

# Environmental Protection Agency

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- Phase-out of GRF funding in this biennium
- New solid waste disposal fee replaces foregone GRF
- Additional funding in the divisions of Air Pollution Control and Surface Water to address new requirements
- A continuation of FY 2005 service levels in other areas

## OVERVIEW

### *Duties and Responsibilities*

The mission of the Ohio Environmental Protection Agency (Ohio EPA) is to protect human health and the environment by establishing and enforcing standards for air quality, water, wastewater treatment, and solid and hazardous waste disposal and by providing comprehensive environmental education. This mission is carried out by means of the following activities: inspections and sampling; permitting; environmental education and technical assistance provided to industry, community, and the general public; assistance in compliance and pollution prevention; and enforcement actions against violators. Loan assistance is also provided for environmental infrastructure, such as sewage treatment plants.

Ohio EPA is a regulatory agency of approximately 1,364 funded positions. The Director is appointed by the Governor and sits on the Governor's cabinet. Ohio EPA is organized into several program series designed to develop and implement distinct environmental programs. The overriding goal of Ohio EPA is to protect the environment and public health by ensuring compliance with environmental laws and demonstrating leadership in environmental stewardship. Specific goals include:

- Ensuring clean air, water, and land resources;
- Attaining and maintaining National Ambient Air Quality Standards;
- Reducing the emission of air toxins;
- Characterizing and protecting ground water, and evaluating potential threats to source waters for all of Ohio's public water systems;
- Protecting, enhancing, and restoring surface waters of the state;
- Increasing the number of streams achieving swimmable and fishable standards;
- Preventing, responding to, removing, and cleaning up hazardous waste releases, hazardous substances, and pollutants;
- Investigating and providing remediation to federal cleanup sites;
- Ensuring that major facilities have developed and implemented pollution prevention plans and that enforcement settlements contain pollution prevention supplemental environmental projects;
- Encouraging waste reduction and recycling statewide;
- Ensuring permitted and licensed facilities are in substantial compliance;

- Providing access to technical and financial assistance for implementable solutions to environmental needs; and
- Providing sound science, effective management, and comprehensive environmental education and working to enhance public awareness and understanding of issues affecting environmental quality.

With the exception of the divisions of Air Pollution Control and Surface Water, the enacted budget is essentially a continuation budget.

Included in the enacted budget are: (1) a new Environmental Protection Fee on solid waste disposed in Ohio's landfills, which would replace all GRF that currently funds seven diverse environmental programs by FY 2007, (2) a new Surface Water Protection Fee that will allow the Section 401 Certification/Wetlands Permitting program to become more self-sufficient, and (3) a requirement that Ohio EPA continue to implement an enhanced motor vehicle inspection and maintenance (E-check) program in counties in which such a program is federally mandated.

Much of the new Environmental Protection Fee revenue will be used to continue environmental programs at current service levels. Some of the revenue will provide additional funding for initiatives within the Division of Air Pollution Control to comply with new federal Clean Air Act requirements. The following table shows funding by program series and fiscal year.

**Enacted FYs 2006-2007 Budget by Program Series**

Program Series	FY 2006	% of Total Budget	FY 2007	% of Total Budget	Biennium Total
Air Pollution Control	\$38,207,106	20.94%	\$38,544,541	20.72%	\$76,751,647
Emergency and Remedial Response	\$22,951,679	12.58%	\$23,017,114	12.37%	\$45,968,793
Hazardous Waste Management	\$15,724,697	8.62%	\$16,165,939	8.69%	\$31,890,636
Solid and Infectious Waste Management	\$20,199,930	11.07%	\$20,623,144	11.08%	\$40,823,074
Drinking and Ground Waters	\$20,161,799	11.05%	\$20,628,971	11.09%	\$40,790,770
Surface Water	\$37,635,686	20.62%	\$38,757,913	20.83%	\$76,393,599
Environmental Education	\$1,500,000	0.82%	\$1,500,000	0.81%	\$3,000,000
Pollution Prevention and Compliance Assistance	\$1,367,575	0.75%	\$1,371,582	0.74%	\$2,739,157
Environmental and Financial Assistance	\$5,116,646	2.80%	\$5,257,754	2.83%	\$10,374,400
Program Management	\$19,632,759	10.76%	\$20,194,651	10.85%	\$39,827,410
<b>TOTAL</b>	<b>\$182,497,877</b>	<b>100%</b>	<b>\$186,061,609</b>	<b>100%</b>	<b>\$368,559,486</b>

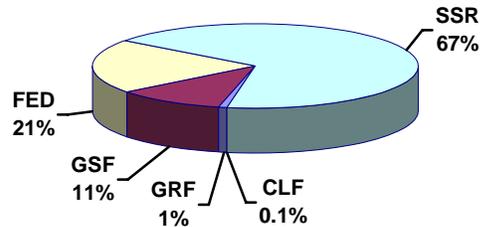
In the enacted budget, State Special Revenue (SSR) funding continues to make up the largest portion of the budget, at a total of \$248.8 million over the biennium. With the GRF reduction in FY 2006 and total phase-out by FY 2007, GRF funding accounts for just less than 1% (\$2.5 million) of the total FYs 2006-2007 budget. The accompanying chart depicts the total enacted budget by funding source.

## FYs 2006-2007 Budget Focus

### The Environmental Protection Fund (Fund 5BC)

Probably the biggest change for the agency is the elimination of GRF funding in FY 2007. This will be accomplished by a new \$1.50 fee, referred to as the Environmental Protection Fee, on the disposal of solid waste to replace GRF. The fee is in addition to the current \$2.00 per ton fee that is deposited into Ohio EPA's Solid Waste Fund (Fund 4K3), Hazardous Waste Facility Management Fund (Fund 503), and Hazardous Waste Cleanup Fund (Fund 505). This fee will be deposited into the newly created Environmental Protection Fund (Fund 5BC) and used to fund Ohio EPA operations, replacing all GRF by FY 2007 and providing additional funding for the Division of Air Pollution Control's initiatives aimed at meeting new federal Clean Air Act requirements.

**Total FYs 2006-2007 Enacted Budget by Fund Group**



The new fee is expected to generate \$22.1 million per year for Ohio EPA programs and is expected to cover about \$20 million in costs currently covered by the GRF. Ohio EPA estimates that the proposed fee will be needed to support 181 positions, including 33% of the Surface Water staff, 19% of the Air Pollution Control staff, and 18% of the Drinking and Ground Waters staff.

### The Surface Water Protection Fee

The enacted budget includes an increased fee on 401 water quality certifications for any dredging or filling of waters in this state. In previous years, approximately 87% of 401 water quality certification program costs was covered by the GRF (\$900,000). Application fees paid by project applicants generated \$5,600 in FY 2004, less than 1% of the total program costs. Prior to the current change in fee structure, applicants for a 401 water quality certification did not pay review fees. The enacted fees would generate approximately \$766,000 per year, or about 76% of the program costs. Moneys will be deposited in the Surface Water Protection Fund (Fund 4K4). The following table compares pre-FYs 2006-2007 fees to the fees enacted in the budget.

Fee Type	Pre-FYs 2006-2007	Newly Enacted
Application Fee	\$15 to \$200, depending on the size of the project	\$200
Wetland Review Fee	None	\$500 per acre of wetland to be impacted
Stream Review Fee	None	\$5 - \$15 per linear foot of stream to be impacted, depending on the type of stream
Lake Review Fee	None	\$3 per cubic yard of dredged or fill material to be moved

The fee will be waived for state agencies; capped at \$5,000 for townships, cities, and counties; and capped at \$25,000 for other applicants. The fees will not apply to projects authorized by general or nationwide permits issued by the U.S. Army Corps of Engineers. The enacted budget also requires one-

half of review fees to be paid upon final disposition of a certification application rather than upon issuance of the certification, eliminates a requirement that review fees be refunded if an application is withdrawn, and specifies that coal mining and reclamation projects are exempt from Section 401 water quality certification application and review fees for one year.

### **E-check/Mobile Sources Control**

The current E-check contract expires December 31, 2005. Am. Sub. H.B. 66 requires Ohio EPA to continue to implement an enhanced motor vehicle inspection and maintenance program after that date in any county of the state that is still designated as nonattainment or designated by the General Assembly to continue such tests under mandate of the federal Clean Air Act. The bill creates the Auto Emissions Test Fund (Fund 5BY). When renewing a contract to continue the E-check program after December 31, 2005, Ohio EPA will use Fund 5BY to pay for the contracted amount per test for the operation, and Ohio EPA's costs for oversight, of the auto emissions testing programs in counties required to continue the tests. This fund will consist of transfers in an amount determined by the Director of Environmental Protection in conjunction with the Office of Budget and Management (OBM) from the Tobacco Master Settlement Agreement Fund (Fund 087). The program will expire on December 31, 2007, and the bill prohibits the continuation of the program beyond that date unless otherwise federally mandated.

In addition, the bill creates the Clean Diesel School Bus Fund (Fund 5CD), consisting of money from gifts, grants, and contributions, including contributions made pursuant to the settlement of an administrative or civil action brought at the request of Ohio EPA, for the purpose of adding pollution control equipment to diesel school buses. Moneys in the fund will be used to make grants to certain Ohio school districts for the purpose of adding pollution control equipment to diesel buses, maintaining pollution control equipment on school buses, and offsetting the additional costs of using ultra-low sulfur diesel fuel. The money will also be used to pay Ohio EPA's related administrative costs.

### **Agency in Brief**

<b>Agency In Brief</b>					
<b>Number of Employees*</b>	<b>Total Appropriations-All Funds</b>		<b>GRF Appropriations</b>		<b>Appropriation Bill(s)</b>
	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	
1,338	\$182,497,877	\$186,061,609	\$2,500,002	\$0	Am. Sub. H.B. 66

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

### **Vetoed Provisions**

The Governor vetoed two provisions in R.C. section 3734.01. The Governor vetoed a provision that would have extended the definition of "Solid Wastes" to include nontoxic, nonhazardous, unwanted fired and unfired, glazed and unglazed, structural shale and clay products. The Governor also vetoed a provision that would have excluded the following from the definition of "Solid Wastes": spent petroleum refinery hydrotreating, hydrorefining, and hydrocracking catalysts that are used to produce ferrovanadium, iron nickel molybdenum, and calcium aluminate alloys for the steel, iron, and nickel industries unless the catalysts are disposed of at a licensed solid waste facility or are accumulated speculatively.

The Governor also vetoed a provision that would have allowed certain wetlands that are damaged or destroyed in the course of a development project to be replaced anywhere in Ohio within the same Army Corps of Engineers district.

## ANALYSIS OF THE ENACTED BUDGET

## Program Series 1

## Air Pollution Control

**Purpose:** To attain and maintain the air quality at a level that will protect the environment for the benefit of all.

The following table shows the line items that are used to fund this program series, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	715-501	Local Air Pollution Control	\$128,297	\$0
GRF	719-321	Air Pollution Control	\$311,494	\$0
<b>General Revenue Fund Subtotal</b>			<b>\$439,791</b>	<b>\$0</b>
<b>State Special Revenue Fund</b>				
5CD	715-682	Clean Diesel School Buses	\$650,000	\$850,000
678	715-635	Air Toxic Release	\$210,621	\$210,622
602	715-626	Motor Vehicle Inspection & Maintenance	\$1,190,944	\$250,000
4T3	715-659	Clean Air – Title V Permit Program	\$16,640,344*	\$16,851,706*
5BC	715-622	Local Air Pollution Control	\$898,072	\$1,026,369
5BC	715-672	Air Pollution Control	\$4,234,681	\$5,199,290
542	715-671	Risk Management Reporting	\$146,188	\$146,188
4K2	715-648	Clean Air – Non-Title V	\$3,234,278	\$3,178,062
592	715-627	Anti Tampering Settlement	\$17,203	\$9,707
696	715-643	Air Pollution Control Administration	\$750,000	\$750,000
679	715-636	Emergency Planning	\$2,828,647	\$2,828,647
<b>State Special Revenue Fund Subtotal</b>			<b>\$30,800,978</b>	<b>\$31,300,591</b>
<b>Federal Special Revenue Fund</b>				
357	715-619	Air Pollution Control – Federal	\$6,966,337	\$7,243,950
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$6,966,337</b>	<b>\$7,243,950</b>
<b>Total Funding: Air Pollution Control</b>			<b>\$38,207,106</b>	<b>\$38,544,541</b>

\*Amount does not reflect total funding because the line item is used to fund programs in other program series. Amount reflected is the budget amount provided in the executive budget.

Enacted funding levels for the DAPC will support 210.8 FTEs in FY 2006 and 207 FTEs in FY 2007, a slight increase over FY 2005 (202.5 FTEs). Funding for DAPC supports the following programs:

- **Program 1.01: National Ambient Air Quality Standards**
- **Program 1.02: Air Emission Authorization and Evaluation**
- **Program 1.03: Right-to-Know**
- **Program 1.04: Air Toxics**
- **Program 1.05: Mobile Sources Control**

### **Program 1.01 - National Ambient Air Quality Standards**

**Program Description:** The primary mission of the DAPC is to attain and maintain the National Ambient Air Quality Standards (NAAQS), as required by the 1990 Amendments to the Federal Clean Air Act. Within this program, DAPC creates plans to implement the requirements of the Clean Air Act and other programs adopted by the U.S. EPA, and operates an air quality monitoring network that provides DAPC with the information to determine whether the NAAQS are being achieved. This helps DAPC identify where additional control programs are necessary to achieve the NAAQS. The network is operated and maintained by staff from Ohio EPA's central office, district offices, and Local Air Agencies (LAA).

The U.S. EPA has designated 34 Ohio counties, including every major urban area in the state, as nonattainment for the new eight-hour ozone standard, for fine particulates (PM 2.5), or both. Ohio EPA is required to develop, adopt, and implement the needed emissions reduction regulations to improve air quality and meet the standards. Specifically, Ohio EPA faces a federal requirement to adopt plans to address this by June 2007. This represents a significant workload due to the number of counties in Ohio that do not currently meet the standards. Staff within this program will need to inventory all sources of air pollution in the state to devise a plan to come into compliance with federal requirement. Ohio EPA has created a new unit within DAPC to address this, but the division is currently operating with 33 fewer employees than it had four years ago. In order to successfully complete this work within the required time period, Ohio EPA will need to add staff to this area.

Separate issues that affect Ohio EPA's ability to attain and maintain air quality standards involve U.S. EPA regulations that require the examination of air quality on a statewide or regional basis. These include a U.S. EPA mandate to reduce nitrogen oxide (NOx) emissions from utilities and large industrial boilers, referred to as the NOxSIP Call, and regional haze requirements intended to address visibility impairments, particularly in national parks and wilderness areas.

**Funding Sources:** GRF in FY 2006, federal grant money (Fund 357), non-Title V fees (Fund 4K2), Title V fees (Fund 4T3), solid waste tipping fees (Fund 5BC), settlement payments (Fund 592), and penalty moneys (Fund 696)

**Implication of the Enacted Budget:** Enacted funding levels will provide roughly \$8.8 million in FY 2006 and \$9.5 million in FY 2007 for this program. Funding levels will allow DAPC to add 20 positions in this program series to address federal Clean Air Act requirements. This represents a net increase of 12 funded staff in DAPC, as the Mobile Sources Control (E-check) program will shrink from 18 FTEs to 10 by FY 2007.

The additional positions are necessary to meet planning requirements for bringing Ohio regions into compliance with the federal Clean Air Act. These positions primarily will be located in the NAAQS program, but Ohio EPA indicates that some of the new positions may be housed in the Air Toxics and Air

Emission Authorization and Evaluation programs. In addition to addressing new requirements, the following activities can be continued at the enacted funding levels: maintaining improvements in ambient air quality levels, updating the transportation conformity rules which spell out how highway construction will avoid impacts on air quality, funding local air agencies, administering the air monitoring program, conducting quality assurance audits of the monitors, and coordinating monitoring activities with the U.S. EPA.

***Permanent Law Provisions:*** *Environmental Protection Fund (R.C. sections 3734.57 and 3745.015 and Section 206.27).* The enacted budget creates the Environmental Protection Fund (Fund 5BC) to be used by Ohio EPA to administer and enforce programs under its jurisdiction and to pay other costs incurred by it.<sup>8</sup> Fund 5BC will be funded by an additional fee of \$1.50 per ton on the disposal of solid waste. *See Program 4.01 for more information on the Solid Waste Management fee.*

***Temporary Law Provisions:*** *Cash Transfer for Environmental Protection Fund (Section 206.27).*<sup>9</sup> The enacted budget permits the transfer of \$11 million in cash from the following funds to the Environmental Protection Fund on July 1, 2005, to use as start-up money until revenue can be generated by the new Environmental Protection Fee: Central Support Indirect Fund (Fund 219), Hazardous Waste Facility Management Fund (Fund 503), Solid Waste Fund (Fund 4K3), and Hazardous Waste Cleanup Fund (Fund 505).

### **Program 1.02 - Air Emission Authorization and Evaluation**

***Program Description:*** The 1990 Clean Air Act Amendments established permitting and reporting requirements for air polluting facilities. DAPC regulates more than 73,000 individual sources of air pollution at 13,000 facilities. These facilities represent a broad spectrum of Ohio industrial and commercial entities, from dry cleaners to large refineries, chemical plants, and utility plants. DAPC's goal is to provide for the processing of all permit actions on a timely basis. DAPC also monitors facilities to determine if they are operating in compliance with their permits and operates an enforcement program to resolve violations when they are identified.

***Funding Sources:*** GRF in FY 2006, federal grant money (Fund 357), non-Title V fees (Fund 4K2), Title V fees (Fund 4T3), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 696)

***Implication of the Enacted Budget:*** Funding at the enacted level will allow DAPC to continue the existing level of services currently provided in the areas of permitting, including continuing to streamline the permitting process, and funding local air agencies. Funding will also be used to implement new programs adopted by the U.S. EPA. According to Ohio EPA some additional staff may be added to this area.

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#### **Footnotes Concerning New Fund 5BC Funding**

<sup>8</sup> While the new fund is intended to fund various programs to offset the elimination of the GRF within Ohio EPA, the Division of Air Pollution Control will receive supplementary funding from it. Therefore, it seemed most appropriate to include the permanent law provisions with this program area.

<sup>9</sup> Please note that this temporary law provision relates to various programs and program series. It is included in this section because the Environmental Protection Fund is intended to provide supplementary funding for the Division of Air Pollution Control.

**Permanent Law Provisions: *Extension of Various Fee Sunsets (R.C. sections 3745.11 and 6109.21)***. The enacted budget extends the sunset on various Ohio EPA fees including annual emissions fees for synthetic minor facilities, various water pollution control and safe drinking water fees, fees for certification of operators of water supply systems or wastewater systems, and application fees for permits under the Water Pollution Control Law and Safe Drinking Water Law. Some of the water pollution control and safe drinking water fees are on a tiered structure. The fee extension continues the first tier fee, which is higher. At the end of the extension the fee reverts to a lower fee.

**Automobile Emissions Tests (R.C. sections 3704.035, 3704.14, 3704.142 (repealed), 3704.143, 3704.17 (repealed), 3704.99, 4503.103, and 5552.01)**. The enacted budget creates the Auto Emissions Test Fund (Fund 5BY) and specifies that the fund shall be used to pay for Ohio EPA's oversight costs as well as the operation costs associated with the automobile emissions testing program beginning January 1, 2006. Also, the enacted budget states that Ohio EPA, in consultation with the Office of Budget and Management (OBM), shall determine an amount to withhold and later transfer from the Tobacco Master Settlement Agreement Fund (Fund 087) to the Auto Emissions Test Fund, and specifies that any money withheld but not transferred to the Auto Emissions Test Fund shall be transferred to the Tobacco Use Prevention and Cessation Trust Fund.

### **Program 1.03 - Right-to-Know**

***Program Description:*** The Right-to-Know program works to ensure the improvement of statewide preparedness and response to chemical emergencies and to increase the general public's awareness of potential chemical hazards. This program was established in 1987 under Chapter 3750. of the Revised Code to serve as the administrative support staff to the State Emergency Response Commission (SERC). As a means for SERC to meet its mission statement, it designated each county in Ohio as a local emergency planning district. These districts, through the county commissioners, created county level Local Emergency Planning Committees (LEPCs) with responsibilities to ensure regulatory compliance as directed under section 3750.03 of the Revised Code. In addition to the administrative support provided to SERC, this program provides state support and oversight to the 87 LEPCs in Ohio, which have the responsibility of developing and exercising Chemical Emergency Response Plans to chemical releases that may occur within or adjacent to their counties. The Right-to-Know program is responsible for the information management of more than 7,000 chemical inventory reports submitted annually from the designated regulatory industry. These reports are used for emergency planning activities, which Ohio EPA coordinates with the Ohio Emergency Management Agency (OEMA), SERC, and the 87 LEPCs. Approximately \$2.5 million is collected annually in fees submitted by the regulated industry, and the majority of this money (about 90%) is passed through to the OEMA and the 87 LEPCs. The LEPCs use the funds for emergency planning and exercise activities, while OEMA receives funds to coordinate planning and exercises with the LEPCs.

***Funding Sources:*** GRF in FY 2006, solid waste tipping fees (Fund 5BC), and a portion of SERC annual filing fees for reporting inventories of hazardous substances (Fund 696)

***Implication of the Enacted Budget:*** The enacted budget will continue current service levels and support five FTES. The Right-to-Know program will be able to continue providing technical assistance to the LEPCs, participating in training activities directed to both the LEPCs and the regulated industry, and participating in compliance inspections of nonreporting facilities. Ohio EPA and the LEPCs will promote electronic reporting in FYs 2006-2007 to reduce costs by receiving electronic reports in lieu of paper submissions.

### **Program 1.04 - Air Toxics**

**Program Description:** Air toxics compounds are emissions that cause a public health concern because these chemicals have the potential to cause cancer or other detrimental health impacts. The 1990 Amendments to the Federal Clean Air Act established programs to identify and reduce air toxics. The DAPC has implemented these programs as required, and has coordinated efforts with Local Air Agencies (LAA) to ensure the consistent application of these regulations throughout the state. The Air Toxics program is comprised of four key components: the identification and characterization of air toxics through monitoring and inventory activities, the implementation of source-specific and sector-based standards adopted by the U.S. EPA, planning activities that focus on risk management plans, and education and outreach. In addition to toxics monitoring, the DAPC also participates in the U.S. EPA's homeland security initiative to monitor for the use of biological weapons throughout Ohio.

**RAPIDS.** The DAPC continues to participate in the Regional Air Pollutant Inventory Development System (RAPIDS) program and prepare a comprehensive toxics emission inventory, which is based on the criteria pollutant inventory, submitted annually by facilities subject to Title V permitting. The RAPIDS inventory is supplemented with the Toxic Release Inventory (TRI). The DAPC strives to provide timely TRI data, and the annual data is available on the Internet, and through the publication of the annual TRI report.

**112(r) Risk Management Planning.** To support risk-planning activities, the DAPC continues to implement the 112(r) risk management planning program of the Clean Air Act of 1990, which requires facilities storing large quantities of hazardous chemicals to prepare risk management plans. The risk management plans were filed for the first time in June 1999 by approximately 500 facilities. Fees paid by the facilities support the administration of the 112(r) program. The Division conducts extensive outreach through mailings and seminars, and also conducts compliance inspections of facilities that have not submitted risk management plans. The DAPC continues to conduct extensive outreach through mass mailings to facilities affected by U.S. EPA toxic regulations.

**Funding Sources:** GRF in FY 2006, federal grant money (Fund 357), non-Title V fees (Fund 4K2), Title V fees (Fund 4T3), solid waste tipping fees (Fund 5BC), risk management plan (112(r) program) fees (Fund 542), Toxic Release Inventory filing fees (Fund 678), and penalty moneys (Fund 696)

**Implication of the Enacted Budget:** The enacted budget will result in 20 positions being added to DAPC's staff. Ohio EPA indicates some of that staffing may be allocated to the Air Toxics program, allowing Ohio EPA to address additional federal air toxics requirements. In addition, funding will allow the program to continue to support air monitoring activities and associated follow-up activities to convey the results of studies to communities.

**Permanent Law Provisions:** Clean Diesel School Bus Fund (R.C. section 3704.144). The enacted budget creates the Clean Diesel School Bus Fund (Fund 5CD) consisting of money from gifts, grants, and contributions for the purpose of adding pollution control equipment to diesel school buses, including contributions made pursuant to the settlement of an administrative or civil action brought at the request of Ohio EPA; requires Ohio EPA to use money in the Fund to make grants to Ohio school districts for the purpose of adding pollution control equipment to diesel buses and to pay Ohio EPA's related administrative costs; requires Ohio EPA to give priority to school districts meeting certain criteria; allows Ohio EPA to make grants to school districts to maintain pollution control equipment on school buses and to offset the additional costs of using ultra-low sulfur diesel fuel. The enacted budget

appropriates \$650,000 in FY 2006 and \$850,000 in FY 2007 from appropriation item 715-682, Clean Diesel School Buses.

### **Program 1.05 - Mobile Sources Control**

**Program Description:** The DAPC oversees the contractor-operated emissions inspection program, known as E-check, for vehicles in the Cleveland/Akron, Dayton, and Cincinnati areas. The goal of the program is to encourage motorists to routinely maintain the emission control equipment on their vehicles, thereby reducing the release of pollutants that lead to the formation of ozone.

The DAPC oversees the contractor's operation of the test stations and routinely certifies the equipment used by the contractor. In addition, the DAPC provides assistance to the public by responding to requests for information and complaints regarding the program, issues exemptions and extensions, and coordinates the activities of the program with the Bureau of Motor Vehicles. The contract for the E-check program expires December 31, 2005.

**Funding Source:** Emissions testing fees (Fund 602)

**Implication of the Enacted Budget:** The enacted budget will support 14 FTEs in FY 2006 and 10 FTEs in FY 2007. The E-check contract expires in the middle of FY 2006. After expiration of the contract, the remaining staff is budgeted to allow for continued services in a similar or different form. Ohio EPA indicates that it is studying alternatives to E-check and is close to finalizing recommendations on how to comply with federal air quality standards. Continuation of the E-check program would need legislative approval.

**Program Series 2****Emergency and Remedial Response**

*Purpose:* To prevent, identify, investigate, and remediate releases of hazardous waste, hazardous substances, and pollutants through compliance monitoring, enforcement, and voluntary actions.

The following table shows the line items that are used to fund this program series, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	726-321	Corrective Actions	\$147,473	\$0
GRF	715-403	Clean Ohio	\$92,707	\$0
<b>General Revenue Fund Subtotal</b>			<b>\$240,180</b>	<b>\$0</b>
<b>State Special Revenue Fund</b>				
4R9	715-658	Voluntary Action Program	\$1,008,765	\$1,032,098
5BC	715-617	Clean Ohio	\$648,939	\$741,646
5BC	715-678	Corrective Action	\$1,032,302	\$1,179,775
500	715-608	Immediate Removal Special Account	\$482,000	\$482,000
505	715-623	Hazardous Waste Cleanup	\$11,482,988	\$11,482,988
505	715-674	Clean Ohio Environmental Review	\$104,500	\$109,725
541	715-670	Site Specific Cleanup	\$33,000	\$34,650
644	715-631	ER Radiological Safety	\$286,114	\$286,114
<b>State Special Revenue Fund Subtotal</b>			<b>\$15,078,608</b>	<b>\$15,348,996</b>
<b>Federal Special Revenue Fund</b>				
3F3	715-632	Federally Supported Cleanup & Response	\$2,792,648	\$2,777,648
3K4	715-634	DOD Monitoring and Oversight	\$1,450,333	\$1,450,333
3N4	715-657	DOE Monitoring and Oversight	\$3,181,736	\$3,231,963
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$7,424,717</b>	<b>\$7,459,944</b>
<b>Clean Ohio Fund</b>				
5S1	715-607	Clean Ohio Operating	\$208,174	\$208,174
<b>Clean Ohio Fund Subtotal</b>			<b>\$208,174</b>	<b>\$208,174</b>
<b>Total Funding: Emergency and Remedial Response</b>			<b>\$22,951,679</b>	<b>\$23,017,114</b>

Enacted funding for DERR will support a total of 191.1 FTEs in both fiscal years, allowing for the continuation of FY 2005 service levels (191.1 FTEs). Funding for Emergency and Remedial Response supports the following programs:

- **Program 2.01: Emergency Response**
- **Program 2.02: Voluntary Action**
- **Program 2.03: Clean Ohio**
- **Program 2.04: Remedial Response**
- **Program 2.05: Office of Federal Facilities Oversight**
- **Program 2.06: Office of Special Investigations**

### **Program 2.01: Emergency Response**

**Program Description:** The Emergency Response (ER) program provides 24-hour emergency response to sudden releases of hazardous material, petroleum, and radioactive material. Members of the ER program are prepared to assist in the response to biological, chemical, and radiological-based terrorist attacks. ER personnel staff the Emergency Operations Center (EOC) when it is activated. The ER program coordinates with local and state emergency management officials to share information in an effort to minimize and prevent harmful releases to the environment. Based upon the location and type of release, the response unit often works in conjunction with the departments of Transportation, Health, Natural Resources, and Agriculture, as well as the Public Utilities Commission, the Emergency Management Agency, and the Petroleum Underground Storage Tank Release Compensation Board. The ER program receives approximately 5,500 spill reports per year, of which approximately 1,500 result in an emergency response. ER responded to 236 reports of mercury spillage or potential exposure in FY 2004 and recovered more than 750 pounds of elemental mercury.

In recognition of the ER program's response role in a chemical, biological, radiological, nuclear, or explosive release in Ohio, the Department of Homeland Security's grant program administered by the Office of Domestic Preparedness has awarded several grants to Ohio EPA. To date, Ohio EPA has received over \$550,000 for equipment purchases for detection, personal protection, interoperable communications, decontamination, and logistical support.

**Funding Sources:** GRF in FY 2006, solid waste tipping fees (Fund 5BC), cost recovery from spill responses (Fund 500), and the Hazardous Waste Cleanup Fund (Fund 505)

**Implication of the Enacted Budget:** Enacted funding levels will allow for the continuation of Emergency Response activities at current service levels.

### **Program 2.02: Voluntary Action**

**Program Description:** The Voluntary Action Program (VAP) was created in 1994 (and fully implemented in 1997) to oversee voluntary cleanup efforts of contaminated sites in order to return the sites to productive use. This program allows companies to investigate possible environmental contamination, clean it up if necessary, and receive a promise from the state of Ohio that no more cleanup is needed. The majority of brownfields and Clean Ohio cleanups are completed using the VAP. The program requires the use of certified professionals, who verify that environmental cleanup standards, which are based upon a site's proposed future industrial, commercial, or residential use, have been met. In addition to certifying these individuals, the VAP certifies laboratories that analyze environmental media samples from the sites and reviews and approves the voluntary cleanups, audits 25% of the cleanups, and provides technical assistance to volunteers and the public to assist with interpreting and applying cleanup standards. Under the program, VAP technical staff reviews and approves No Further Action (NFA) letters submitted to the agency in order to determine that standards have been met and that a site is protective of public health, safety, and the environment. When cleanup requirements have been met, the Director of Ohio EPA issues a covenant not to sue, which protects property owners from being legally responsible to the state for further investigation or cleanup. In recent years, the program has approved approximately 20-25 cleanups per year.

The VAP, along with the rest of DERR, is converting to an Access database system that will maintain all data concerning the program, as well as incorporate a time-management system that will allow management to monitor all of the VAP reviews and ensure that timelines are being met.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3F3), VAP fees (Fund 4R9), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Funding at the enacted level will allow for the continuation of FY 2005 service levels. In addition, the recommended funding will allow the VAP program to become more self-sufficient and less reliant on other funds for support. The enacted budget will also save the EPA roughly \$180,000 by requiring the issuance, denial, renewal, suspension, and revocation of certifications of professionals under the VAP law be published on the EPA web site rather than in newspapers of general circulation.

### **Program 2.03: Clean Ohio**

**Program Description:** The Clean Ohio Program was established under Am. Sub. H.B. 3 of the 124th General Assembly. The program is funded through a \$400 million bond initiative, administered by the Department of Development, and used to provide grants and loans to local groups and communities for the redevelopment of urban brownfields, the preservation of open spaces and farmland, and the protection of state waterways.

Ohio EPA staff review applications for investigation and cleanup and oversee the implementation of Clean Ohio projects. Staff within this program review the cleanups and report problems to the Clean Ohio Council, the body that is responsible for reviewing and approving grant and loan applications for brownfields remediation, and provide community outreach and assistance to local governments seeking financial and technical assistance to clean up brownfields. The Director of Ohio EPA sits on the Clean Ohio Council.

**Funding Sources:** GRF in FY 2006, solid waste tipping fees (Fund 5BC), start-up funding from the Hazardous Waste Cleanup Fund (Fund 505), and investment earnings from the Clean Ohio Revitalization Fund (Fund 5S1)

**Implication of the Enacted Budget:** Funding at the enacted level will allow for the continuation of FY 2005 service levels.

### **Program 2.04: Remedial Response**

**Program Description:** The Remedial Response (RR) program was established in 1982 to investigate hazardous waste sites statewide, including federal Superfund sites, to assist and oversee in their cleanup, and to determine whether or not potentially contaminated sites are safe for their intended use. The goals of this program are to evaluate potentially contaminated sites, compel potentially responsible parties to implement cleanups where necessary, and meet pre-determined milestones at each of the ongoing cleanups.

Ohio EPA's five district offices and central office participate in cleanup oversight activities. Program operations include investigations, feasibility studies, remedial (cleanup) design, remedial action, enforcement, and, if necessary, actual operation and maintenance of hazardous waste sites. At state-designated sites, Ohio EPA provides direct oversight over responsible parties and their technical consultants. At federal Superfund sites, the U.S. EPA generally takes the lead role. Comprehensive cleanup has been completed at 17 state sites and 38 federal sites. Interim actions to address immediate threats are complete at 29 additional sites. In FY 2004, 77 investigations or cleanup projects were underway at another 40 sites.

The RR program also includes the Orphan Drum recovery program and Radiation Safety. The Orphan Drum recovery program evaluates, collects, and effectuates proper disposal of abandoned drums containing unknown and potentially hazardous materials. This program addresses more than 100 abandoned/unknown small-scale incidents per year. Radiation Safety is a grant-funded program that prepares for potential emergencies related to nuclear power plants.

**Funding Sources:** Federal grant money (Fund 3F3), the Hazardous Waste Cleanup Fund (Fund 505), enforcement orders (Fund 541), and nuclear utility assessment (Fund 644)

**Implication of the Enacted Budget:** Funding at enacted levels will allow for the continuation of services at FY 2005 levels.

### **Program 2.05: Office of Federal Facilities Oversight**

**Program Description:** The Office of Federal Facilities Oversight (OFFO) provides oversight to the investigation, cleanup, and reuse of U.S. Department of Energy (DOE) and Department of Defense (DOD) sites in Ohio. Components of this program include technical oversight; maintaining working relationships with the DOE, DOD, and other regulators and stakeholders; active environmental monitoring; accelerating the cleanup process; public involvement; and cleanup levels based on future land uses. Through this program federal cleanup sites receive proper oversight and monitoring to ensure that they are safe for specific future use.

All funding for the OFFO is received from federal grants that are a result of consent decrees and numerous legal agreements. Federal cost recovery grants exist for each of the following DOE sites in Ohio: Fernald, Mound, and Portsmouth. Additional funding for 34 current and former DOD sites is received through the Defense/State Memorandum of Agreement. These sites include active installations, Base Closure and Realignment installations, and several Formerly Used Defense sites. A Cooperative Agreement has been established with the U.S. Army Corps of Engineers for the Formerly Utilized Sites Remedial Action Program (FUSRAP) to clean up privately owned sites that were once used by the government as part of the Manhattan Project in the 1940s and for early weapons production and research in the 1950s. Currently, Ohio has two active FUSRAP investigations/cleanups underway at Luckey Beryllium and Diamond Magnesium.

**Funding Sources:** Federal grant moneys (Fund3K4 and Fund 3N4)

**Implication of the Enacted Budget:** Funding at the enacted levels will allow for the continuation of FY 2005 service levels, enabling this program to continue to ensure that federal cleanup sites receive proper oversight and monitoring.

Projects undertaken by the Office of Federal Facilities Oversight represent major ongoing cleanups. Some of these cleanups are projected by Ohio EPA to be completed within the next two years. If this happens, total staff in this program area will decrease. There will not, however, be a complete phase out of staff. Federal funding is provided by site; therefore, as site cleanups are completed, federal funding for that site will be phased out. It is difficult to predict exactly how much funding and how many staff will be phased out; however, funding and work remaining will remain in proportion to each other. Thus, funding will allow for sufficient staff to carry out the remainder of the cleanups.

### **Program 2.06: Office of Special Investigations**

**Program Description:** The Office of Special Investigations (OSI) conducts investigations into alleged environmental violations that potentially involve criminal activities. These include activities such as the burial of solid or hazardous waste, unpermitted discharges of industrial waste, illegal bypassing of wastewater treatment systems, falsification of wastewater and drinking water documents, illegal hazardous waste abandonment, and emissions of air pollutants from open burns. OSI is unique in that it is the only group within Ohio EPA expressly formed to handle complex environmental criminal investigations. These investigations often result in criminal sanctions against responsible individuals or companies.

**Evidence Response Team (ERT).** OSI personnel comprise Ohio EPA's newly formed Weapons of Mass Destruction (WMD) Evidence Response Team (ERT). The ERT has the ability to respond to potential WMD events anywhere in the state. The primary role of the ERT will be to assist lead response agencies, including the Federal Bureau of Investigations, local first responders, and U.S. EPA, in the entry and processing of a WMD crime scene to secure evidence and assess environmental impacts as a result of the incident. The ERT members are trained to respond to chemical, biological, and nuclear events.

Since its inception in 1984, OSI has developed hundreds of cases resulting in over 225 convictions involving intentional or reckless violations of Ohio's laws and regulations. Typically, OSI has an open caseload of approximately 100 criminal investigations. In addition, OSI has 35 completed investigations referred to prosecutors awaiting resolution. OSI is primarily a reactive program responding to division referrals and a wide variety of complaints from many sources. As each new case is received it is evaluated in coordination with the Bureau of Criminal Investigation, the Office of the Attorney General, and the U.S. EPA to determine if the allegations are criminal in nature. Investigations are conducted utilizing a team approach, bringing in expertise from state, local, and federal resources.

**Funding Sources:** Unlike most Ohio EPA divisions, the OSI is not bound to any particular program area. As such, the OSI receives funding from six divisions within Ohio EPA that have regulatory authority under which OSI conducts investigations. Each division's contribution to OSI is determined by analyzing cost breakdowns based on OSI casework and administrative expenses and deposited into the Hazardous Waste Facility Cleanup Fund (Fund 505). The Office also receives federal grant moneys (Fund 3F3).

**Implication of the Enacted Budget:** The enacted budget will allow for the continuation of FY 2005 service levels.

**Program Series 3****Hazardous Waste Management**

**Purpose:** To improve the environment and therefore the health of Ohio's citizens by promoting pollution prevention and the proper management and cleanup of hazardous wastes.

The following table shows the line items that are used to fund the Hazardous Waste Management program, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	723-321	Hazardous Waste	\$12,606	\$0
<b>General Revenue Fund Subtotal</b>			<b>\$12,606</b>	<b>\$0</b>
<b>State Special Revenue Fund</b>				
4P5	715-654	Cozart Landfill	\$149,728	\$149,728
5BC	715-675	Hazardous Waste	\$88,241	\$100,847
503	715-621	Hazardous Waste Facility Management	\$11,270,231	\$11,711,473
<b>State Special Revenue Fund Subtotal</b>			<b>\$11,508,200</b>	<b>\$11,962,048</b>
<b>Federal Special Revenue Fund</b>				
354	715-614	Hazardous Waste Management - Federal	\$4,203,891	\$4,203,891
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$4,203,891</b>	<b>\$4,203,891</b>
<b>Total Funding: Hazardous Waste Management</b>			<b>\$15,724,697</b>	<b>\$16,165,939</b>

Funding at the enacted levels will support a total of 158.8 FTEs in the Division in both fiscal years, allowing for the continuation of FY 2005 service levels (158.8 FTEs). Funding for Hazardous Waste Management supports the following programs:

- **Program 3.01: Hazardous Waste Management**
- **Program 3.02: Cessation of Regulated Operations**

**Program 3.01: Hazardous Waste Management**

**Program Description:** The Hazardous Waste Management program implements Ohio's delegated hazardous waste management regulatory program under authority of Subtitle C of the federal Resource Conservation and Recovery Act of 1976 (RCRA) and its 1984 amendments; Chapter 3734. of the Revised Code; and Chapters 3745-50 through 59 and 65 through 69, 218, 248, 270, and 279 of the Ohio Administrative Code. The program, which was established in 1981, regulates facilities that generate, transport, treat, store, or dispose of hazardous waste. Hazardous waste is defined as waste that is toxic, ignitable, corrosive or reactive, or waste listed by name in state and federal law. The specific regulatory responsibilities of this program include: conducting compliance inspections, pursuing appropriate enforcement actions for noncompliance, responding to complaints, reviewing and approving closure/post-closure plans and corrective action plans and reports, and reviewing and issuing final action on renewal and modification permit applications. This program also oversees post-closure activities at Cozart Landfill near Athens, Ohio. This is done under an agreement reached as a result of an enforcement action brought by the state against responsible parties, which established a trust fund for the closure and long-term post-closure care of the facility.

The Division of Hazardous Waste Management's universe of regulated facilities includes 44 permitted treatment, storage, and disposal facilities; 1,300 large quantity hazardous waste generators; 11,000 small quantity generators; and 25,000 conditionally exempt small quantity generators. There are over 450 facilities that are subject to RCRA corrective action requirements, 85 of which are high environmental priorities. The Division shares the corrective action universe workload with the U.S. EPA.

In the current biennium, the Division adopted a new approach to the processing of renewal permit applications to help the Division achieve its goal of issuing an action on the renewal permit application by the time the permit has expired. In addition, during FY 2005 the Division eliminated much of its rule-making backlog.

**Funding Sources:** Federal grant moneys (Fund 354), settlement moneys for the Cozart Landfill (Fund 4P5), and hazardous waste and solid waste fees (Fund 503)

**Implication of the Enacted Budget:** Funding at the enacted levels will support 157.8 FTEs in both fiscal years, allowing for the continuation of FY 2005 service levels (157.8 FTEs).

### **Program 3.02: Cessation of Regulated Operations**

**Program Description:** Chapter 3752. of the Revised Code established the Cessation of Regulated Operations (CRO) program in 1996. The Division of Hazardous Waste Management began implementing the program in July 1999. Facilities that have threshold quantities of hazardous chemicals must ensure that they are properly sold, transferred, or disposed of when those facilities close. By properly managing these substances at the time of business closure, future potential cleanups can be avoided in the event of a release of hazardous substances to the environment. The CRO regulatory program serves to protect public health and the environment from businesses who close or abandon their properties by ensuring that their hazardous substances are properly removed from the site and managed in a safe manner, thus avoiding spills, releases, or exposures. To this end, the CRO program provides a variety of compliance assistance, oversight, inspection (approximately 55 per year), and enforcement activities.

The universe of facilities subject to CRO requirements fluctuates in accordance with business decisions that are made on a daily basis. Typically, CRO conducts inspections at facilities that provide notification that they are ceasing their regulatory operations. Facilities receive letters of compliance when they have met CRO requirements, which help owners sell the properties being vacated, and ensure that the public is protected from abandoned hazardous chemicals.

**Funding Sources:** GRF in FY 2006 and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Funding at the enacted level will support one FTE in both fiscal years, allowing for the same service levels as FY 2005 (one FTE). The allocation of staffing resources to administer this program is spread across numerous permanent staff in carrying out the program and is not dedicated to one staff person. The current economic climate in Ohio has contributed to an increase in business consolidations and closures, which has resulted in an increased workload in this program. With this level of funding, delays in responding to CRO-related situations are sometimes experienced. Further, lower priority activities may not be carried out in favor of more environmentally critical situations.

**Program Series 4****Solid and Infectious Waste Management**

**Purpose:** To protect human health and the environment through responsible regulation of solid and infectious waste supported by sound science and effective management.

The following table shows the line items that are used to fund Solid and Infectious Waste Management, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>State Special Revenue Fund</b>				
4K3	715-649	Solid Waste	\$13,453,133*	\$13,940,839*
660	715-629	Infectious Waste Management	\$160,000	\$100,000
4U7	715-660	Construction & Demolition Debris	\$586,797	\$582,305
4R5	715-656	Scrap Tire Management	\$6,000,000	\$6,000,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$20,199,930</b>	<b>\$20,623,144</b>
<b>Total Funding: Solid &amp; Infectious Waste Management</b>			<b>\$20,199,930</b>	<b>\$20,623,144</b>

\*Amount does not reflect total funding because the line item is used to fund programs in other program series. Amount reflected is the budgeted amount provided in the executive budget.

Funding at the enacted levels will support a total of 121.5 FTEs in the Division in both fiscal years, allowing for the continuation of FY 2005 service levels (121.5 FTEs). Funding for Solid and Infectious Waste Management supports the following programs:

- **Program 4.01: Solid Waste Management**
- **Program 4.02: Infectious Waste Management**
- **Program 4.03: Construction & Demolition Debris**
- **Program 4.04: Scrap Tire Management**

**Program 4.01: Solid Waste Management**

**Program Description:** Approximately 14.5 million tons of solid waste are disposed of annually in Ohio. The Solid Waste Management program was developed to ensure proper management of this waste and involves the oversight of 54 operating landfills, 57 transfer facilities, and 593 composting facilities. The program involves complex interactions and shared responsibilities among state and local governments, as well as private, residential, commercial, industrial, and institutional generators of solid waste.

Activities funded by the program include: solid waste planning; statutorily required review of permits, registrations, and licenses; inspections of different types of solid waste facilities; landfill siting and design plan approvals; statutorily required updates to the State Solid Waste Plan; review of local solid waste management district plans; review and oversight of the implementation of approved local plans; environmental monitoring; and enforcement of landfill operation, closure, and post-closure requirements. In addition, the Solid Waste Management program conducts inspection and enforcement activities to deter illegal dumping of solid waste and address the nuisances and fire and environmental hazards associated with improper disposal. Approved local health districts assist Ohio EPA in the administration of the Solid Waste Management program. In addition, single and joint-county solid waste management districts (SWMD) ensure that adequate solid waste management and disposal capacity is available within designated counties.

**Funding Source:** Solid waste tipping fees (Fund 4K3)

**Implication of the Enacted Budget:** Enacted funding levels will allow for the continuation of services at FY 2005 levels. The Division anticipates it will begin developing its Operator Certification Program by the end of FY 2005, which will include drafting Ohio Administrative Code (OAC) rules, and will begin implementation during the coming biennium. In FYs 2004-2005, a solid waste fee increase was approved. Because of this increase, there is adequate cash available to fund this program at existing service levels. No further fee increases for this program are planned in the coming biennium.<sup>10</sup> The additional fee of \$1.50 per ton on the disposal of solid wastes will generate approximately \$22.1 million annually for Ohio EPA and fully replace GRF funding by FY 2007.

**Permanent Law Provisions:** Solid Waste Management (R.C. sections 3734.57, 3734.01, 3745.015, and 3734.573). Currently, there are two state fees levied on the disposal of solid wastes. The first is a \$1 per ton fee, of which one-half of the proceeds must be deposited in the state treasury to the credit of the Hazardous Waste Facility Management Fund (Fund 503) and one-half of the proceeds must be deposited in the state treasury to the credit of the Hazardous Waste Clean-up Fund (Fund 505). The second fee is another \$1 per ton fee that is used to fund the EPA's solid and infectious waste and construction and demolition debris management programs, and is deposited into the Solid Waste Fund (Fund 4K3).

The \$1 per ton fee that is deposited in the Fund 4K3 is scheduled to sunset on June 30, 2006. However, the enacted budget extends the collection of the fee to June 30, 2008. The enacted budget also expands the fund's purpose to provide compliance assistance to small businesses.

In addition to the \$1 discussed above, the enacted budget establishes an additional fee of \$1.50 per ton on the disposal of solid wastes, the proceeds of which must be deposited into the Environmental Protection Fund (Fund 5BC). The new fee is projected to generate approximately \$22.1 million annually for Ohio EPA and fully replace GRF funding by FY 2007. Collection of the additional fee will begin July 1, 2005, and end June 30, 2008. This additional fee increases the total fee on the disposal of solid wastes to \$3.50. The enacted budget also specifies that all solid waste disposal fees will only be collected at transfer facilities located in Ohio, rather than a solid waste transfer facility and solid waste disposal facility, as was previously required.

The budget also makes changes to monthly filings made by owners and operators of solid waste facilities by requiring indication of the total tonnage of solid waste received for disposal during that month and the total amount of fees required to be collected during that month. In addition, the budget specifies that the amount of fees required to be collected must equal the total tonnage of solid waste received for disposal at the gate of a facility multiplied by the fees.

Furthermore, the enacted budget establishes procedures by which an owner or operator of a solid waste facility may receive a refund or credit from the EPA for state solid waste disposal fees that remain unpaid to the owner or operator, and specifies that solid waste disposal fees are required to be paid by a customer to a facility owner regardless of whether a contract that the customer has with the owner does not require or allow such payment.

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<sup>10</sup> While the new Environmental Protection Fee is a fee on solid waste disposal, its revenue will not be used to fund Fund 4K3 or this program.

The budget establishes a discount for the timely submission of a return of fees. The owner or operator of a facility may retain a discount of three-fourths of 1% of the total amount of fees that are required to be paid as indicated on the return. Also, the budget states that late submission of the return and fees results in a loss of the three-fourths of 1% timely payment discount and a charge of 10%, rather than 50%, of the amount of the fees for each month the fees are late.

#### **Program 4.02: Infectious Waste Management**

**Program Description:** The Infectious Waste Management program, which is governed by Chapter 3734. of the Revised Code, regulates the generation, treatment, packaging, storage, transportation, and disposal of infectious waste in the state. Its regulated community includes 2,934 infectious waste generators, 70 transporters, and 80 treatment facilities. The primary objective of the program is implementation of the statutory requirements for infectious waste generators' identification, segregation and labeling of infectious wastes, containment suitable to minimize potential human exposure, and the transportation and treatment of wastes to render them noninfectious prior to disposal with solid wastes. Specific activities include processing of registrations, reviewing requests for approval of infectious waste alternative treatment technologies, and providing technical assistance to regulated entities. Ohio EPA shares compliance, monitoring, and enforcement authority, and a portion of license and registration fees, with local health districts. Ohio EPA also provides technical assistance to approved health districts and performs annual surveys to ensure programs are in compliance.

**Funding Source:** Solid waste tipping fees (Fund 4K3) and infectious waste registration fees (Fund 660)

**Implication of the Enacted Budget:** Enacted funding will allow for the continuation of FY 2005 service levels.

#### **Program 4.03: Construction and Demolition Debris**

**Program Description:** The Construction and Demolition Debris (C&DD) program, which is governed by Chapter 3714. of the Revised Code, regulates the disposal of debris from construction and demolition activities into licensed C&DD landfills. Approved local boards of health perform the licensing, inspection, and enforcement of C&DD facilities. These boards receive a portion of C&DD disposal fees to fund their activities. Ohio EPA provides ongoing technical assistance to approved local health districts and performs annual surveys to ensure programs are in compliance. In cases where no approved local board of health has jurisdiction, Ohio EPA performs all licensing, inspection, and enforcement activities associated with the C&DD program. There are currently 72 licensed C&DD facilities in Ohio, where approximately 14 million cubic yards of debris are disposed annually.

**Funding Source:** Solid waste tipping fees (Fund 4K3) and C&DD disposal fees (Fund 4U7)

**Implication of Executive Recommendation:** Funding at the enacted funding levels will allow for the continuation of current service levels, decrease the program's reliance on Fund 4K3, and provide adequate funding for local boards of health that are approved to carry out C&DD program activities. In previous years, the C&DD program has relied heavily upon Fund 4K3 to support its activities. However, with the passage of Am. Sub. H.B. 432 by the 125th General Assembly, effective April 15, 2005, and its associated fee changes, the Construction & Demolition Debris Fund (Fund 4U7) will now provide 77% of the funding for this program. This change in funding will provide more revenue for Ohio EPA and local health districts to carry out their responsibilities associated with the C&DD program. While fewer local health districts may opt to "give back" their regulation authority as a result of increased local funding,

Ohio EPA does not project a reduction in the state costs of the C&DD program. As a result of Am. Sub. H.B. 432, Ohio EPA will incur increased costs in administration and compliance and enforcement activities that would offset any decrease generated by health districts keeping their regulatory authority.

**Construction and Demolition Debris Disposal Fees (R.C. sections 1502.02, 3714.07, and 3714.073).** The enacted budget specifies that the fee levied on the disposal of construction and demolition debris (C&DD) at a solid waste facility under the Construction and Demolition Debris Law does not apply if there is no licensed C&DD facility within 35 miles of the solid waste facility as determined by a facility's property boundaries rather than within 40 miles as in current law. Furthermore, the enacted budget exempts from C&DD fees at a C&DD facility source, separated materials exclusively composed of reinforced or nonreinforced concrete, asphalt, clay tile, building or paving brick, or building or paving stone when these materials are used as a fire prevention measure at a C&DD facility or as fill material for construction purposes at a C&DD facility or to bring the facility up to grade.

The enacted budget specifies that the new C&DD fees imposed for the purposes of funding the Department of Natural Resources' Soil and Water Conservation District Assistance Fund and Recycling and Litter Prevention Fund do not apply to the disposal of C&DD at a solid waste facility if the owner or operator of that facility chooses to collect fees on the C&DD that are identical to the fees that are collected on the disposal of solid wastes at that facility.

Finally, the budget establishes a six-month moratorium on the licensing of new C&DD facilities, but authorizes boards of county commissioners to request that pending applications for licenses be processed; specifies that the moratorium does not apply to new facilities that are contiguous or adjacent to existing facilities or to expansions of or modifications to existing facilities; creates the Construction and Demolition Debris Facility Study Committee to study certain topics related to C&DD facilities and make recommendations to the General Assembly by September 30, 2005 for changes regarding the laws governing those facilities; and requires the General Assembly to enact legislation based on the Committee's recommendations as soon as is practicable.

#### **Program 4.04: Scrap Tire Management**

***Program Description:*** The Scrap Tire Management program, which is governed by Chapter 3734. of the Revised Code, regulates scrap tire transportation, collection, storage, processing, and disposal. Local boards of health perform the licensing, inspection, and enforcement of scrap tire facilities and transporters. In cases where no approved local board of health has jurisdiction, Ohio EPA administers the Scrap Tire Management program. There are currently 32 scrap tire facilities, 7 mobile recovery facilities, and 71 scrap tire transporters in the state.

**Scrap Tire Abatement and Removal.** The DSIWM also manages contracts to abate scrap tire piles under the Scrap Tire Abatement and Removal program. The majority of funding for this program supports tire abatement projects. The Scrap Tire Abatement and Removal program uses criteria in the law to prioritize scrap tire sites based on threats to public health, safety, and the environment. Under the program, scrap tires are properly disposed of, recycled, or converted into energy. The program provides a supplement to ongoing efforts by Ohio EPA, local health departments, and local law enforcement officials to have scrap tire facility operators and those responsible for illegal tire stockpiling and tire disposal to clean up the problem sites that they have created. From FY 1998 through FY 2003 more than 22.8 million passenger tire equivalents (PTEs) were processed at a cost of \$19 million. Since FY 2000, more than 12 million PTEs have been processed from the Kirby Scrap Tire Facility in Wyandot County, which was one of the largest tire accumulations in the United States. This site had an accumulation of approximately 10 million to 20 million before commencement of abatement efforts.

In recent years, Ohio EPA has incurred costs for spraying mosquito-infested abandoned tire sites. Where possible, the Division of Solid and Infectious Waste Management is working with local counties and health districts to get sites sprayed. Spending for mosquito abatement at abandoned scrap tire sites is dependent on enforcement activities resulting in access to sites, mosquito type and population at the site, owner inability to pay for mosquito spraying, and length of abatement on the site. Since many cases which are projected to be abated in FYs 2006-2007 are still in enforcement, it is difficult to predict exactly how much Ohio EPA may spend on this activity in the coming biennium. The cost ranged from approximately \$31,000 in FY 2003 to \$48,000 in FY 2004. As of January 2005, \$28,500 has been spent on mosquito abatement in FY 2005.

Ohio EPA also supports the Market Development Grant program administered by the Ohio Department of Natural Resources with a yearly allocation of \$1 million.

**Funding Sources:** \$1 fee on the sale of new tires and a portion of license and registration fees (Fund 4R5)

**Implication of the Enacted Budget:** Enacted funding will allow for the continuation of FY 2005 service levels.

**Permanent Law Provisions:** Scrap Tire Management Program Funding (R.C. sections 3734.901 and 3734.85). The enacted budget extends the sunset of the fee on the sale of new tires from June 30, 2006, to June 30, 2011. This has the effect of authorizing Ohio EPA to continue collecting current fees; therefore, there is no new fiscal effect.

The budget also reduces the amount of money that the Department of Taxation receives to pay the Department's costs in administering the fee on new tires that is used to fund the Scrap Tire Management program from 4% to 2%. As a result, Ohio EPA will receive 98% rather than 96% of the fee on new tire sales, resulting in slightly increased revenue in the Scrap Tire Management Fund (Fund 4R5).

## Program Series 5

## Drinking and Ground Waters

**Purpose:** To protect human health and the environment by characterizing and protecting ground water quality and ensuring Ohio's public water systems provide adequate supplies of safe drinking water.

The following table shows the line items that are used to fund the Division of Drinking and Ground Waters, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	718-321	Groundwater	\$136,719	\$0
GRF	721-321	Drinking Water	\$318,783	\$0
<b>General Revenue Fund Subtotal</b>			<b>\$455,502</b>	<b>\$0</b>
<b>State Special Revenue Fund</b>				
3T3	715-669	Drinking Water SRF	\$2,411,614	\$2,482,910
4J0	715-638	Underground Injection Control	\$438,285	\$458,418
4K5	715-651	Drinking Water Protection	\$7,202,901	\$7,492,035
5BC	715-673	Drinking Water	\$2,231,467	\$2,550,250
5BC	715-667	Groundwater	\$957,022	\$1,093,741
5H4	715-664	Groundwater Support	\$2,325,922	\$2,408,871
<b>State Special Revenue Fund Subtotal</b>			<b>\$15,567,211</b>	<b>\$16,486,225</b>
<b>Federal Special Revenue Fund</b>				
3K2	715-628	Clean Water Act 106	\$642,253*	\$642,253*
353	715-612	Public Water Supply	\$3,384,959	\$3,388,619
362	715-605	Underground Injection Control - Federal	\$111,874	\$111,874
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$4,139,086</b>	<b>\$4,142,746</b>
<b>Total Funding: Drinking and Ground Waters</b>			<b>\$20,161,799</b>	<b>\$20,628,971</b>

\*Amount does not reflect total funding because line item is used to fund programs in Program Series 6. Amount reflected is the budgeted amount provided in the executive budget.

Funding at the enacted levels will support a total of 182 FTEs in the Division in both fiscal years, allowing for the continuation of FY 2005 service levels (182 FTEs). Funding for Drinking and Ground Waters supports the following programs:

- **Program 5.01: Public Drinking Water Supply Supervision**
- **Program 5.02: Public Drinking Water System Plan Review**
- **Program 5.03: Drinking and Wastewater Operator Certification**
- **Program 5.04: Public Drinking Water Laboratory Certification**
- **Program 5.05: Ground Water Characterization and Protection**
- **Program 5.06: Underground Injection Control**
- **Program 5.07: Drinking Water Source Protection**
- **Program 5.08: Drinking Water Assistance Fund**

### **Program 5.01: Public Drinking Water Supply Supervision**

**Program Description:** Ohio EPA has primary enforcement authority for implementing the federal Safe Drinking Water Act. The Division of Drinking and Ground Waters is responsible for oversight of Ohio's public water systems to ensure they comply with the federal and state drinking water laws and provide adequate supplies of safe drinking water. There are approximately 5,800 public water systems in Ohio. Approximately 90% of Ohioans receive the water they use for drinking, bathing, and cooking from a public water system. Each year, DDAGW staff review more than 100,000 water quality monitoring reports and inspect approximately 1,700 public water systems. Program responsibilities are increasing due to new requirements in the 1996 Amendments to the federal Safe Water Drinking Act and increased concerns about security.

Activities completed as a part of this program include: ensuring compliance with drinking water quality standards, performing sanitary surveys/site inspections, providing operational technical assistance, and responding to emergency conditions. Division staff conducted a total of 2,206 sanitary surveys in FY 2003. This is one of the most resource intensive activities of this program; however, these inspections are also one of the most beneficial activities performed by Division staff, particularly for medium and small public water systems, because of information collected and distributed during these visits. In addition, Division staff are responsible for establishing, distributing, and tracking monitoring schedules; verifying samples are taken during the proper time period and are analyzed for the proper contaminants; and evaluating results to determine whether concentrations exceed the maximum allowable level. Staff review and process nearly 25,000 sample submission reports for chemical contaminants annually. They also review approximately 50,600 sample submissions for bacterial analysis and 25,000 monthly monitoring reports for bacteriological, plant distribution, fluoride, and turbidity analyses per year. Ohio EPA must track and report all monitoring and compliance information to the U.S. EPA quarterly. Compliance information is also reported back to the public water system, laboratories, the media, and the public.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 353), public water system fees (Fund 4K5), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Enacted funding levels will support 88.9 FTEs, allowing for the continuation of FY 2005 staffing levels (88.9 FTEs). The portion of new Fund 5BC funding (\$1.67 million in FY 2006 and \$2.22 million in FY 2007) is necessary to maintain current staffing levels.

Maintaining adequate staffing in the coming biennium will be critical. Ohio EPA predicts approximately 300 public water systems will not meet new regulatory requirements to meet standards for arsenic, surface water treatment, and disinfection byproducts that go into effect in 2006. Many of these public water systems serve populations of less than 250 people. This represents a challenge for Ohio EPA to work with these systems to take necessary actions to return them to compliance or take enforcement action. Funding at recommended levels will allow the Division to address these challenges and to make needed upgrades to the drinking water information management system.

### **Program 5.02: Public Drinking Water System Plan Review**

**Program Description:** To maintain primary enforcement authority for the federal Safe Drinking Water Act (SWDA), Ohio must maintain a program to assure the design and construction of new or substantially modified public water systems facilities that are capable of compliance with state drinking water regulations. The Division of Drinking and Ground Waters engineering staff is responsible for reviewing and approving engineering plans for new and upgraded public water systems to ensure systems

are designed and constructed to provide adequate quantities of safe drinking water. All 5,800 of Ohio's public water systems are required to meet plan approval requirements. Projects covered by these plans include construction of new treatment plants, modernization or improvements to existing treatment plants, water storage and distribution systems, surface water intake structures, and water supply wells. Division staff currently review approximately 1,600 sets of engineering plans annually. This number is expected to increase as public water systems have to make improvements to meet new treatment and water quality requirements resulting from the 1996 Amendments to the SDWA and subsequent state rules.

The Division of Drinking and Ground Waters staff also approves existing technologies for higher production rates and evaluates new and innovative treatment technologies that have not been previously approved in Ohio. Staff reviewed approximately 20 pilot and demonstration studies per year during FYs 2003 and 2004 to evaluate new technologies. The Division anticipates a significant increase in the need to evaluate new technologies over the next several years as new processes are proposed to meet new regulatory requirements resulting from the 1996 Amendments to the SDWA. In addition, many public water systems will be looking for new technologies to address the threat of biological or chemical terrorist attacks.

**Funding Sources:** GRF in FY 2006, public water system fees (Fund 4K5), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Enacted funding will allow for the continuation of FY 2005 service levels, and support the services of a contractor to help develop the revised standards for the approval of engineering plans for public drinking water systems. These revisions will enhance the quality of engineering plans and allow for shorter review times.

### **Program 5.03: Drinking and Wastewater Operator Certification**

**Program Description:** The Division of Drinking and Ground Waters is responsible for administering Ohio's program for the certification and recertification of operators of water and wastewater facilities specified by the U.S. EPA under the Safe Drinking Water Act (SDWA). States that implement these guidelines receive more federal funding for their drinking water revolving loan programs. Ohio's current rules require that all community and nontransient, noncommunity public water systems, and any transient noncommunity water system or a wastewater system serving 250 people or more be under the responsible charge of a certified operator of the appropriate class. Certified operators have to meet continuing education requirements to renew their certification. Approximately 1,500 current or prospective operators take an examination for certification each year. There are approximately 10,000 certified operators in Ohio with 4,842 operators certified in drinking water and 5,240 operators certified in wastewater.

Activities carried out under this program include: developing and providing training to current and prospective water and wastewater operators, preparing and conducting operator exams, reviewing exam applications, issuing and tracking operator certificates, recommending training courses for contact hour approval, evaluating and tracking operator compliance with continuing education requirements, and administering Ohio EPA's Advisory Board of Examiners. The Board is primarily responsible for preparing and administering certification examinations.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 353), public water system fees (Fund 4K5), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Enacted funding levels will allow for the continuation of FY 2005 service levels. In addition, the recommended funding will enable Ohio EPA to spend a one-time federal grant to provide training and certify operators for Ohio's smallest public water systems.

In the FY 2004-2005 biennial budget, an increase in operator certification fees was approved. This increase allowed the program to become less reliant on GRF. No additional fee increases in this program area are proposed for the coming biennium.

#### **Program 5.04: Public Drinking Water Laboratory Certification**

**Program Description:** State and federal regulations require that all testing for compliance with public drinking water standards be performed by laboratories certified by the state or by the U.S. EPA. To maintain primary enforcement authority for the federal Safe Drinking Water Act (SDWA), Ohio must have a program for certifying laboratories performing analyses of drinking water. The Laboratory Certification program is carried out through a Memorandum of Agreement (MOA) with the Ohio EPA Division of Environmental Services (DES).

The DES is Ohio's Primary Drinking Water Laboratory and is certified by the U.S. EPA to conduct drinking water analyses. Specific activities conducted by DES for the Laboratory Certification program include: reviewing laboratory floor plans and survey applications, evaluating and certifying chemical and bacterial laboratories for the analysis of samples from public water systems, tracking public drinking water data, communicating with laboratory operators regarding new policies and procedures pertaining to drinking water analysis, preparing and submitting Quality Assurance Program Plans and Quality Management Plans to the U.S. EPA, and developing and administering a microbiological and chemical Performance Evaluation program. Staff in the Division of Drinking and Ground Waters adopt rules, maintain lists of certified laboratories and provide those lists to public water systems, provide data management and enforcement support, and monitor reporting compliance. The overall goal of this program is to improve the performance and data quality of laboratories providing services to public water systems through improved compliance reviews and inspections, reviewing quality assurance plans, education, and enforcement.

**Funding Sources:** GRF in FY 2006, public water system fees (Fund 4K5), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Funding at the enacted levels will support 0.3 FTE in both fiscal years in the Division of Drinking and Ground Waters and 5.5 FTEs in both fiscal years in the Division of Environmental Services, allowing for a continuation of FY 2005 service levels.

#### **Program 5.05: Ground Water Characterization and Protection**

**Program Description:** The Division of Drinking and Ground Waters (DDAGW) is responsible for characterizing ground water quality conditions, providing technical support to other divisions in Ohio EPA, and coordinating ground water monitoring and protection efforts with other state programs. Under this program, Ohio EPA carries out the following activities: collecting, studying, and interpreting all available information, statistics, and data pertaining to ground water and surface water in coordination with other agencies of the state; collecting ground water quality samples; conducting studies to characterize ground water quality; identifying areas of known ground water contamination; and disseminating water resource information to the public. Additional effort is made to evaluate public water supply water quality data, identify impacted and threatened public water systems, and assess impacts of proposed drinking water regulations. A water quality data management system and other available

technologies, including Geographic Information System technology, are used to collect, analyze, and summarize information characterizing ground water on statewide, regional, and site-specific bases. The Division also maintains the Ground Water Quality Monitoring Network to help characterize ground water quality for each major aquifer in Ohio. The Network currently includes approximately 212 wells at approximately 206 locations and performs approximately 340 inorganic and 175 volatile organic samples every year from the Network.

Through this program, DDAGW provides technical support on geologic and ground water-related issues to the Ohio EPA Divisions of Emergency and Remedial Response, Hazardous Waste Management, Solid and Infectious Waste Management, Surface Water, Environmental and Financial Assistance, and the Office of Federal Facilities Oversight. By conducting all technical geologic and ground water-related work for Ohio EPA, DDAGW ensures that efforts to protect, monitor, and remediate ground water at waste management sites are technically sound, consistent between divisions, and coordinated as appropriate with other state agencies. Consolidation of these activities avoids duplication of efforts and requires less overall staff than if each division hired its own staff to perform these functions.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3K2), solid waste tipping fees (Fund 5BC), and payments from other Ohio EPA divisions (Fund 5H4)

**Implication of the Enacted Budget:** The enacted appropriations will allow for the continuation of FY 2005 service levels.

### **Program 5.06: Underground Injection Control**

**Program Description:** The Division of Drinking and Ground Waters (DDAGW) regulates, in accordance with Chapter 6111. of the Revised Code, the injection of sewage, industrial waste, hazardous waste, and other wastes into wells. Ohio EPA has been delegated primary enforcement authority for the regulation of Class I, Class IV, and Class V Underground Injection Control (UIC) wells under the federal Safe Drinking Water Act (SWDA).

A Class I UIC well is a well used for injection of fluids, either hazardous or nonhazardous, into geologic formations far below any underground source of drinking water. There are 12 Class I wells in Ohio. These wells are strictly regulated to prevent migration of injected fluids into an underground source of drinking water. Class V wells are a significant source of ground water contamination. They are typically shallow disposal systems used to place a variety of nonhazardous fluids below the ground surface into or above an underground source of drinking water. Examples of Class V wells include dry wells that collect surface water runoff; large capacity cesspools or septic systems; and industrial, commercial, and utility disposal wells. Over 15,000 Class V wells have been inventoried in Ohio. Ohio EPA estimates that there are 20,000-30,000 Class V underground injection wells in Ohio not included within the inventory. All Class IV wells are prohibited, as they inject hazardous materials into or above an underground source of drinking water. The DDAGW staff takes action to close these wells if they are discovered.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 362), various fees for Class I UIC wells (Fund 4J0), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Funding at the enacted levels will allow for the continuation of FY 2005 service levels. Reductions in this program would result in reduced inspections of permitted Class I injection wells to just once per year instead of twice and limited regulation of Class V wells to

those with active permits. This would result in increased probability of contamination of Ohio's ground water resources.

### **Program 5.07: Drinking Water Source Protection**

**Program Description:** To help ensure the long-term availability of adequate supplies of safe drinking water, Ohio EPA is completing source water assessments of all 5,800 of Ohio's public water systems. The 1996 Amendments to the Safe Drinking Water Act (SDWA) require all states to adopt a Source Water Assessment and Protection (SWAP) program. Ohio's program was approved by the U.S. EPA in October 1999. Under this program, staff must complete source water assessments of all public water systems that provide drinking water to homes, businesses, schools, and industry using both surface water and ground water sources. Within Ohio EPA, the Division of Drinking and Ground Waters (DDAGW) has lead responsibility and works in close cooperation with the Division of Surface Water to complete source water assessments. Results of the assessments are used to direct both local and state protection efforts. Ohio EPA provides direct assistance to public water systems in taking steps to prevent contamination and protect source waters and works with other regulatory programs to promote preferential recognition of source water protection areas.

This program also is responsible for implementation of the Wellhead Protection Program (WHP), which is also required under the federal SDWA. Ohio's WHP program was approved by the U.S. EPA in May 1992. Wellhead Protection is a term that has been used in the past to describe source water protection for public water supply systems that use ground water. The WHP is designed to safeguard public drinking water supplies by preventing, detecting, and remediating ground water contamination in a zone around public water supply wells or wellfields. Wellhead Protection plans are developed and implemented by local owners/operators of large community public water systems utilizing ground water.

**Funding Sources:** Set-asides from the Drinking Water Assistance Fund Capitalization grants from the U.S. EPA (Fund 3T3) and public water system fees (Fund 4K5)

**Implication of the Enacted Budget:** Funding at the enacted levels will allow for the continuation of FY 2005 service levels. This program also funds two FTEs in the Division of Surface Water to assist public water systems using surface water sources in the development and implementation of drinking water source protection plans and integration with watershed action plans.

In FYs 2006-2007, DDAGW will begin to shift the program's primary focus from completing source water assessment reports to promoting and supporting development of protection initiatives. Enacted funding will go toward current service levels in providing assistance to community public water systems in development of local drinking water source protection plans and implementation of statewide protective strategies and completion of source water assessments for the remaining noncommunity public water systems.

### **Program 5.08: Drinking Water Assistance Fund**

**Program Description:** The 1996 Amendments to the federal Safe Drinking Water Act (SDWA) established a Drinking Water State Revolving Loan program to provide below-market rate loans for the planning, design, and construction of new or improved community and nonprofit noncommunity public water systems. The Division of Drinking and Ground Waters (DDAGW) works in cooperation with the Division of Environmental and Financial Assistance (DEFA) and the Ohio Water Development Authority to implement this program through administration of the Water Supply Revolving Loan Account. DEFA is responsible for loan administration, project planning, environmental review activities, and fund

management. DDAGW is responsible for project engineering reviews and establishing program and project priorities.

The program has made over \$170 million in loans over the last three years. In FY 2004 alone, the program issued 17 loans totaling \$78.7 million. Ten of these loans were issued to small systems serving a population of fewer than 10,000. This loan program helps public water systems make needed infrastructure improvements to meet regulatory requirements.

**Funding Sources:** Set-asides from the Drinking Water Assistance Fund Capitalization grants from the U.S. EPA (Fund 3T3). The Water Supply Revolving Loan Account (WSRLA) program is funded through grants from the U.S. EPA with a 20% state match. The match is provided through state bonds. As authorized by section 6109.22 of the Revised Code, Ohio EPA sets aside 4% of the federal capitalization grants to provide for administration of the WSRLA.

**Implication of the Enacted Budget:** Enacted funding levels will enable Ohio EPA to continue to provide service to public water systems with infrastructure funding needs at FY 2005 service levels.

## Program Series 6

## Surface Water

**Purpose:** To protect, improve, and restore the integrity of all waters of the state.

The following table shows the line items that are used to fund the Division of Surface Water, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	717-321	Surface Water	\$1,112,342	\$0
GRF	725-321	Laboratory	\$152,043	\$0
<b>General Revenue Fund Subtotal</b>			<b>\$1,264,385</b>	<b>\$0</b>
<b>State Special Revenue Fund</b>				
4K4	715-650	Surface Water Protection	\$11,606,000	\$12,420,000
5BC	715-624	Surface Water	\$7,685,071	\$8,797,413
5BC	715-677	Laboratory	\$1,064,290	\$1,216,333
5N2	715-613	Dredge and Fill	\$30,000	\$30,000
699	715-644	Water Pollution Control Administration	\$750,000	\$750,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$21,135,361</b>	<b>\$23,213,746</b>
<b>Federal Special Revenue Fund</b>				
3F4	715-633	Water Quality Management	\$710,000	\$710,000
3F5	715-641	Nonpoint Source Pollution Management	\$7,815,000	\$7,810,000
3J1	715-620	Urban Stormwater	\$706,000	\$710,000
3K2	715-628	Clean Water Act 106	\$4,081,592*	\$4,381,593*
3K6	715-639	Remedial Action Plan	\$320,000	\$319,000
352	715-611	Wastewater Pollution	\$525,000	\$530,000
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$14,157,592</b>	<b>\$14,460,593</b>
<b>General Services Fund</b>				
199	715-602	Laboratory Services	\$1,078,348	\$1,083,574
<b>General Services Fund Subtotal</b>			<b>\$1,078,348</b>	<b>\$1,083,574</b>
<b>Total Funding: Surface Water</b>			<b>\$37,635,686</b>	<b>\$38,757,913</b>

\*Amount does not reflect total funding because line item is used to fund the Groundwater Characterization and Protection program in Program Series 5. Amount reflected is the budgeted amount provided in the executive budget.

The Surface Water program series includes the divisions of Surface Water and Environmental Services. For the Division of Surface Water, enacted funding supports a total of 245.2 FTEs in FY 2006 and 248.2 FTEs in FY 2007, a slight increase in staffing above FY 2005 (242.2 FTEs). Enacted funding for the Division of Environmental Services supports 36.1 FTEs in each fiscal year, allowing for the continuation of FY 2005 service levels (36.1 FTEs). Funding implications for programs within the Surface Water program series are discussed in greater detail in the analyses that follow:

- **Program 6.01: Water Quality**
- **Program 6.02: Nonpoint Source Pollution Control**
- **Program 6.03: Storm Water Pollution Prevention**
- **Program 6.04: National Pollutant Discharge Elimination System**
- **Program 6.05: 401 Certification/Wetlands Permitting**

- **Program 6.06: Lake Erie Restoration and Resource Management**
- **Program 6.07: Wastewater Construction Plan Approvals**
- **Program 6.08: Analytical Laboratory Services**
- **Program 6.09: Laboratory Certification and Assistance**

### **Program 6.01: Water Quality**

**Program Description:** Ohio EPA is required to operate Water Quality program components under Sections 303 and 305 of the federal Clean Water Act (CWA) and Chapter 6111. of the Revised Code. The Water Quality program includes the following major elements: establishing codified water quality standards into Ohio rules and regulations, monitoring and assessing the condition of Ohio's surface waters, Total Maximum Daily Load (TMDL) development, field response and investigation of pollution spills, performing data collection and risk assessment analysis for the issuance of Sport Fish Consumption Advisories, and addressing other complaints about surface water quality.

**Total Maximum Daily Load (TMDL) Program.** Ohio EPA is also required by the CWA to submit a list of impaired waters to the U.S. EPA for approval, and the CWA requires that impaired water bodies be assessed and restored under the TMDL program. TMDLs are required by the CWA for all polluted waters and include monitoring water quality, quantifying pollutant loadings, and developing restoration plans. Where monitoring shows that the water is polluted, a TMDL project is completed. TMDLs specify the amount a pollutant needs to be reduced to meet water quality standards and provide the technical justifications for discharge permit limitations and nonregulatory pollution abatement work.

Establishing TMDLs is a highly resource-intensive activity for Ohio EPA. Currently, TMDL projects are underway in approximately 25% of Ohio's watersheds. Each TMDL takes about two and one-half years to develop and implement. More than two-thirds of Ohio's watersheds are listed as impaired, and it will be difficult for Ohio EPA to meet the U.S. EPA-required TMDL schedule by 2013.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3F4, Fund 3F5, and Fund 3K2), various surface water permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** Funding at enacted levels will allow for an increase in services above FY 2005 levels. The 401 certification fee increase in the Section 401 Certification/Wetlands Permitting program (see Program 06.05 in this section) will make that program more self-sufficient. As a result, the Environmental Protection Fund (Fund 5BC), the GRF replacement, will be less heavily relied upon for that program and will be used to a greater extent for this program. The additional Division of Surface Water staffing in the coming biennium will be dedicated to the Water Quality program.

### **Program 6.02: Nonpoint Source Pollution Control**

**Program Description:** Nonpoint source pollution is currently considered to be the leading cause of surface water impairment in Ohio. It is defined as polluted runoff that reaches streams, rivers, lakes, and underground aquifers, most commonly from polluted rainwater and snowmelt coming off of farming, mining, and forestry operations, but also from individual home septic systems, construction sites, landfills, and urban streets and yards.

**Subgrant Program.** Ohio EPA's Nonpoint Source Pollution Control program is not a regulatory program. It is a subgrant program that passes federal funds to local governments, universities, and environmental groups for the implementation of nonpoint source pollution management plans. These

local entities match the funding and use it to control nonpoint source pollution and create watershed restoration plans in support of nonpoint source pollution management. Ohio receives over \$7 million in federal Section 319 funding annually. Approximately \$5.3 million is passed through to local and state agencies, universities, and watershed groups, resulting in 80 to 100 multi-year projects active at any given time. Ohio EPA provides technical and fiscal oversight to ensure proper environmental progress and financial accountability. This program also conducts analyses of nonpoint source loadings to watersheds and works with partner agencies, such as the Department of Natural Resources, to coordinate resources for watershed planning and restoration.

Nonpoint source pollution control efforts support the Total Maximum Daily Load (TMDL) portion of the Water Quality program by aligning project activities with the TMDL schedule and/or TMDL watershed restoration strategies.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3F5), various surface water permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** Funding at the enacted level represents a slight decrease, based on revised estimates of federal funding Ohio EPA expects to receive; however, the EPA expects no significant impacts on the program as a result of this slight decrease in expected federal funding.

### **Program 6.03: Storm Water Pollution Prevention**

**Program Description:** Although the Division of Surface Water (DSW) budgets the Storm Water Pollution Prevention program separately as its own program for management purposes, it is part of the Clean Water Act National Pollutant Discharge Elimination System (NPDES) permit program. The Storm Water Pollution Prevention program regulates the discharge of storm water into Ohio streams through permitting, compliance, enforcement, and technical assistance at over 16,000 sites. Discharges are controlled through the implementation of land management and treatment practices from municipalities, construction activities, and certain industrial facilities. This program is implemented under a two-phase approach. Phase I of the Storm Water program requires storm water permits for the larger municipalities and construction sites. Phase II, implemented in 2003, extends regulatory requirements to smaller urban areas and construction sites.

Ohio EPA regulates storm water discharges on a statewide basis using five general permits for specific types of storm water discharges. Dischargers seek coverage under the appropriate general permit through submission of a Notice of Intent (NOI) committing to comply with permit requirements. DSW staff prepare rules and permits for program implementation, review storm water management plans, conduct inspections to determine compliance with the general permits, provide technical assistance to permittees and their representatives, initiate enforcement as necessary, perform education and outreach, coordinate with other programs within and outside of Ohio EPA, and process thousands of NOIs annually. As a part of implementing Phase II of the Storm Water program, DSW staff provides education, guidance, and technical assistance to small municipalities and small construction sites.

In FYs 2006-2007, DSW staff will assist local governments in developing local construction and post-construction programs in accordance with U.S. EPA Phase II program requirements. This effort will enable Ohio EPA to delegate the construction plan review, inspection, and enforcement responsibility to local governments.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3J1 and Fund 3K2), various surface permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** The enacted funding levels will provide for a continuation of current service levels.

#### **Program 6.04: National Pollutant Discharge Elimination System (NPDES)**

**Program Description:** The National Pollutant Discharge Elimination System (NPDES) is a broad, federally mandated permitting program that regulates point sources of pollution to waters of the state. The program applies to both direct dischargers (municipalities and industries) that discharge directly to surface waters, and to pretreatment dischargers that discharge to public sewer systems. For both programs, Ohio must issue permits and ensure compliance with those permits. Permit issuance involves detailed technical analyses, public participation, evaluation of self-monitoring reports, periodic facility inspections, and enforcement actions when necessary.

This program establishes discharge limits for over 3,000 wastewater treatment facilities. Facilities that discharge directly to waters of the state include 293 major facilities with flows up to approximately 200 million gallons per day with the potential to significantly impact water quality, and another 2,700 minor facilities with flows less than 1 million gallons per day. In addition, there are up to several thousand small facilities that discharge less than 5,000 gallons per day that are neither covered by permit nor inspected because of inadequate staff resources. In the pretreatment program, Ohio regulates 165 industries directly and 103 communities that run their own pretreatment programs. In FY 2004, the NPDES permit backlog was eliminated.

**Operator Assistance, Sewage Sludge, and Wet Weather Programs.** Also included in the NPDES program are the Operator Assistance program, the Sewage Sludge program, and Wet Weather program. The Operator Assistance program provides technical assistance to small permitted communities to help them improve the operation of their wastewater treatment plans. The Sewage Sludge component regulates the disposal of sewage sludge generated from the treatment of municipal wastewater. Ohio EPA awaits U.S. EPA approval of its final rules package, at which point Ohio EPA will have sole authority to regulate sewage sludge in Ohio.

The Wet Weather program regulates discharges from municipal sewer systems that result from storm flows surcharging and overflowing municipal sewer systems. Storm overflows are a major public health concern because they contain high levels of bacteria and other pollutants and are a major source of aquatic life impairment. Ohio has a large number of communities with overflows that need to be addressed, including 89 communities with combined sewers that were designed originally to overflow during storm events. A challenge facing the NPDES program in the coming biennium is working with Ohio cities and industries to control discharges from Combined Sewer Overflows in the development and review of Long Term Control Plans. The Division of Surface Water will receive about 40 Long Term Control Plans for review and approval in the coming biennium. These plans are complex, span long time frames, and call for municipal infrastructure investment of several billion dollars statewide.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3J1 and Fund 3K2), various surface water permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** Funding at enacted levels will allow for the continuation of current service levels.

### **Program 6.05: Section 401 Certification/Wetlands Permitting**

**Program Description:** The 401 Certifications/Wetlands Permitting program regulates certain activities in wetlands and streams, such as dredging, relocation of streams, and the filling of wetlands. The waters addressed by this program include those that fall under the jurisdiction of the Clean Water Act (CWA) and are regulated through the 401 water quality certifications, as well as those wetlands that are isolated from waters of the United States and are regulated through the State of Ohio Isolated Wetlands Permits. The 401 Certification and Wetlands program issues approximately 200 permits annually to private citizens, commercial developers, local communities, the Ohio Department of Transportation (ODOT), and the U.S. Army Corps of Engineers, among others. The issuance of these permits allows the Division of Surface Water to regulate the permitted activities, thereby lessening their impact on the environment. The program also includes wetlands research, which provides technical development for the permitting program and the scientific basis for continuing improvements in wetlands monitoring and assessment procedures used by Ohio EPA.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 352), various surface water permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), isolated wetland permit fees (Fund 5N2), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** Enacted funding will allow the Section 401 Certification/Wetlands Permitting program to maintain current service levels. Specifically, Ohio EPA estimates that 100% of the applications received will be processed within the required timeframes.

**Permanent Law Provisions:** Surface Water Protection Fee (R.C. section 3745.114). The enacted budget establishes an application fee of \$200 for a section 401 water quality certification under this program; requires the payment of review fees of \$500 for each acre of wetland to be impacted; specifies different fees for ephemeral (\$3 per linear foot, or \$200, whichever is greater), intermittent (\$6 per linear foot, or \$200, whichever is greater), and perennial streams (\$10 per linear foot, or \$200, whichever is greater); requires payment of \$3 per cubic yard of dredged or fill material to be moved with respect to a lake; establishes caps on the total amount of the fee of \$5,000 for applications submitted by counties, townships, and municipal corporations and \$25,000 for all other applicants; requires fee proceeds to be credited to the Surface Water Protection Fund (Fund 4K4); and specifies that the fees do not apply to state agencies or to projects authorized by general or nationwide permits issued by the U.S. Army Corps of Engineers. The budget also specifies that coal mining and reclamation projects are exempt from Section 401 water quality certification application and review fees for one year. The new fees are expected to generate approximately \$766,000 per year.

### **Program 6.06: Lake Erie Restoration and Resource Management**

**Program Description:** The Lake Erie Restoration and Resource Management program implements the requirements of the bi-national Great Lakes Water Quality Agreement and the Great Lakes Critical Programs Act, an amendment to the Clean Water Act, with the overall goal of protecting and restoring Lake Erie and its watershed. Ohio EPA component of these programs provides technical and coordination expertise to federal, state, and local partners on Lake Erie water quality protection efforts and restoration for near shore areas of significant environmental impairment. A major focus of this program is to protect and restore the Lake Erie areas of concern, which include Maumee, Black, Cuyahoga, and Ashtabula rivers, through Remedial Action Plans (RAPs). The state has developed targets to track progress and measure when each of the areas of concern has had all impairments to beneficial use mitigated. The program works with public and private sectors on a bi-national Lake Erie Lakewide Management Plan (LaMP). The Lake Erie LaMP has established a future vision for the lake and is

developing indicators to measure progress toward achieving that vision. The program also provides technical assistance to the Council of Great Lakes Governors' Priorities Task Force and the Ohio Lake Erie Commission.

**Funding Sources:** GRF in FY 2006, federal grant moneys (Fund 3K6), various surface water permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** Funding at enacted levels will allow for the continuation of current services.

### **Program 6.07: Wastewater Construction Plan Approvals**

**Program Description:** This program implements the Permit-to-Install (PTI) and Animal Feeding Operation requirements. The PTI program reviews and approves wastewater treatment and disposal systems for municipalities, industries, and commercial operations. Applicants must obtain a PTI prior to constructing a wastewater treatment or disposal system. This includes sewer extensions, treatment plants, pump stations, and storage tanks. More than 2,400 PTIs are issued annually under this program.

Animal feeding operations are required by state and federal law to obtain National Pollutant Discharge Elimination System (NPDES) permits if they are of a certain size or they have discharges to surface waters. The Division of Surface Water conducts inspections, fieldwork, permitting, and enforcement related to the regulation of these operations. While Ohio EPA oversees the water quality issues related to all animal-feeding operations, the Ohio Department of Agriculture regulates the construction and operation of large animal feeding operations.

**Funding Sources:** GRF in FY 2006, various surface water permit fees (Fund 4K4), solid waste tipping fees (Fund 5BC), and penalty moneys (Fund 699)

**Implication of the Enacted Budget:** Enacted funding levels will allow for the continuation of current service levels.

### **Program 6.08: Analytical Laboratory Services**

**Program Description:** The Analytical Laboratory Services program, which is part of the Division of Environmental Services (DES), provides analyses of pollutants in matrices such as surface, drinking, and ground waters; wastewater effluents; sediment, soil, and sludge; manure; air filters and air canisters; and fish, plant, and turtle tissue. Analyses range from conventional pollutants such as metals and nutrients to tests for highly toxic organic chemicals, including herbicides, pesticides, and PCBs. The samples analyzed come from site-specific monitoring conducted by Ohio EPA field staff. Site-specific monitoring quantified by laboratory analyses identifies specific sources of known environmental problems and reveals problems that would otherwise go undetected.

The Analytical Laboratory Services program's primary customers are the divisions of Air Pollution Control, Drinking and Ground Waters, and Surface Water within Ohio EPA. The program also provides laboratory services to the divisions of Emergency and Remedial Response and Solid and Infectious Waste Management, as necessary, and provides limited services to other public entities that have analytical needs in keeping with the missions of Ohio EPA and the DES. Over the last eight years, the total number of samples received has averaged 8,000 annually. The total number of inorganic tests needed has grown during this period, reaching levels in excess of 140,000 in FYs 1999 and 2002 and 144,000 tests in FYs 2001 and 2004. The number of organic scans and toxicity tests needed has declined

slightly due to short-term shifts in programmatic priorities; however, on average over the last eight years more than 2,900 organic scans and 108 toxicity tests were provided annually.

**Funding Sources:** GRF in FY 2006, payments from entities utilizing laboratory services (Fund 199), federal grant moneys (Fund 3K2), various surface water permit fees (Fund 4K4), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Enacted funding levels will allow for the continuation of current service levels. Specifically, proposed funding will allow the Division of Environmental Services to maintain its current sample capacity of 8,800 samples per year. The Division of Environmental Services plans to move to a new facility in FY 2006. The cost of this move (\$35,000) is covered in the enacted budget. The Division predicts an increase in income to the Laboratory Services Fund (Fund 199) once the move is completed, as the new facility will provide the space and proper air flow needed to handle the more hazardous samples collected by other Ohio EPA divisions that are currently sent to outside labs for analysis due to safety concerns in the current facility.

### **Program 6.09: Laboratory Certification and Assistance**

**Program Description:** This program conducts drinking water and Voluntary Action Program (VAP) laboratory certifications, performance audit inspections for the wastewater program, and training and technical assistance within and outside Ohio EPA. Under this program, drinking water laboratories are inspected and certified as having proper equipment, adequate facilities, and trained staff using proper analytical techniques. The Division of Environmental Services (DES) inspects and makes recommendations for VAP laboratories and assists in the development of rules and procedures for both the VAP and drinking water laboratory certification programs. Currently, approximately 350 drinking water laboratories and 21 VAP laboratories participate in the program.

DES also coordinates U.S. EPA's Discharge Monitoring Report-Quality Assurance (DMR-QA) proficiency testing program for wastewater laboratories in Ohio. Based on results of the DMR-QA, as well as requests from the Division of Surface Water, DES conducts performance audit inspections of wastewater laboratories used by the regulated community. DES inspects approximately 15 wastewater laboratories used by the regulated community annually. DES also interacts extensively with laboratories throughout Ohio, providing technical assistance and on-site training.

**Funding Sources:** GRF in FY 2006, payments from entities utilizing laboratory services (Fund 199), and solid waste tipping fees (Fund 5BC)

**Implication of the Enacted Budget:** Funding at the enacted levels will allow for the continuation of current service levels. Specifically, the budget will cover approximately 500 inspections annually, and current standards for timeliness and quality will be maintained.

**Program Series 7****Environmental Education**

**Purpose:** To provide accessible environmental education, support interdisciplinary environmental education in higher education, and maintain a credible and fair environmental grant program.

The following table shows the line item that is used to fund the Office of Environmental Education, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>State Special Revenue Fund</b>				
6A1	715-645	Environmental Education	\$1,500,000	\$1,500,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>Total Funding: Environmental Education</b>			<b>\$1,500,000</b>	<b>\$1,500,000</b>

**Program 7.01: Environmental Education**

**Program Description:** The Office of Environmental Education (OEE) was created to enhance Ohio EPA's efforts to educate students, the general public, and the regulated community on environmental issues through administration of the Ohio Environmental Education Fund (OEEF). The OEEF uses half the air and water pollution penalties collected by Ohio EPA to provide approximately \$1 million in grants each year for environmental education projects targeting three audiences: pre-school through university students and teachers; the general public; and the regulated community, including small businesses and local government entities. The program provides 18 to 20 large grants (up to \$50,000 each) and 20 to 25 smaller grants (up to \$5,000 each) annually. The remainder of the budget supports partnerships to accomplish strategic education objectives, an environmental science and engineering scholarship program at Ohio universities, and operating expenses.

A major focus in recent years has been providing support to municipalities, county engineers' offices, and regional planning agencies working to meet unfunded federal mandates to provide public education on storm water management. Another current initiative seeks to increase the number of OEEF grants awarded in the 16 counties that have historically received fewer grants through targeted marketing and by providing technical assistance to applicants in these counties.

**Funding Source:** Air and water penalty moneys (Fund 6A1)

**Implication of the Enacted Budget:** Funding at the enacted level will support 4 FTEs, allowing for the continuation of FY 2005 service levels (4 FTEs). The enacted budget also covers approximately 175 hours annually for Ohio EPA staff in other programs who provide technical assistance during the review of grant applications.

**Program Series 8****Pollution Prevention and Compliance Assistance**

**Purpose:** To help Ohio businesses understand and comply with the environmental regulations that apply to them.

The following table shows the line items that are used to fund Pollution Prevention and Compliance Assistance, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	724-321	Pollution Prevention	\$87,538	\$0
<b>General Revenue Fund Subtotal</b>			<b>\$87,538</b>	<b>\$0</b>
<b>State Special Revenue Fund</b>				
4K3	715-649	Solid Waste	\$347,244*	\$342,006*
4T3	715-659	Clean Air – Title V Permit Program	\$320,029*	\$329,274*
5BC	715-676	Assistance and Prevention	\$612,764	\$700,302
<b>State Special Revenue Fund Subtotal</b>			<b>\$1,280,037</b>	<b>\$1,371,582</b>
<b>Total Funding: Pollution Prevention</b>			<b>\$1,367,575</b>	<b>\$1,371,582</b>

\*Amounts do not reflect total funding because line items are used to fund programs in other program series. Amounts reflected are budgeted amounts provided in the executive budget.

**Program 8.01: Pollution Prevention**

**Program Description:** The Office of Compliance Assistance and Pollution Prevention (OCAPP) was created in FY 2005 and combines staff from the Small Business Assistance Office that previously focused on Central Ohio; the Division of Air Pollution Control's Small Business Assistance Program, which dealt only with air issues; and the Office of Pollution Prevention. The Pollution Prevention program provides free technical assistance to help Ohio businesses reduce pollution and/or return operations to compliance through on-site visits, telephone and e-mail consultations, and publications that explain environmental requirements to businesses that often cannot afford to hire environmental experts to interpret complex regulations. These services are free and confidential, helping businesses achieve compliance with environmental regulations; protect workers' health and safety; preserve natural resources; and reduce liability and the potential for violations or penalties. Information obtained by the Office is not shared with Ohio EPA inspection or enforcement staff.

**Funding Sources:** GRF in FY 2006, solid waste tipping fees (Funds 4K3 and 5BC), and Title V fees (Fund 4T3)

**Implication of the Enacted Budget:** Funding at the enacted levels will support 17 FTEs in each fiscal year, allowing for the continuation of FY 2005 service levels.

**Program Series 9****Environmental and Financial Assistance**

**Purpose:** To provide technical and financial assistance for implementable solutions to environmental needs.

The following table shows the line items that are used to fund the Division of Environmental and Financial Assistance, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>State Special Revenue Fund</b>				
676	715-642	Water Pollution Control Loan Administration	\$4,964,625	\$4,964,625
<b>State Special Revenue Fund Subtotal</b>			<b>\$4,964,625</b>	<b>\$4,964,625</b>
<b>Federal Special Revenue Fund</b>				
3F2	715-630	Revolving Loan Fund - Operating	\$152,021	\$293,129
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$152,021</b>	<b>\$293,129</b>
<b>Total Funding: Environmental and Financial Assistance</b>			<b>\$5,116,646</b>	<b>\$5,257,754</b>

Enacted funding will support a total of 47 FTEs in the Division in both fiscal years, allowing for the continuation of FY 2005 service levels. Funding for Environmental and Financial Assistance supports the following programs:

- **Program 9.01: Water Pollution Control Loan Fund (WPCLF)**
- **Program 9.02: Water Supply Revolving Loan Account (WSRLA)**
- **Program 9.03: Ohio Power Siting Board Reviews**

**Program 9.01: Water Pollution Control Loan Fund (WPCLF)**

**Program Description:** The Water Pollution Control Loan Fund (WPCLF) provides below-market interest rate loans for publicly owned wastewater treatment improvements, and for nonpoint source pollution control actions which implement the state's nonpoint source management program, including those identified in Ohio EPA's Total Maximum Daily Load (TMDL) analyses.

Since its inception in 1989, this program has awarded over \$3 billion in loans. In FY 2004, the WPCLF made 62 new low-interest rate loans for over \$370 million to assist municipalities with making improvements to their wastewater treatment systems. The WPCLF provides 51% of all financing for public treatment works projects in Ohio. Surveys indicate that future improvements that are needed for municipal point sources of pollution are in excess of \$8 billion. The WPCLF also provided 64 low-interest loans totaling over \$2.6 million through its agricultural linked deposit program. This assistance helps farmers to address nonpoint sources of pollution through implementation of agricultural best management practices, which address manure handling and runoff from cropping practices. Other loans went toward home sewage disposal systems and aquatic habitat protection and restoration. As combined sewer overflow controls have been emerging as major water quality improvement initiatives requiring significant financial resources for Ohio communities to implement, the WPCLF has responded. In FY 2004, the WPCLF awarded \$150 million in loan assistance to four recipients for wet weather control projects.

Included within the WPCLF budget are activities that are not funded through WPCLF administrative funds, but instead through the Division of Surface Water budget. These activities do not

support WPCLF administration, but provide assistance for some of the same types of entities that are assisted through WPCLF. These activities include the Village Capital Improvements Fund, Comprehensive Performance Evaluations of Wastewater Facilities, Small Community Environmental Infrastructure Group Staff Support, Brownfields Partnership Group Participation, and Small Community Assistance. In addition, staff within this program provide engineering expertise to the Division of Surface Water for its program of assisting villages by providing comprehensive performance evaluations of their municipal wastewater treatment systems when requested.

**Funding Sources:** Federal grant moneys (Fund 3F2) and annual interest on WPCLF loans (Fund 676)

**Implication of the Enacted Budget:** Enacted funding will support 42 FTEs in both fiscal years, allowing for the continuation of FY 2005 service levels (42 FTEs).

In the coming biennium, emphasis will be placed on encouraging applicants to proceed with their project development activities in a timely manner. Administrative and financial support will be offered to entities that desire to implement the recommendations of Total Maximum Daily Load (TMDL) plans and local watershed plans. DEFA will also focus on the development of projects for small and low-income systems that will be participating in the upcoming principal subsidy program. With the increasing number of watershed plans, DEFA staff will devote more time to assisting the local implementation groups. This will mean a reduction in time available for responses to general outreach requests from other potential applicants.

### **Program 9.02: Water Supply Revolving Loan Account (WSRLA)**

**Program Description:** This program provides below-market interest rate loans to municipalities and community water supply systems for improvements to address public health risks and to meet Safe Drinking Water Act standards. It is very similar in its structure and operation to the Water Pollution Control Loan Fund (WPCLF). There are a number of community water systems in Ohio, particularly smaller systems, that need to replace aging treatment and distribution components in order to maintain a reliable, safe supply of drinking water. In addition, in the coming biennium there will be changes in drinking water standards that will reduce the allowable levels of certain substances, such as arsenic. Public water systems will be required to add treatment capability in order to meet the new standards. The availability of incentive financing will encourage the owners of public water systems to construct the necessary improvements. In FY 2004, the WSRLA provided over \$78.2 million in loan assistance. These below-market interest rate loans saved recipients over \$15.8 million in FY 2004, as compared to market interest rates. In FY 2005 up to \$128.2 million in loans will be made available.

The Division of Environmental and Financial Assistance (DEFA) administers this program jointly with the Division of Drinking and Ground Waters (DDAGW). DEFA is responsible for loan administration, project planning, environmental review activities, and fund management. DDAGW is responsible for project engineering reviews and establishing program and project priorities. Ohio EPA administers the WPCLF and WSRLA using the same DEFA staff. As needed to accomplish WSRLA work, DEFA staff resources are shifted from the WPCLF to WSRLA.

**Funding Source:** Annual interest on WPCLF loans (Fund 676)

**Implication of the Enacted Budget:** Funding at the enacted levels will support 4 FTEs in both fiscal years, allowing for the continuation of FY 2005 service levels (4 FTEs).

In the coming biennium, DEFA will work with DDAGW to refine the areas of emphasis for program assistance. This will include identifying small systems that are in need of assistance, as well as systems that will need to comply with new drinking water standards such as the new standard for arsenic. A special program to subsidize the principal portion of WSRLA assistance to benefit low-income communities is being developed and will be implemented during the coming biennium.

### **Program 9.03: Ohio Power Siting Board Reviews**

**Program Description:** The Division of Environmental and Financial Assistance (DEFA) conducts and coordinates the field review and assessment of environmental impacts of projects submitted to the Ohio Power Siting Board (OPSB) for its approval. DEFA review of applications to the OPSB for construction of power utility facilities ensures that all relevant environmental factors are taken into account in OPSB's review of the applications, and that project modifications are recommended that will either reduce or avoid environmental impacts.

Electric utility and gas utility deregulation legislation adopted by the state legislature in the last several years has led to increased competition in these industries, with the result that additional facilities are being constructed by companies to enable them to compete with each other. Consequently, there has been a significant increase in the number of applications submitted to OPSB. The average number of applications under review is 45 per year, which is significantly higher than earlier annual averages.

**Funding Source:** Annual interest on WPCLF loans (Fund 676)

**Implication of the Enacted Budget:** Enacted funding will support 1 FTE in both fiscal years, allowing for the continuation of FY 2005 service levels (1 FTE). DEFA cross-trains its program and project staff in the review process for the OPSB program. This allows the Division to draw upon the expertise of multiple staff members as needed according to the characteristics of the project under review. The OPSB program is billed for the number of hours spent on its project work.

## **Program Series 10**

## **Program Management**

**Purpose:** To provide customer service to Ohio EPA Divisions and to assist those Divisions in carrying out their missions.

The following table shows the line items that are used to fund Program Management, as well as FYs 2006-2007 appropriations.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Services Fund</b>				
219	715-604	Central Support Indirect	\$15,804,913	\$16,345,805
4A1	715-640	Operating Expenses	\$3,369,731	\$3,369,731
<b>General Services Fund Subtotal</b>			<b>\$19,174,644</b>	<b>\$19,715,536</b>
<b>Federal Special Revenue Fund</b>				
3V7	715-606	Agency-wide Grants	\$458,115	\$479,115
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$458,115</b>	<b>\$479,115</b>
<b>Total Funding: Program Management</b>			<b>\$19,632,759</b>	<b>\$20,194,651</b>

### **Program 10.01: Program Management**

**Program Description:** Program Management includes five district offices and the central support office. The central support office includes: the Director's Office; Legal Services; the Equal Employment Opportunity Office; the Public Interest Center; Employee Services; Operations and Facilities; Information Technology; and Fiscal Administration. The district and central support offices provide services to external stakeholders and Ohio EPA program divisions and offices in support of Ohio EPA's mission. Management goals include enhancing and protecting the environment and public health, ensuring sound administration of agency resources, and providing high quality customer service.

Each district office houses staff from Ohio EPA's program areas and a small contingent of Program Management staff. Program Management staff within the district offices provide managerial, administrative, public information and outreach, information technology, and secretarial support for more than 650 funded program staff positions in the district offices.

**Funding Sources:** Indirect charges against all Ohio EPA division payroll allocations (Fund 219), proceeds from the sale of goods and services (Fund 4A1), and federal grant moneys (Fund 3V7)

**Implication of the Enacted Budget:** Enacted funding will support 173.8 FTEs, allowing for the continuation of FY 2005 service levels (173.8 FTEs).

The following table shows FY 2005 staffing levels for the district offices. The enacted budget supports the same level of district office staffing in the coming biennium.

District Office	FTEs	Program Management FTEs
Northeast – Twinsburg	185	9
Northwest – Bowling Green	144	13
Southeast – Logan	128	9
Southwest – Dayton	128	13.8
Central – Columbus	88	11*

\*Slated for consolidation at Ohio EPA headquarters in downtown Columbus