit which has been unpopular with Ohio's fishing and tourism industry for years. The permit adds an additional fee to non-resident anglers fishing Lake Erie between January and April: small businesses have expressed concern that the permit discourages visiting anglers and reduces tourism revenue. Only 5,209 of these \$11 Permits were issued in 2020 and the Division looks forward to removing this burden for future angler seasons. The Division of Wildlife is not requesting an increase in funding.

Division of Forestry

Ohio is home to 24 state forests, encompassing more than 200,000 acres. The Division of Forestry manages these renewable public forest resources for sustainable timber production, wildlife habitat, backcountry recreational opportunities, and clean water. Perhaps more importantly, the Division also provides forest management assistance to public and private landowners throughout the state. Eighty-five percent of Ohio's woodlands are on private land. It is vital that the Division of Forestry has the tools

and the personnel in place to communicate effectively with landowners, farmers, and other citizens across the state about responsible forest management. The Division of Forestry is the lead wildfire protection organization in the state and provides support to local rural fire departments.

Division of Natural Areas and Preserve

With a goal of preserving Ohio's best land and water resources, the Division of Natural Areas and Preserves oversees 139 dedicated preserves in 59 counties, protecting over 30,000 acres of some of the state's most precious natural features. The division also oversees the scenic rivers program, consisting of 15 designated scenic rivers totaling 830 river miles in 32 counties, and protecting nearly 6,000 acres of streamside habitat, Over the past couple of years, the Division has made a concerted effort to improve public access statewide by improving public trail facilities to include fully accessible boardwalks, new footbridges and staircases and improved trail surfaces. In response to the everincreasing visitation and interest in these protected lands and waters, a new effort to increase public outreach is underway with additional interpretive signage, new informational brochures, and updated online content geared to further engage our constituents.

Division of Oil & Gas Resource Management

Governor DeWine's proposed executive budget advances our agency's effort to modernize the Division of Oil and Gas Resources Management. This budget proposal builds on our efforts to plug abandoned oil and gas wells, also known as orphan wells. These wells - many drilled decades ago – have not been maintained and were not built to the same standards as today's wells. Plugging orphan wells is a priority to mitigate their risk to Ohio. This is one of the most important programs our agency uses to protect the public health, safety, and environment of our state. Tremendous progress has been made through this program. In the past two years, the Division has plugged 242 orphan wells. While last year's total (150 wells) is nearly double the number of wells plugged in 2018, we recognize that we still have much more work to do and we have set a goal of plugging 200 wells in 2021.

The proposed budget will allow the Division of Oil and Gas to complete several much-needed modernization efforts that will benefit both the regulated community and the general public. The agency will finalize and implement a new software system that allows electronic registration of well owners and electronic permitting and bonding of oil and gas wells.

The agency is also undertaking a thorough review of its regulatory framework, including both laws and rules. This proposed budget contains important edits to the Revised Code that clarifies who can plug a well and the process for how a well can be plugged. Importantly, it also includes language that strengthens Ohio law regarding the safe construction and operation of a well.

Division of Mineral Resources Management

The Division of Mineral Resources Management manages the environmental and safety aspects of the coal and industrial mineral mining industries while protecting citizens, land, and water resources. They provide miner safety training and certification and conduct inspections on mine sites to ensure the safe and environmentally sound extraction of aggregates and other industrial minerals that are vital to Ohio's expanding construction and infrastructure industries.

The Division of Mineral Resources Management also administers both a state abandoned mine land (AML) program and a federal AML program to address the highest priority problems resulting from coal mining that occurred prior to enactment of today's stricter reclamation requirements. Both programs

are funded by severance taxes levied on the mining of coal. State and federal funds provide resources for the Division's Abandoned Mine Land Program to investigate, design and construct projects to address the environmental, public health, and safety problems related to abandoned mines. In addition, an AML Reclamation Economic Development Pilot program will continue to focus on projects that have a positive economic effect on Ohio's coal region.

Division of Water Resources

The ODNR Division of Water Resources works to ensure the wise management of Ohio's water. Staff from the Division of Water strive to ensure the availability of water for Ohioans, inspect and regulate Ohio's dams and levees, and work with local communities to support floodplain management. The Division of Water Resources Dam Safety Program is responsible for regulating more than 1,400 dams in Ohio. The proposed budget language reduces regulatory burden through a revision in surety bonds on dam construction permits. A surety bond between an applicant and the Division is required for dam construction permits. The surety bond requirement was put into place to ensure that the project is constructed according to approved plans by providing funds that the Division could use to render the project non-hazardous if the applicant is unable or unwilling to do so. Currently, the required surety bond amount is half of the construction price. As construction costs have risen, this amount is far more than the Division would need. The proposed reduction in the required surety bond will make projects more affordable for the applicant while still providing the Division with necessary funds.

H₂Ohio

Finally, our budget request includes funding for the H2Ohio program to protect water resources across our state. While much of that focus will be on Lake Erie, we intend to use these funds to assist with water quality improvements and protections throughout the state. Water is Ohio's greatest natural resource. Therefore, it is crucial that we maintain a clean and abundant water supply to enhance the lives of all Ohioans through consumption, recreation, and business. This work involves our staff in the Office of Coastal Management, and the divisions of Natural Areas and Preserves, Forestry, Wildlife, Parks and Watercraft, and Real Estate.

ODNR's request for the upcoming biennium is \$50 million, or \$25 million in each of the two fiscal years. This funding would be used for additional individual wetland projects, not only in the Lake Erie Basin, but also the Ohio River basin, where the nutrient pollution problems are different, yet nonetheless significant.

One significant initiative embedded in this program would be use of the State Treasurer's ResultsOhio program for some of the wetland projects. A firm that is experienced in locating and building wetlands and their investors have applied, with our support, to participate in the performance driven ResultsOhio program. Through this program, a company can apply to the Treasurer to participate, and the Treasurer determines if the metric-driven application qualifies them for participation. If selected, the company will perform the wetland development work using investor funds. Once they satisfactorily perform, we pay them back at the predetermined price, through the Treasurer's Office. Embedded in our \$50 million request is funding for this program, which I do not anticipate will exceed \$5 million.

We anticipate our H2Ohio work will result in nutrient reduction (both phosphorous and nitrogen), carbon sequestration, expanded acres of wildlife habitat, ODNR-led conservation education, and numerous excellent recreational opportunities. The work currently underway moves us in that direction, but we estimate ultimately needing to triple our work in northwest Ohio, being even more strategic and using the information we learn from the evaluation process, to achieve that goal.

For the conservation education initiative, we collaborated with several school districts in northwest Ohio (and one in Central Ohio) to have their students join us on the journey of wetland development. Even in COVID-restricted times, the students are assisting us in the development of signage or kiosks that will be located at many of the wetland sites and explain the H2Ohio program and how wetlands contribute to improved water quality. The signage will be paid for using a USEPA grant. We anticipate that ultimately the students will join us on-site for long term experiments, exploration, and even maintenance efforts.

Some of the H2Ohio wetlands will provide outdoor recreation opportunities for hunting, trapping, fishing, bird watching, walking, or paddling. Additionally, of the wetlands that will be managed by local park districts, many involve specific plans and investments in accessibility and recreational aspects.

Mr. Chairman, members of the Subcommittee, thank you again for giving me the opportunity to testify about the great work of the Department of Natural Resources as we strive every day to ensure a balance between wise use and protection of our natural resources for the benefit of all. I am happy to answer any questions you may have.