

Department of Natural Resources

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OVERVIEW

Duties and Responsibilities

The mission of the Ohio Department of Natural Resources (ODNR) is to provide for the preservation, conservation, and use of the state's natural resources to ensure a balance between the wise use of these resources and their protection. The Department manages more than 590,000 acres of land, including 74 state parks, 20 state forests, 123 state nature preserves, and 100 wildlife areas. The Department also has jurisdiction over more than 124,000 acres of inland waters, 7,000 miles of streams, 481 miles of the Ohio River, and 23 million acres of Lake Erie.

The Department has 13 operating divisions covering three broad areas of responsibility: recreational management, resource protection, and resource management. These areas of responsibility encompass: operating state parks; managing state forests; protecting designated scenic rivers, natural areas, and preserves; oversight of mining and natural gas operations; managing and providing technical assistance in water resource management; providing geological services; providing boating safety and law enforcement; and wildlife management and protection. The Department accomplishes its mission with a staff of 2,893 employees.

Agency in Brief

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2006	2007	2006	2007	
2,893	\$331.09 million	\$331.72 million	\$126.29 million	\$129.06 million	Am. Sub. H.B. 66

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2005.

Summary of FYs 2006-2007 Budget Issues

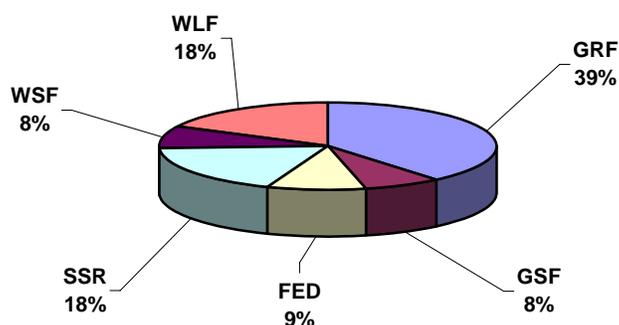
The enacted budget provides \$331 million in FY 2006 and \$332 million in FY 2007, for a total of \$663 million over the biennium. Total appropriations in FY 2006 are 8.15% higher than FY 2005 levels, and total FY 2007 appropriations are 0.19% higher than FY 2006 levels. GRF funding levels in FY 2006 increase 5.27% above FY 2005 levels, and FY 2007 levels increase 2.20% above FY 2006 appropriations. GRF increases largely support bond debt service payments for capital facilities at parks, as well as lease payments for the Department's headquarters at Fountain Square in North Columbus, plus roughly a 5% increase for State Park operating expenses in each fiscal year. GRF decreases occurred mainly in the Conservation Reserve Enhancement Program, the Office of Coastal Management, and Soil and Water

- Total enacted budget of \$663 million over the biennium
- Funding levels will support basic upgrades at state park facilities
- No parking fee will be implemented
- New Construction and Demolition Debris fees established to fund Litter and Recycling and Soil and Water
- New Watercraft Revolving Loan Fund established for improvements to recreational boating facilities

Districts, with reductions of 12.71%, 10.78%, and 7.68%, respectively. As for non-GRF, notable decreases in FY 2006 include a 38.5% decrease in the Litter Control and Recycling Fund (Fund 532) and a 5.5% decrease in the State Park Operations Fund (Fund 512). Chart 1 below displays the percentage of ODNR's appropriations by fund group for the biennium.

Overall, the enacted funding levels will force the Department to continue implementing cost savings measures as staffing levels continue to decline while service demands continue to rise. Little program expansion will occur across all program areas over the biennium. As for staffing, the Division of Recycling and Litter Prevention will experience a 75% staff reduction, and the Division of Natural Areas and Preserves and the Division of Engineering will each lay off one current staff member.

Chart 1. Total Enacted Budget by Fund Group



Litter and Recycling

The enacted budget eliminates the crediting of the corporate franchise tax on litter stream products to the Recycling and Litter Prevention Fund (Fund 532), and instead increases the current \$0.70 per-ton fee on the disposal of construction and demolition debris by \$1.00 to a total fee of \$1.70. Of the additional \$1.00 in fees, \$0.75 shall be credited to the Recycling and Litter Prevention Fund (Fund 532) for the Litter and Recycling Program, and \$0.25 per-ton fee shall be credited to the newly created Soil and Water Conservation District Assistance Fund (Fund 5BV) to be used to provide additional matching funds for soil and water conservation district projects. The change in funding source will result in an overall decrease of approximately \$6.3 million in FY 2006 and \$6.2 million in FY 2007 in available grant money for local government recycling and litter prevention programs.

State Parks

The Department will not implement a parking fee as originally planned. Total combined GRF and non-GRF funding levels of approximately \$71 million in FY 2006 and \$73 million in FY 2007 will allow for basic updates to current facilities at large and medium-sized parks. The budget does not support any updates for smaller parks. Maintenance repairs will likely concentrate on critical needs with limited resources for preventive maintenance.

Soil and Water Districts

GRF and non-GRF funding for the Soil and Water Conservation District Program totals approximately \$12.8 million in both FY 2006 and in FY 2007. Of this total, \$1.85 million in each fiscal year comes from a new appropriation item, 725-683 Soil and Water Districts (Fund 5BV) which will

provide additional matching funding (from an additional \$0.25 per-ton fee on the disposal of construction and demolition debris - see comment in *Litter and Recycling* above) for soil and water conservation district projects. Despite the additional funding, the Department estimates funding will only allow for the Division to match 87% of district project costs in both FY 2006 and in FY 2007. This will result in fewer resources being available to the 88 Soil and Water Conservation Districts to provide technical and informational services to local landowners.

Watercraft Revolving Loan Fund

The enacted budget establishes a new Watercraft Revolving Loan Fund (Fund 5AW) to make low interest loans for marinas and other boating facilities and improve regional economic development. The revolving loan fund is capitalized from the Waterways Safety Fund (Fund 086) through a \$3 million transfer in FY 2006 and a \$1 million transfer in FY 2007. As loans are repaid, the fund will be fully financed through loan repayments.

Coal Regulation Program

The Coal Regulation Program reviews and makes decisions on the issuance of mining permits and conducts inspections of mine sites to determine if mining and reclamation activities are being done in accordance with the approved permit as well as federal and state regulations. Enacted funding levels may not be enough to support enough staff to maintain mandated inspection frequencies. If this is the case, the U.S. Office of Surface Mining may issue a formal finding of a programmatic deficiency. If such a finding is issued, the federal government would assume all regulatory duties associated with the program. This may result in slower permitting and bond-release processing services.

Vetoed Provisions

The Governor vetoed a provision in Section 209.18.03 of Am. Sub. H.B. 66 that would have required the Division of Wildlife's direct and indirect central support charges to be paid out of a separate GRF appropriation item, 725-401, Wildlife-GRF Central Support. Instead, the veto requires the Division of Wildlife, as well as all other divisions, to make payments into the Department's Central Support Indirect Fund (Fund 157) to support central administrative expenses.

ANALYSIS OF THE ENACTED BUDGET

Program Series 1

Forestry

Purpose: To protect and manage Ohio's forest resource through partnerships emphasizing the stewardship ethic to assure these resources will be available for future generations.

The following table shows the line items that are used to fund the Forestry program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	727-321	Division of Forestry	\$8,541,511	\$8,541,511
General Revenue Fund Subtotal			\$8,541,511	\$8,541,511
State Special Revenue Fund				
509	725-602	State Forest Fund	\$2,291,664	\$2,591,664
4M7	725-631	Wildfire Suppression	\$100,000	\$100,000
State Special Revenue Fund Subtotal			\$2,391,664	\$2,691,664
General Services Fund				
510	725-631	Maintenance - State-owned Residences	\$20,000*	\$20,000*
General Services Fund Subtotal			\$20,000	\$20,000
Federal Special Revenue Fund				
328	725-603	Forestry - Federal	\$1,813,827	\$2,228,081
Federal Special Revenue Subtotal			\$1,813,827	\$2,228,081
Holding Account Redistribution Fund				
R43	725-624	Forestry	\$2,500,000	\$1,500,000
R17	725-659	Performance Cash Bond Refunds	\$200,000*	\$200,000*
Holding Account Redistribution Fund Subtotal			\$2,700,000	\$1,700,000
Total Funding: Forestry			\$15,467,002	\$15,181,256

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the Forestry program series:

- **Program 1.01: Reforestation**
- **Program 1.02: Forestry Assistance**
- **Program 1.03: State Forest Management**

Program 1.01 – Reforestation

Program Description: The Reforestation program raises and sells hardwood and conifer seedling stock for conservation purposes. The seedlings are bought by a variety of individuals, government agencies, and other organizations. Individuals are the largest purchasers of the seedlings. Typically a minimum of 100 seedlings can be bought at a time and prices range from \$0.75 to \$2.05 depending on the species. Current efforts have focused on hardwood production, particularly walnut and sugar maple. Seedling revenue is up due to increased production and sales. The Division used to operate a nursery in Zanesville, however, its operations were consolidated in FY 2003 due to budget constraints. Now the

division operates one nursery in Marietta, Ohio. Over the biennium, the program will try to increase sales to the smaller woodlot owners and generate enough revenue to cover the nursery's personnel and seed costs. The program will target small woodlot owners as a source of additional revenue by increasing the minimum quantity of seedlings that can be purchased and reducing the seedling price. An actual sales forecast is not available at this time. This program will employ 21.5 FTEs in FY 2006 and 20.5 FTEs in FY 2007.

Funding Sources: GRF, federal grants, and fees

Implication of the Enacted Budget: The enacted budget will allow the single nursery to maintain current operations. The budget provides approximately \$1.4 million in FY 2006 and \$1.46 million in FY 2007 to support the nursery.

Program 1.02: Forestry Assistance

Program Description: The Forestry Assistance program includes four areas of activity: urban forestry, service forestry, forest industry assistance, forest health management, and the Ohio Windbreak Program. The program's goals include preparation of forest stewardship plans for land owners, forest tax law certification, providing forestry technical assistance, continuing the windbreak planting program, assisting in urban forestry, and monitoring forest health. The Forestry Assistance program has recently experienced higher personnel costs and has had to reduce staffing levels in field offices. Fuel costs continue to increase program costs as foresters travel often. Recent infestations have increased program activity as well. Over the biennium this program will employ 39.75 FTEs in FY 2006 and 40 FTEs in FY 2007.

Funding Sources: GRF, federal grants, and fees

Implication of the Enacted Budget: The enacted budget will allow the program to continue at current service levels without program expansion. ODNR will allocate approximately \$3.85 million in FY 2006 and \$4.13 million in FY 2007 for this program. This level of funding will result in increasing backlogs of landowners and communities requesting assistance that in turn will reduce possible tax benefits to woodland landowners as forest tax law certifications may be delayed.

Program 1.03: State Forest Management

Program Description: The State Forest Management program protects and manages Ohio's state forests and associated resources. The program includes four main activities: forest operations and maintenance, timber sales, wildfire control, and law enforcement. The Division also administers federal Volunteer Fire Assistance Grants. Since 2003, much of the program's efforts have been focused on timber and debris removal at the Shawnee forest due to severe ice storm damage.

Funding Sources: GRF, federal grants, and fees

Implication of the Enacted Budget: This program will receive the lion's share of appropriations over the biennium at roughly \$10.2 million in FY 2006 and \$9.56 million in FY 2007. The enacted budget will likely result in limited volunteer fire department assistance, limited wildfire investigations, reduced trail maintenance, and limited recreational opportunities. Forest law enforcement may be reduced as well resulting in slower emergency response times and reliance on assistance from county law enforcement agencies. Wildfire investigations may be isolated only to severe fires. Funding levels may result in greater reliance on grants.

The budget will allow the Division to reinstate a portion of the State Forest Law Enforcement program and provide for 5 officers and 1.5 timber and maintenance employees. Funds to cover these positions come from timber harvest revenue shared with local political subdivisions. However, these revenues are dependant on harvesting capabilities that have been reduced during the past years due to declining GRF appropriations.

Program Series 2

Geological Survey

Purpose: To define the geologic framework of the state in support of resource development, property protection, public safety, and environmental security.

The following table shows the line items that are used to fund the Geological Survey program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	728-321	Division of Geological Survey	\$1,630,000	\$1,630,000
GRF	731-321	Office of Coastal Management	\$259,707	\$259,707
General Revenue Fund Subtotal			\$1,889,707	\$1,889,707
State Special Revenue Fund				
4J2	725-628	Injection Well Review	\$62,560*	\$62,560*
511	725-646	Ohio Geologic Mapping	\$549,310	\$549,310
State Special Revenue Fund Subtotal			\$611,870	\$611,870
General Services Fund				
155	725-601	Departmental Projects	\$121,194*	\$121,194*
508	725-684	Natural Resources Publications Center	\$82,280*	\$82,280*
General Services Fund Subtotal			\$203,474	\$203,474
Federal Special Revenue Fund				
3P1	725-632	Geological Survey-Federal	\$479,651	\$479,651
Federal Special Revenue Subtotal			\$479,651	\$479,651
Total Funding: Geological Survey			\$3,184,702	\$3,184,702

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the Geological Survey program series:

- **Program 2.01: Geological Investigations and Mapping**
- **Program 2.02: Geological Records and Publications**

Program 2.01: Geological Investigations and Mapping

Program Description: This program maps and analyzes subsurface geologic structures to support petroleum-resource exploration and economic development, characterizes subsurface rock formations, maps and characterizes surface materials in support of sustainable and environmentally responsible development, maps groundwater resources, conducts investigations to define coastal-erosion areas and mitigate property losses, and reviews permit applications to ensure that proposed construction

activities are suitable with the geologic conditions. Program dollars for personnel have continued to decline despite increasing demands for services.

Funding Sources: GRF (44%), minerals severance tax (34%), federal grants (16%), grants from other state agencies (4%), and fees received from permit applications for injection of liquid hazardous waste (2%)

Implication of the Enacted Budget: The enacted budget provides approximately \$2.5 million each fiscal year for this program. These funding levels will provide additional assistance to support Ohio's Lake Erie Geology program for performing coastal hazard assessment and technical assistance to shoreline property owners and political subdivisions. However, certain technical assistance activities may be reduced or eliminated over the biennium including collecting historic mining information, advisement of abandoned underground mine hazards, and providing coal resource assessments to other ODNR divisions and private mining companies. The Division will likely continue relying heavily on federal grants to offset GRF reductions and mineral severance tax revenue reductions.

The program will continue to rely on federal grant funding from the U.S. Geological Survey, NOAA, and FEMA, and expects to receive a total of \$472,500 in grants each year over the biennium. The program will continue to employ 23 FTEs over the biennium.

Program 2.02: Geological Records and Publications

Program Description: This program provides cartographic preparation of geologic maps and reports for public distribution based on geologic information compiled by the Geological Investigations and Mapping program. The program also distributes USGS topographical maps and information for public use. Over the biennium, the program will continue to convert paper records into digital format, develop digital maps, and expand electronic distribution of information using CD-ROM media and Internet-based technology. The program will continue to employ seven FTEs.

Funding Sources: GRF (87%), printing rotary (12%), and federal funds (1%)

Implication of the Enacted Budget: The enacted budget will result in reduced hours to the Division's core and sample repository and geological educational outreach programs will be reduced. The program will continue to rely on federal grants over the biennium.

Program Series 3

Parks and Recreation

Purpose: To manage Ohio state parks and related recreational activities.

The following table shows the line items that are used to fund the Parks and Recreation program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	730-321	Division of Parks and Recreation	\$37,874,841	\$39,874,841
General Revenue Fund Subtotal			\$37,874,841	\$39,874,841
State Special Revenue Fund				
512	725-605	State Parks Operations	\$26,814,288	\$26,814,288
512	725-680	Parks Facilities Maintenance	\$2,576,240	\$2,576,240
State Special Revenue Fund Subtotal			\$29,390,528	\$29,390,528
General Services Fund				
510	725-631	Maintenance – State-owned Residences	\$132,238*	\$132,238*
General Services Fund Subtotal			\$132,238	\$132,238
Waterways Safety Fund				
086	725-414	Waterways Improvement	\$3,792,343	\$3,792,343
Waterways Safety Fund Subtotal			\$3,792,343	\$3,792,343
Accrued Leave Liability Fund				
4M8	725-675	FOP Contract	\$12,406*	\$12,406*
Accrued Leave Liability Fund Subtotal			\$12,406	\$12,406
Holding Account Redistribution Fund				
R17	725-659	Performance Cash Bond Refunds	\$15,000*	\$15,000*
Holding Account Redistribution Fund Subtotal			\$15,000	\$15,000
Total Funding: Parks and Recreation			\$71,217,356	\$73,217,356

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the Parks and Recreation program series:

- **Program 3.01: Large parks**
- **Program 3.02: Medium parks**
- **Program 3.03: Small parks**

Program 3.01: Large parks

Program Description: This program covers large state parks with state and/or national interest. There are about 30 parks that fall into this category and attract a broad range of visitors. Most of these parks offer amenities not available at the smaller parks such as lodge facilities, beaches, marinas, and golf courses. These parks generate a large amount of revenue compared to the others. The Division will continue to concentrate most of its financial resources on these larger parks that have a statewide significance and generate larger amounts of revenue.

Funding Sources: GRF, state park rotary, waterways safety funds, rent payments, concession bid bonds, and payments by FOP members

Implication of the Enacted Budget: The Department will allocate approximately \$51 million in enacted appropriations for large parks over the biennium. These funding levels will allow the Division to maintain and provide only basic updates to current facilities. Certain common standards such as law enforcement's 20-minute response time and once a day restroom cleaning may still be difficult to meet. Maintenance repairs will likely concentrate on critical needs with limited resources for preventive maintenance.

Permanent Law: State Park Parking Permits (R.C. section 1541.03). The bill prohibits the Division of Parks and Recreation from adopting rules establishing fees or charges for parking a motor vehicle in a state park or for admission to a state park.

Program 3.02: Medium parks

Program Description: This program covers medium state parks with regional and/or limited statewide interest. There are about 15 parks that fall into this category and are generally less popular than the larger parks and receive less use. Most of these parks offer amenities similar to large parks though not as many. These parks generate a moderate amount of revenue depending on the facilities at each park.

Funding Sources: GRF, state park rotary, waterways safety funds, rent payments, concession bid bonds, and payments by FOP members

Implication of the Enacted Budget: The Department will allocate approximately \$14 million in enacted appropriations for medium parks over the biennium. These funding levels will allow the Division to maintain and provide only basic updates to current facilities. Certain common standards such as law enforcement's 20-minute response time and once a day restroom cleaning will likely not be met. Maintenance repairs will likely concentrate on critical needs with limited resources for preventive maintenance.

Permanent Law: State Park Parking Permits (R.C. section 1541.03). The bill prohibits the Division of Parks and Recreation from adopting rules establishing fees or charges for parking a motor vehicle in a state park or for admission to a state park.

Program 3.03: Small parks

Program Description: This program covers small state parks with local and/or limited regional interest. There are about 29 parks that fall into this category. These parks tend to attract less visitors, similar to medium-sized parks. These parks usually do not have a park manager on-site, instead a regional manager provides all management and supervisory services. Large or medium parks nearby often handle periodic checking and patrolling of these smaller parks, particularly in the off-season.

Funding Sources: GRF, state park rotary, rent payments, and concession bid bonds

Implication of the Enacted Budget: Funding levels of roughly \$7 million each year of the biennium will not allow the Division to maintain and provide updates to current facilities. Law enforcement standards and restroom cleaning will be minimal. Maintenance repairs will likely concentrate on critical needs with limited resources for preventive maintenance.

Permanent Law: State Park Parking Permits (R.C. section 1541.03). The bill prohibits the Division of Parks and Recreation from adopting rules establishing fees or charges for parking a motor vehicle in a state park or for admission to a state park.

Program Series 4

Coastal Management

Purpose: To educate, coordinate, and assist on a broad range of issues concerning the Lake Erie coastal resources, including identifying coastal erosion and flood hazards, and protecting shipwrecks and underwater cultural resources.

The following table shows the line items that are used to fund the Coastal Management program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	731-321	Office of Coastal Management	\$259,707	\$259,707
General Revenue Fund Subtotal			\$259,707	\$259,707
State Special Revenue Fund				
514	725-606	Lake Erie Shoreline	\$587,075*	\$632,113*
State Special Revenue Fund Subtotal			\$587,075	\$632,113
General Services Fund				
697	725-670	Submerged Lands	\$542,011	\$542,011
General Services Fund Subtotal			\$542,011	\$542,011
Federal Special Revenue Fund				
3P3	725-650	Coastal Management-Federal	\$1,592,923	\$1,607,686
Federal Special Revenue Subtotal			\$1,592,923	\$1,607,686
Total Funding: Coastal Management			\$2,981,716	\$3,041,517

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific program within the Coastal Management program series.

Program 4.01: Coastal Management

Program Description: This program implements the Ohio Coastal Management Program and provides assistance to local agencies and nonprofits through grants in the Lake Erie coastal area. Implementation of the program enables grants to be awarded to the state from the federal government and requires state actions to be consistent with the federal program. The Ohio Coastal Management Program Document guides the activities of the Office of Coastal Management to protect, preserve, and improve Lake Erie and its coastal resources.

Funding Sources: NOAA grants, royalties from the mining of mineral resources under the bed of Lake Erie, and lease payments for structures occupying Lake Erie Public Trust Areas

Implication of the Enacted Budget: The enacted levels will allow the Division to continue providing federal funding through the Ohio Coastal Management Program to benefit local entities in the

Lake Erie coastal area. These federal funding levels amount to \$1.59 million in FY 2006 and \$1.61 million in FY 2007. The budget will not allow for any new program activities to be funded.

Program Series 5

Water Planning and Management

Purpose: To provide research, regulation, and planning services concerning all of the state's water resources.

The following table shows the line items that are used to fund the Water Planning and Management program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	725-423	Stream & Ground Water Gauging	\$311,910	\$311,910
GRF	725-456	Canal Lands	\$332,859	\$332,859
GRF	733-321	Division of Water	\$3,257,619	\$3,207,619
General Revenue Fund Subtotal			\$3,902,388	\$3,852,388
State Special Revenue Fund				
4J2	725-628	Injection Well Review	\$20,000*	\$6,000*
514	725-606	Lake Erie Shoreline	\$25,000*	\$25,000*
615	725-661	Dam Safety	\$365,223	\$365,223
State Special Revenue Fund Subtotal			\$410,223	\$396,223
General Services Fund				
155	725-601	Departmental Projects	\$246,542*	\$321,809*
508	725-684	Natural Resources Publication Center	\$10,000*	\$10,000*
430	725-671	Canal Lands	\$627,582*	\$677,582*
4S9	725-622	NatureWorks Personnel	\$35,571*	\$35,571*
516	725-620	Water Management	\$2,442,956	\$2,459,120
General Services Fund Subtotal			\$3,362,651	\$3,504,082
Federal Special Revenue Fund				
3P4	725-660	Water - Federal	\$419,766	\$420,525
Federal Special Revenue Subtotal			\$419,766	\$420,525
Total Funding: Water Planning & Management			\$8,095,028	\$8,173,218

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See spreadsheet at the end of this section for line item totals.

This analysis focuses on the following specific programs within the program series:

- **Program 5.01: Canals/Hydraulic Operations**
- **Program 5.02: Dam Safety**
- **Program 5.05: Water Inventory**

Program 5.01: Canals/Hydraulic Operations

Program Description: This program operates and maintains the remaining watered sections of the Miami & Erie and Ohio & Erie Canals. Operation of the canals and canal reservoirs provides

drainage and flood control for local residents, farmers, and municipalities along the corridor and provides linear recreation corridors and greenways.

Funding Sources: GRF, land and water sales, and land leases

Implication of the Enacted Budget: Enacted funding levels will result in delayed equipment purchases and reduced real estate support. These cost savings measures are necessary as land sales are about \$200,000 less than in previous years. Land sales have been reduced as interested parties have expressed concerns about selling of historic canal lands. Additionally, most viable unwatered sections of the canal have already been sold. The Department will budget approximately \$1 million in each fiscal year for this program.

Temporary Law: Division of Water (Section 209.18.09). The enacted budget earmarks \$50,000 in FY 2006 for the Fairport Harbor Port Authority boat launch in Lake County from appropriation item 733-321, Division of Water.

Program 5.02: Dam Safety

Program Description: This program benefits the owners of dams and residents in downstream areas through permitting the construction of new dams, dikes, and levees; approval of construction repair for existing dams; periodic inspection of existing dams; and responds to dam safety emergencies.

Funding Sources: GRF, dam safety fees, and federal grants

Implication of the Enacted Budget: Budget language requires the Chief of the Division of Water to adopt rules designating classes of dams that are to be inspected periodically by registered professional engineers hired by dam owners rather than being inspected by the Chief. Past and current funding levels only provide adequate resources for DNR to complete Class I dam inspections. This new provision will allow Class II and Class III dams to be inspected more frequently. This change resulted in a reduction of approximately \$43,000 in appropriations when comparing introduced to enacted levels.

Permanent Law: Privatization of inspection of certain dams (R.C. section 1521.062). This provision requires the Chief of the Division of Water to adopt rules designating classes of dams that are to be inspected periodically by registered professional engineers hired by the dam owners rather than being inspected by the Chief, and requires the rules to establish standards and procedures governing such private inspections. This provision will allow the dam owner to contract with a private firm to perform inspections on Class II and Class III dams. Currently, the Department only has the resources to perform Class I inspections. This will allow all dams to be inspected and ensure the public's safety.

Program 5.05: Water Inventory

Program Description: This program administers activities designed to characterize changing water supply conditions across the state and provide the information necessary to build a foundation for planning and developing reliable, long-term water supplies. The program collects, compiles, analyzes, and disseminates hydrologic and climatological data and information concerning all aspects of the hydrologic cycle, operates the statewide ground water observation well network, and administers the Division of Water's cooperative agreements with the U.S. Geological Survey for stream gauging and other water resource projects.

Funding Source: GRF

Implication of the Enacted Budget: Funding levels will result in stream gauge reductions from 63 to 52 gauges. This will result in reduced data on stream flow characteristics throughout the state. This will negatively impact information for floodplain management and infrastructure development decisions.

Program Series 6

Soil and Water

Purpose: To provide technical, educational, and financial assistance to Ohio citizens through 88 county soil and water conservation districts (SWCDs).

The following table shows the line items that are used to fund the Soil and Water program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	730-321	Division of Parks and Recreation	\$25,000*	\$25,000*
GRF	725-407	Conservation Reserve Enhancement Program	\$1,000,000	\$1,000,000
GRF	725-502	Soil & Water Districts	\$9,836,436	\$9,836,436
GRF	737-321	Division of Soil and Water	\$4,074,788	\$4,074,788
General Revenue Fund Subtotal			\$14,936,224	\$14,936,224
General Services Fund				
155	725-601	Departmental Projects	\$1,339,412*	\$1,140,050*
General Services Fund Subtotal			\$1,339,412	\$1,140,050
State Special Revenue Fund				
5BV	725-683	Soil and Water Districts	\$1,850,000	\$1,850,000
State Special Revenue Fund Subtotal			\$1,850,000	\$1,850,000
Total Funding: Soil and Water			\$16,275,636	\$16,076,274

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the program series:

- **Program 6.01: Conservation Engineering and Technical Assistance**
- **Program 6.04: Soil and Water Conservation Districts**
- **Program 6.06: Watershed Management**

Program 6.01: Conservation Engineering and Technical Assistance

Program Description: This program provides training and assistance to soil and water conservation districts in planning, designing, and constructing conservation practices to reduce soil erosion and protect or improve Ohio's water resources.

Funding Source: GRF

Implication of the Enacted Budget: Funding levels will result in less technical training and assistance to soil and water conservation districts.

Program 6.04: Soil and Water Conservation Districts

Program Description: This program assists county soil and water conservation districts to ensure that land users and other agencies properly manage soil, water, and related resources in each of the state's 88 counties.

Funding Sources: GRF and \$0.25 from construction demolition and debris fees

Implication of the Enacted Budget: Enacted funding levels of roughly \$12.8 million each fiscal year will result in fewer resources being available to local SWCDs to provide technical and informational services to local landowners. Local government appropriations for soil and water conservation have been increasing over the years, but the amount of state funding to match these local appropriations has continued to decline. Overall, funding levels will result in technical, educational, wildlife, and forestry assistance not being met, which will in turn impact water quality improvement goals. Enacted funding levels will result in decreased matching grant awards to an estimated 87% or less in FY 2006 and in FY 2007.

Permanent Law: Soil and Water Conservation District Assistance Fund (R.C. sections 1514.14 and 3714.073 and Section 209.18). The bill establishes an additional 25¢ per ton or 12.5¢ per cubic yard fee on the disposal of construction and demolition debris and requires the proceeds of the new fee to be credited to the Soil and Water Conservation District Assistance Fund (Fund 5BV), which is created in the budget. The Fund must be used to provide funding to soil and water conservation districts as matching money for local contributions to the districts. The bill also appropriates \$1.85 million in each fiscal year to appropriation item 725-683, Soil and Water Districts (Fund 5BV).

Temporary Law: Soil and Water Districts (Section 209.18.09). The enacted budget retains temporary language that authorizes annual subsidies of up to \$30,000, from appropriation item 725-502, Soil and Water Districts, to county soil and water conservation districts upon receipt of request and approval from the Ohio Soil and Water Conservation Commission. Moneys received shall be expended for the purposes of the district. The enacted budget also includes the following earmarks:

- \$25,000 in each fiscal year from appropriation item 725-502, Soil and Water Districts, for the Conservation Action Project;
- \$200,000 in each fiscal year from appropriation item 725-683, Soil and Water Districts, to support the Heidelberg College Water Quality Laboratory;
- \$100,000 in each fiscal year from appropriation item 725-683, Soil and Water Districts, to support the Muskingum Watershed Conservancy District; and
- \$100,000 in each fiscal year from appropriation item 725-683, Soil and Water Districts, to support the Indian Lake Watershed in Logan County.

Program 6.06: Watershed Management

Program Description: This program works with local soil and water conservation districts and watershed groups to implement programs and practices that will protect and improve Ohio's water resources.

Funding Sources: GRF and federal grants

Implication of the Enacted Budget: Funding levels will likely reduce watershed planning projects. Training for local watershed coordinators and local officials may also be reduced. In addition, funding levels may reduce the enrollment of linear miles per year of riparian corridor conservation under the Lake Erie Conservation Reserve Enhancement Program (CREP). Reduced linear miles will likely result in reduced federal funds as well. Ultimately, the CREP will have to be extended beyond ten years to meet its original enrollment goals of 67,000 acres. It appears as though this further erodes the state's ability to meet clean water standards. The Department will budget approximately \$2.3 million in FY 2006 and \$2.1 million in FY 2007 for this program.

Program Series 7

Real Estate (REALM)

Purpose: To coordinate the Department's master planning and participate in capital improvements.

The following table shows the line items that are used to fund the REALM program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	738-321	Division of Real Estate & Land Management	\$2,291,874	\$2,291,874
General Revenue Fund Subtotal			\$2,291,874	\$2,291,874
State Special Revenue Fund				
521	725-627	Off-Road Vehicle Trails	\$143,490	\$143,490
State Special Revenue Fund Subtotal			\$143,490	\$143,490
General Services Fund				
155	725-601	Departmental Projects	\$142,305*	\$142,305*
206	725-689	Real Estate and Land Management Support Services	\$475,000	\$475,000
207	725-690	Real Estate Services	\$64,000	\$64,000
4S9	725-622	NatureWorks Personnel	\$37,077*	\$37,077*
430	725-671	Canal Lands	\$170,000*	\$170,000*
635	725-664	Fountain Square Facilities Maintenance	\$2,650,963*	\$2,650,963*
General Services Fund Subtotal			\$3,539,345	\$3,539,345
Clean Ohio Revitalization Fund				
061	725-405	Clean Ohio Operating	\$155,000	\$155,000
Clean Ohio Revitalization Fund			\$155,000	\$155,000
Holding Account Redistribution Fund Group				
R17	725-659	Performance Cash Bond Refunds	\$10,000*	\$10,000*
Total Holding Account Redistribution Fund			\$10,000	\$10,000
Federal Special Revenue Fund				
3B6	725-653	Federal Land & Conservation Grants	\$5,000,000	\$5,000,000
3Z5	725-657	REALM Federal	\$1,578,871	\$1,578,871
Federal Special Revenue Subtotal			\$6,578,871	\$6,578,871
Total Funding: REALM			\$12,718,580	\$12,718,580

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the REALM program series:

- **Program 7.01: Real Estate Services**
- **Program 7.02: Outdoor Recreation Services**

Program 7.01: Real Estate Services

Program Description: This program provides real estate management services for the Department's landholding divisions. The land is bought, sold, and leased to promote wildlife management, outdoor recreation, forest management, and natural area protection.

Funding Sources: GRF, fund transfers, and land sales

Implication of the Enacted Budget: The enacted budget will allow the Division to continue current land acquisition levels and land management practices, as well as expand their records management system. In addition, the Division will be able to hire a Natural Resource Administrator. The Administrator is needed only 25% of the time to assist in real estate work related to abandoned mines reclamation.

Program 7.02: Outdoor Recreation Services

Program Description: This program administers four major grant programs: the federal Land and Water Conservation Grant, the federal Recreational Trails Program, the state NatureWorks Grants, and the state Clean Ohio Trails Grants. These programs provide financial assistance to public agencies for acquisition and development of parks and trails and other recreational and natural resources-related projects.

Funding Sources: GRF, fund transfers, and land sales

Implication of the Enacted Budget: Funding levels will allow the Division to award \$10 million in grants to support local parks and trail projects. The Division will not be able to implement an expanded trail development program that includes land acquisition, as originally planned. The Division will receive a small amount of revenue from newly collected out-of-state resident APV operating permits. Revenue from these permits will help improve recreational trails.

Permanent Law: Nonresident operation of all-purpose and other special vehicles (R.C. sections 4519.02 and 4519.09). This provision requires every nonresident owner or operator of a snowmobile, off-highway motorcycle, or all-purpose vehicle to obtain a \$5 temporary operating permit and eliminates registration reciprocity. Currently, the Department does not have an estimate of how much revenue the permit may generate. Revenues will be used to improve ODNR's recreational trails program, which supports state and local recreational entities.

Program Series 8**Watercraft**

Purpose: To register boats and administer grants for capital improvement projects such as launch ramps and marinas.

The following table shows the line items that are used to fund the Watercraft program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
Waterways Safety Funds				
086	725-418	Buoy Placement	\$52,182	\$52,182
086	725-501	Waterway Safety Grants	\$137,867	\$137,867
086	725-506	Watercraft Marine Patrol	\$576,153	\$576,153
086	725-513	Watercraft Educational Grants	\$366,643	\$366,643
086	739-401	Division of Watercraft	\$20,027,909	\$20,086,681
5AW	725-682	Watercraft Revolving Loans	\$3,000,000	\$1,000,000
Total Funding: Watercraft			\$24,160,754	\$22,219,526

Program 8.01: Watercraft Registration

Program Description: This program seeks to ensure that all watercraft used in state waters are registered appropriately and enforces all laws relative to the identification, numbering, titling, and operation of vessels operated on Ohio's 120,000 acres of inland lakes, 481 miles of the Ohio River, and 23 million acres of Lake Erie.

Over the biennium the Division plans to develop and install a web-based watercraft registration system for Watercraft Registration Agents. The new system will allow agents to perform searches to validate registration information before issuing a new or renewal registration. This new system will reduce paper transactions between the agents and the Registration Central Office.

Funding Sources: A portion of registration and titling fees charged to boaters in the state, motor fuel excise tax, and the U.S. Coast Guard Boating Safety Grant

Implication of the Enacted Budget: Funding levels will allow the Division to provide continual titling services to recreational boaters, however the Division does not plan any program expansion or increased staff. The Division will not need increases in registration or titling fees over the biennium to cover program costs. The Department will allocate approximately \$1.56 million each fiscal year to support this program.

Program 8.02: Watercraft Operations, Safety, Education, and Enforcement

Program Description: This program seeks to enhance the safe use of Ohio's waterways for the boating public, and to ensure, through education and enforcement that watercraft operators abide by the laws, rules, and regulations governing the proper use and operation of watercraft. This program employs 138.94 FTEs.

Funding Sources: A portion of registration and titling fees charged to boaters in the state, motor fuel excise tax, and the U.S. Coast Guard Boating Safety Grant, fines and penalties, class income, interest earnings, refunds, and federal reimbursement

Implication of the Enacted Budget: Enacted appropriation levels will provide for additional public offices in two areas of the state (Wapakoneta and Ashtabula) and increases in navigational aid to local jurisdictions and state parks. The new offices will make routine registration and titling more convenient for local residences, allow for more boater safety education offerings, and improve law enforcement at inland lakes. Funding will also cover the costs for increased signage requirements on state waterways, and support a new low interest Watercraft Revolving Loan Fund to develop new boating facilities and improve regional economic development. The Department plans to budget approximately \$23 million in FY 2006 and \$21 million in FY 2007 for this program.

Permanent Law: Watercraft Revolving Loan Fund (R.C. sections 1547.721, 1547.722, 1547.723, 1547.724, 1547.725, and 1547.726). This provision establishes the Watercraft Revolving Loan Fund (Fund 5AW) consisting of money appropriated to it, money from the repayment of loans, and money from other specified sources. The Department will use the money to make loans for marinas and other boating facilities. The Department hopes this revolving loan will attract public and private moneys to improve boating access and facilities.

Temporary Law: Watercraft Revolving Loan Program (Section 209.18.09). This provision requires OBM to transfer an amount not to exceed \$3,000,000 in FY 2006 and not to exceed \$1,000,000 in FY 2007 from the Waterways Safety Fund (Fund 086) to the Watercraft Revolving Loan Fund (Fund 5AW). These moneys will capitalize the Department's new Watercraft Revolving Loan Fund money to make loans for marinas and other boating facilities.

Program Series 9

Wildlife

Purpose: To manage and maintain over 376,000 acres for wildlife habitat and public access at 120 wildlife areas and lands under agreement.

The following table shows the line items that are used to fund the Wildlife program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	725-425	Wildlife License Reimbursement	\$646,319	\$646,319
General Revenue Fund Subtotal			\$646,319	\$646,319
State Special Revenue Fund				
5P2	725-634	Wildlife Boater Angler Administration	\$4,200,000	\$3,500,000
State Special Revenue Fund Subtotal			\$4,200,000	\$3,500,000
General Services Fund				
508	725-684	Natural Resources Publication Center	\$6,000*	\$6,000*
510	725-631	Maintenance - State-owned Residences	\$78,611*	\$78,611*
General Services Fund Subtotal			\$84,611	\$84,611
Wildlife Fund Group				
015	740-401	Division of Wildlife	\$49,447,500	\$50,447,500
815	725-636	Cooperative Management Projects	\$120,449	\$120,449
816	725-649	Wetlands Habitat	\$966,885	\$966,885
817	725-655	Wildlife Conservation Checkoff Fund	\$5,000,000	\$5,000,000
818	725-629	Cooperative Fisheries Research	\$1,500,000	\$1,500,000
819	725-685	Ohio River Management	\$128,584	\$128,584
Wildlife Fund Subtotal			\$57,163,418	\$58,163,418
Accrued Leave Liability Fund				
4M8	725-675	FOP Contract	\$8,438*	\$8,438*
Accrued Leave Liability Fund Subtotal			\$8,438	\$8,438
Total Funding: Wildlife			\$62,102,786	\$62,402,786

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the program series:

- **Program 9.1: Fish Management and Research**
- **Program 9.2: Wildlife Management and Research**
- **Program 9.3: Wildlife Law Enforcement**

Program 9.1: Fish Management and Research

Program Description: This program maintains the aquatic resources of the state. Biologists and other fisheries personnel manage water areas by improving spawning habitat and fishing access, recommending regulations, monitoring fish populations and angler harvest, stocking, and conducting research. The program operates six state fish hatcheries located throughout the state. This program employs 140 FTEs.

Funding Sources: Fishing and hunting licenses, federal excise tax on hunting equipment, tax check-off revenue, license plate dollars, donations, mitigation settlements, 1/8 of 1% of the gas tax, and GRF

Implication of the Enacted Budget: Funding levels will allow the Division to fund 100% of its fish hatchery production. The Division will also continue research, surveying, and monitoring efforts with the funding levels. The enacted budget included an additional \$511,418 beyond introduced levels in appropriation item 725-629, Cooperative Fisheries Research to support this effect. The Division will also maintain current service levels for its fish stocking activities and Lake Erie fisheries management responsibilities.

Program 9.2: Wildlife Management and Research

Program Description: This program is responsible for managing all wildlife, assisting landowners with habitat improvements, managing land for wildlife and wildlife-oriented recreation, and conducting research to be used in improving wildlife populations. The program owns and maintains 120 wildlife areas throughout the state and provides for approximately one million visitor-use days per year. Additionally, it owns and maintains the Old Woman Creek National Estuarine Research Reserve on Lake Erie.

Funding Sources: Fishing and hunting licenses, federal excise tax on hunting equipment, timber sales, wetland habitat stamp sales, wetland mitigations, donations, tax check-off, license plate dollars, donations, and grants

Implication of the Enacted Budget: Funding levels will allow maintenance of existing programs and services. Funding will also allow the Department to make upgrades to the existing Point-of-Sale Licensing system and cover personnel and maintenance costs for the new Division of Wildlife area (Old Woman Creek).

Program 9.3: Wildlife Law Enforcement

Program Description: This program protects Ohio's wildlife resources and ensures fair and equitable use. Law enforcement personnel enforce laws, rules, and regulations concerning the taking, possessing, and protection of wildlife resources. While the program protects state and some private property, it enforces pollution and litter statutes as well. Approximately 165 enforcement personnel are employed statewide to enforce wildlife rules in coordination with local and federal officials. The program issues all types of hunting and fishing licenses including routine inspections of license agents and subagents.

Funding Sources: Fishing and hunting licenses, federal excise tax on hunting equipment, timber sales, wetland habitat stamp sales, wetland mitigations, donations, tax check-off, license plate dollars, donations, and grants

Implication of the Enacted Budget: Funding levels will allow current staff and service levels to remain the same over the biennium. Funding levels will also allow the Division to absorb MARCS' costs and enforce sport fishing license requirements. The Department will allocate approximately \$13 million in each fiscal year for wildlife law enforcement.

Program 9.4: Information and Education

Program Description: This program provides information and education to Ohio citizens about wildlife programs and issues. It employs a comprehensive array of media to disseminate wildlife information to schools, local communities, and the general public.

Funding Sources: Fishing and hunting licenses, federal excise tax on hunting equipment, timber sales, wetland habitat stamp sales, wetland mitigations, donations, tax check-off, license plate dollars, donations, and grants

Implication of the Enacted Budget: Funding levels will allow current staff and service levels to remain the same over the biennium. Funding will also allow the Division to continue providing educational opportunities, provide hunter safety courses, advertise wildlife issues, maintain contact with the press, and respond to field wildlife information requests.

Program Series 10**Natural Areas and Preserves**

Purpose: To manage, acquire, and protect Ohio's most pristine areas.

The following table shows the line items that are used to fund the Natural Areas and Preserves program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	741-321	Division of Natural Areas and Preserves	\$3,009,505	\$3,009,505
General Revenue Fund Subtotal			\$3,009,505	\$3,009,505
State Special Revenue Fund				
522	725-656	Natural Areas Check-Off Funds	\$1,550,670	\$1,550,670
4U6	725-668	Scenic Rivers Protection	\$407,100	\$407,100
State Special Revenue Fund Subtotal			\$1,957,770	\$1,957,770
General Services Fund				
155	725-601	Departmental Projects	\$222,184*	\$222,184*
508	725-684	Natural Resources Publication Center	\$10,000*	\$10,000*
510	725-631	Maintenance-State Owned Residences	\$30,000*	\$30,000*
General Services Fund Subtotal			\$262,184	\$262,184
Federal Special Revenue Fund				
3P0	725-630	Natural Areas & Preserves-Fed	\$315,000	\$315,000
Federal Special Revenue Subtotal			\$315,000	\$315,000
Total Funding: Natural Areas and Preserves			\$5,544,459	\$5,549,459

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the Forestry program series:

- **Program 10.01: Natural Areas and Preserves**
- **Program 10.02: Ohio Scenic Rivers**
- **Program 10.03: Ohio Natural Heritage**

Program 10.01 – Natural Areas and Preserves

Program Description: This program administers a statewide system of nature preserves and acquires, dedicates, and accepts donations of public and privately owned lands as nature preserves. Nature preserves are legally protected lands that have scientific, historical, or ecological significance and represent the finest examples of Ohio's original landscape. Currently, Ohio has 127 state nature preserves and natural areas of which the Division of Natural Areas and Preserves manages 82 sites. The program employed 35.5 FTEs in FY 2005 and will employ 33.5 over the new biennium.

Funding Sources: GRF, grants, publications, housing leases, and tax check-off funds

Implication of the Enacted Budget: The enacted budget will allow the Division to maintain current service levels; however, scientific and interpretive programming will continue to be limited, seasonal staff will be reduced, and preserve managers will continue to take on more work. The Division

will continue to add parcels of land without adding any new staff over the biennium. Increased gasoline costs will continue to consume Division revenues as preserve managers travel from site to site. Funding levels will likely result in the layoff of one current staff member. Enacted funding levels will provide roughly \$36 million each fiscal year for this program.

Program 10.02: Ohio Scenic Rivers

Program Description: This program is responsible for administering Ohio's Scenic Rivers Program. The program protects Ohio's remaining high quality streams for future generations. Scenic river designation is a cooperative venture among state and local governments, citizen's groups, and local communities within a watershed. Currently, Ohio has 11 state designated streams encompassing over 700 river miles and 20 stream segments.

Funding Sources: GRF and other funds

Implication of the Enacted Budget: The funding levels may not be adequate to fund a needed River Manager. The Division continues to add designated river miles without any additional staff. The end result is river designations being delayed. Technical assistance to landowners and local governments may also be backlogged and river studies may be delayed. The Department will allocate approximately \$1.3 million each fiscal year to support this program.

Program 10.03: Ohio Natural Heritage

Program Description: This program is the most comprehensive source of information on rare and endangered plants and animals, outstanding natural communities, and special geological features in the state. This information is easily accessible in manual and computer files that are cross-referenced to provide a flexible information system known as the heritage database. Additionally, the program prepares and maintains surveys and inventories of both natural areas and rare species. The program adopts criteria for listing and compiles the official list of plants that are threatened or endangered in Ohio.

Funding Sources: GRF, income from data requests, check-off funds

Implication of the Enacted Budget: The funding levels will maintain current service and staffing levels. Volunteers will continue to be used to conduct field investigations and inventories since the Department does not have enough staff to fulfill these duties.

Program Series 11**Mineral Resource Management**

Purpose: To protect public health, safety, and the environment from the effects of present mining, remedy the adverse effects of past mining, and provide for the orderly development of oil and gas resources.

The following table shows the line items that are used to fund the Mineral Resource Management program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	744-321	Division of Mineral Resources Management	\$3,068,167	\$3,068,167
General Revenue Fund Subtotal			\$3,068,167	\$3,068,167
State Special Revenue Fund				
4J2	725-628	Injection Well Review	\$11,397*	\$11,397*
5B3	725-674	Mining Regulation	\$28,850	\$28,850
518	725-643	Oil and Gas Permit Fees	\$2,674,377	\$2,674,378
518	725-677	Oil and Gas Well Plugging	\$1,200,000	\$1,200,000
526	725-610	Strip Mining Administrative Fees	\$1,932,492	\$1,932,492
527	725-637	Surface Mining Administration	\$2,312,815	\$2,322,702
529	725-639	Un-reclaimed Land Fund	\$623,356	\$631,257
531	725-648	Reclamation Forfeiture	\$2,061,861	\$2,062,237
State Special Revenue Fund Subtotal			\$10,845,148	\$10,863,313
General Services Fund				
508	725-684	Natural Resources Publication Center	\$3,000*	\$3,000*
General Services Fund Subtotal			\$3,000	\$3,000
Holding Account Redistribution Fund				
R17	725-659	Performance Cash Bond Refunds	\$149,263*	\$149,263*
Holding Account Redistribution Fund Subtotal			\$149,263	\$149,263
Federal Special Revenue Fund				
3B5	725-645	Federal Abandoned Mine Lands	\$14,310,497	\$14,307,666
3B7	725-654	Reclamation - Regulatory	\$2,107,292	\$2,107,291
3P2	725-642	Oil and Gas - Federal	\$362,933	\$367,912
3R5	725-673	Acid Mine Drainage Abatement/Treatment	\$2,225,000	\$2,225,000
332	725-669	Federal Mine Safety Grant	\$258,102	\$258,102
Federal Special Revenue Fund Subtotal			\$19,263,824	\$19,265,971
Total Funding: Mineral Resource Management			\$33,329,402	\$33,349,714

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the program series:

- **Program 11.1: Coal Regulation Program**
- **Program 11.2: Industrial Minerals Regulatory Program**
- **Program 11.5: Oil and Gas Well Regulation and Plugging Program**

Program 11.1: Coal Regulation Program

Program Description: This program reviews and makes decisions on issuance of mining permits and conducts inspections of mine sites to determine if mining and reclamation activities are being done in accordance with the approved permit as well as federal and state regulations. This program also administers the coal mining Lands Unsuitable for Mining Program (LUMP) and federal Small Operators Assistance Program (SOAP), as well as maintaining the bonding required to ensure reclamation is completed on the active mine sites.

Funding Sources: GRF and cross fund utilization

Implication of the Enacted Budget: It is uncertain whether funding levels will allow for the continuation of the Coal Regulatory Program over the biennium. The Department plans to allocate \$4.2 million of its appropriations each fiscal year to support the program. Loss of this program may result in program impacts to the Abandoned Miles Land Program and the Bond Forfeiture Program. It may be necessary for the program to revert to the federal government. The Department will continue to meet inspection frequencies and process permit applications in a timely manner.

Program 11.2: Industrial Minerals Regulatory Program

Program Description: This program reviews applications for new permits and amendments to existing permits for the mining of industrial minerals. Permits are conditioned on compliance with law, rule, and policy directives relating to hydrology, geology, engineering, blasting evaluations, and administrative requirements. The program collects fees and bonds needed to ensure reclamation is completed on the affected land. Additionally, staff oversees active mining operations to determine if the mining and reclamation activities are conducted in accordance with the approved permit.

Funding Sources: GRF and cross fund utilization

Implication of the Enacted Budget: Enacted levels will allow current service and staffing level to remain the same. The Division will continue with permit reviews, verify accurate deposit and release of bonds, respond to public complaints, and maintain appropriate field presence.

Program 11.5: Oil and Gas Well Regulation and Plugging Program

Program Description: This program administers the issuance of permits to drill and plug oil and gas wells, inspects the drilling operation, plugging, and restoration of Oil and Gas well sites to verify that statutory standards are met to protect public health, safety, and the environment, and maintains the bonding required for the active well operations in Ohio.

Funding Sources: GRF, federal funds, and permit and plugging fees

Implication of the Enacted Budget: The enacted budget will allow for continuing operations. The enacted budget increased oil and gas permit fees that are estimated to generate an additional \$100,000 for the program. To compliment this increase in fees, the enacted budget increased funding levels in appropriation item 725-643, Oil and Gas Permit Fees by \$100,000 each fiscal year.

Program Series 12**Recycling**

Purpose: To provide leadership and financial and technical support to advance waste reduction, recycling, and litter prevention programs that positively impact the citizens of Ohio.

The following table shows the line items that are used to fund the Recycling, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
State Special Revenue Fund				
532	725-644	Litter Control and Recycling	\$7,100,000	\$7,100,000
586	725-633	Scrap Tire Program	\$1,000,000	\$1,000,000
State Special Revenue Fund Subtotal			\$8,100,000	\$8,100,000
General Services Fund				
4D5	725-618	Recycled Materials	\$50,000	\$50,000
General Service Fund Subtotal			\$50,000	\$50,000
Total Funding: Recycling			\$8,150,000	\$8,150,000

This analysis focuses on the following specific programs within the program series:

- **Program 12.01: Community Assistance**
- **Program 12.02: Communication Services**

Program 12.01: Community Assistance

Program Description: This program distributes about \$7 million annually throughout Ohio. The funds go to counties, solid waste districts, and cities with populations above 50,000. The Scrap Tire grant program awards grants to support the development of Ohio markets for scrap tires and other waste materials collected for recycling in Ohio. These grants are awarded to establish or expand private manufacturing facilities utilizing recycled-content material, or to foster recycling market development research. Some of the program's cost savings measures include reduced Market Development Grant Funding and elimination of the special assistance and state agency grants.

Funding Source: Corporate Franchise Tax comprised of a two-tiered litter tax placed on corporations

Implication of the Enacted Budget: Enacted appropriations were reduced approximately \$4.6 million in each fiscal year compared to executive recommendations. This resulted in funding levels dropping from \$11.7 million to \$7.1 million each fiscal year. The enacted funding levels will not allow current service levels to be maintained, and staffing levels will be reduced by approximately 75%.

The program will now be supported by a \$0.75 per-ton fee on the disposal of construction and demolition debris as the Corporate Franchise Tax is phased out. This new funding source will result in an overall decrease of approximately \$6.3 million in FY 2006 and \$6.2 million in FY 2007 in available grant money for local government recycling and litter prevention programs compared to past levels.

Permanent Law Provision: State solid waste disposal fee; Recycling and Litter Prevention Fund; corporate franchise tax (R.C. sections 1502.02, 3734.57, 5733.122 (repealed), and Section 209.18.09). The enacted budget eliminates the crediting of the corporate franchise tax on litter stream products to the Recycling and Litter Prevention Fund. It also increases the current per-ton fee on the disposal of construction and demolition debris by \$1.00. Of the additional \$1.00 in fees, \$0.75 will be credited to the Recycling and Litter Prevention Fund (Fund 532), and the remaining \$0.25 per-ton fee will be credited to the newly created Soil and Water Conservation District Assistance Fund (Fund 5BV) to be used to provide matching funding for soil and water conservation district projects. Also, the budget specifies that not more than \$1,500,000 in each fiscal year may be used for the administration of the Recycling and Litter Prevention Program.

Program 12.02: Communication Services

Program Description: This program develops, coordinates, and implements statewide awareness and educational activities and campaigns that serve to promote recycling, litter prevention, waste reduction, and the use of recycled content products. This program is designed to encourage and strengthen participation in activities or take action that will lead to the enhancement or establishment of sustainable community driven litter prevention programs, increased participation in recycling, aggressive purchasing of recycled content products, and employment of effective waste management practices.

Funding Source: Corporate Franchise Tax comprised of a two-tiered litter tax placed on corporations

Implication of the Enacted Budget: The enacted funding levels will not allow current service levels to be maintained. Staffing levels will be reduced to just one FTE. The program will now be supported by a \$0.75 per-ton fee on the disposal of construction and demolition debris as the Corporate Franchise Tax is phased out. Funding will also result in a reduction in statewide media campaigns and educational workshops for teachers and local program managers. The Department plans to allocate roughly \$1.4 million each fiscal year for communication services.

Program Series 13

Program Management

Purpose: To provide the administrative direction of the agency and provide centralized support functions and services for coordinated operations.

The following table shows the line items that are used to fund the Program Management program series, as well as the enacted funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	725-401	Wildlife-GRF Central Support	\$1,000,000	\$1,000,000
GRF	725-404	Fountain Square Rental Payments-OBA	\$1,025,300	\$1,092,000
GRF	725-413	OPFC Rental Payments	\$18,699,100	\$20,962,800
GRF	725-903	Natural Resources G.O. Debt Service	\$25,866,000	\$24,359,100
GRF	729-321	Office of Information Technology	\$440,895	\$440,895
GRF	736-321	Division of Engineering	\$3,118,703	\$3,118,703
General Revenue Fund Subtotal			\$50,149,998	\$50,973,498
General Services Fund				
155	725-601	Departmental Projects	\$64,184*	\$64,184*
508	725-684	Natural Resources Publication Center	\$46,512*	\$46,512*
157	725-651	Central Support Indirect	\$6,528,675	\$6,528,675
204	725-687	Information Services	\$4,676,627	\$4,676,627
4X8	725-662	Water Resources Council	\$125,000	\$125,000
227	725-406	Parks Projects Personnel	\$175,000	\$110,000
4S9	725-622	NatureWorks Personnel	\$400,000*	\$235,000*
223	725-665	Law Enforcement Administration	\$2,096,225	\$2,096,225
635	725-664	Fountain Square Facilities Maintenance	\$531,260*	\$539,260*
General Services Fund Subtotal			\$14,643,483	\$14,421,483
Federal Special Revenue Fund				
3B3	725-640	Federal Forest Pass-Thru	\$150,000	\$150,000
3B4	725-641	Federal Flood Pass-Thru	\$350,000	\$350,000
Federal Special Revenue Subtotal			\$500,000	\$500,000
Total Funding: Program Management			\$64,293,481	\$64,894,981

* Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts by ODNR. See attached spreadsheet for line item totals.

This analysis focuses on the following specific programs within the Program Management series:

- **Program 13.01: Program Support**
- **Program 13.02: Engineering**
- **Program 13.03: Law Enforcement**

Program 13.01: Program Support

Program Description: This program series provides the administrative direction of the agency and provide centralized support functions and services for coordinated operations. The goals of the program are to ensure the goals of the Governor, the legislature and the Ohio Revised Code are carried

out in all divisions and activities of the Department. Recently, program support offices have implemented an early retirement incentive plan as a cost savings measure. Also, beginning in FY 2006, the Department will augment the central support indirect cost recovery systems with a direct cost recovery system.

Funding Sources: The Department's central support indirect cost system in combination with the new direct cost charge back system

Implication of the Enacted Budget: A combination direct and indirect charge-back cost recovery system will be implemented to more accurately and fairly allocate central support costs. Debt service for capital improvements at state parks, NatureWorks, and the agency's offices at Fountain Square in North Columbus, will account for 79% of funding in this program series. This accounts for the lion's share of appropriations for this series at roughly \$58 million each fiscal year.

Temporary Law: Central Support Indirect (Section 209.18.03). The enacted budget requires the Department of Natural Resources, with the approval of the Director of Budget and Management, to utilize a methodology for determining each divisions' payments into the Central Support Indirect Fund (Fund 157). It may include direct cost charges for specific services provided. The Department feels that a direct charge back system will encourage program support offices to manage more efficiently and be more responsive to division service needs. Direct charges will be developed and tracked by each division's specific usage. The Governor vetoed a provision that would have exempted the Division of Wildlife from making these payments, however.

Program 13.02: Engineering

Program Description: This program provides all aspects of the Department's construction projects and capital improvements program. The Office of Engineering has the lead role in preparing and managing the department's six-year capital improvements plan and biennial capital budget request. It also provides technical support for facility and water/wastewater system operations. The program's staffing levels in FY 2005 are at 36 FTEs.

Funding Sources: GRF and fund transfers

Implication of the Enacted Budget: Enacted funding levels will require a staff reduction and will not eliminate the backlog of several hundred million in needed improvements for aging facilities. Facility managers may continue to defer maintenance/upgrades through the capital improvement program. Engineering support will not support the timeframes that facility managers desire.

Program 13.03: Law Enforcement

Program Description: This program coordinates all aspects of the Department's law enforcement responsibilities including the security of the Fountain Square Complex. The program is responsible for the agency's management and operation of the Multi-Agency Radio and Communications System (MARCS) and manages the agency's response to disasters and Homeland Security activities.

Funding Sources: Direct charge back systems for MARCS radio units, square footage charges, and federal grants

Implication of the Enacted Budget: The enacted budget will allow the Department to upgrade security at DNR Headquarters and provide 24-7 security operations. The funds will also support MARCS' dispatchers that are paid by a direct charge back system.