

- Total appropriation for FY 2004 is 1.5% more than FY 2003; FY 2005 is 1.3% more than FY 2004
- Several agency fee increases are enacted in the budget act

Environmental Protection Agency

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ROLE

The role of the Ohio Environmental Protection Agency (EPA) is to protect the environment and public health by ensuring compliance with environmental laws. The agency is responsible for establishing and enforcing state and federal standards pertaining to: the prevention, control, and abatement of air and water pollution; public water supplies; comprehensive water resource management planning; chemical emergency response planning, community right-to-know, and toxic chemical release reporting; the cessation of chemical handling operations; and the disposal and treatment of solid wastes, infectious wastes, construction and demolition debris, hazardous waste, sewage, industrial waste, and other wastes. The agency monitors these standards by issuing permits, conducting reviews and inspections, and providing technical assistance, loan assistance, and environmental education.

| Agency In Brief | | | | | |
|----------------------|--------------------------------|-----------------|--------------------|----------------|-----------------------|
| Number of Employees* | Total Appropriations-All Funds | | GRF Appropriations | | Appropriation Bill(s) |
| | 2004 | 2005 | 2004 | 2005 | |
| 1,370 | \$174.6 million | \$176.9 million | \$21.1 million | \$21.1 million | Am. Sub. H.B. 95 |

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

OVERVIEW

The Ohio Environmental Protection Agency is a regulatory agency. The Director is appointed by the Governor and sits on the Governor's cabinet. The agency is organized into 11 divisions and offices that develop and implement distinct environmental programs. Ohio EPA staff is organized across five district offices and Columbus' central office. District offices are largely responsible for permitting and field-testing and for providing direct contact with Ohio EPA staff within the regulated community.

Appropriations for FY 2004 total \$174,601,539. This amount is \$2,605,326 more than the revised appropriations for FY 2003 (a 1.5% increase) and is \$19,616,766 more than actual expenditures for FY 2003. Appropriations for FY 2005 total \$176,908,410, or \$2,306,871 more than FY 2004 (a 1.3% increase).

The Ohio Environmental Protection Agency receives approximately 68% of its funding from fees and charges for services. The budget act for FYs 2004 and 2005 includes a number of agency fee increases related to the regulation of drinking water systems, solid waste disposal, and permits to install and operate sources of air pollution. In addition, the Ohio EPA receives approximately 20% of its funding from federal grants. General Revenue Fund dollars make up the remaining 12%.

BUDGET ISSUES

ELIMINATION OF THE HAZARDOUS WASTE FACILITY BOARD

Formerly, the Hazardous Waste Facility Board was responsible for acting on permit applications for new hazardous waste facilities and for applications for certain modifications to existing facilities. The budget act abolishes the Board, transfers the responsibilities of the Board to the Ohio EPA, and revises several criteria to be used when determining whether to approve or disapprove an application for a hazardous waste facility installation and operation permit for a new facility or to approve or disapprove a modification to an existing permit. Over the past two years, the Board worked on a single permit application. As responsibility for permit issuance transfers to the Ohio EPA, the Agency anticipates that it will be able to adequately fulfill the role of the Board without increased expenditures and will be able to utilize the Board's appropriation authority efficiently.

FEE INCREASES

| Ohio EPA Fee Increases | | | | | |
|------------------------|------|--|--|--|-------------------------------------|
| Division* | Fund | Fee Name | Former Fee | Enacted Fee | Projected Revenue Increase per year |
| DAPC | 4K2 | Non-Title V Fees | Varies by type of facility and amount of emissions | Varies by type of facility and amount of emissions | \$250,000 |
| DSIWM | 4K3 | Solid Waste Tipping Fees | \$0.75 per ton of solid waste | \$1.00 per ton of solid waste | \$3.5 million |
| DDAGW | 4K5 | Public Water System Fees | Varies depending upon the type of public water system* | Varies depending upon the type and size of public water system | \$1.6 million |
| DDAGW | 4K5 | Drinking Water Plan Review Fees | \$100 plus 0.2% of the estimated cost of the project | \$150 plus 0.35% of the estimated cost of the project | \$850,000 |
| DDAGW | 4K5 | Drinking Water Operator Certification Fees | Varies depending on the level of certification sought* | Varies depending on the level of certification sought | \$175,000 |
| DDAGW | 4K5 | Drinking Water Laboratory Certification | Varies according to the type of survey conducted* | Varies according to the type of survey conducted | \$281,000 |

* DAPC, Division of Air Pollution Control; DSIWM, Division of Solid and Infectious Waste Management; DDAGW, Division of Drinking and Ground Waters

PTI and PTO Fees

The budget act made a series of changes to the schedule of fees associated with permits to install (PTI) and permits to operate (PTO). First, the act eliminated the fee schedules for PTOs and variances issued for air pollution sources prior to January 1, 1994 and replaced them with the fee schedule for PTIs issued on or after that date. For PTIs issued on or after July 1, 2003, increased schedules of fees were enacted. The amounts of these fees vary according to the type of facility and the amount of emissions. In total, the changes in fee schedules are expected to generate approximately \$250,000 in additional revenue for the Clean Air (Non-Title V) Fund annually.

Solid Waste Disposal Fee

The Ohio Environmental Protection Agency collects a solid waste disposal fee for every ton of solid waste that is disposed within the state. The revenue generated from this "tipping" fee is used to

administer the Ohio EPA's solid and infectious waste programs and the construction and demolition debris program. Under the budget act, the fee increased \$0.25 (from \$0.75 to \$1.00) per ton of solid waste. The sunset date for this fee was also extended from June 30, 2004 to June 30, 2006. The Ohio Environmental Protection Agency expects the increase to generate an additional \$3.5 million annually for the Solid Waste Fund.

Public Water System Fees

License fees paid by operators of public water systems also increased under the budget act. Operators pay an annual license fee based on the number of service connections within the water system (for "community" water systems), the number of people served by the system (for "nontransient, noncommunity" water systems), or the number of wells associated with the system (for "noncommunity, transient" water systems). Each of these fee schedules increased, with amounts determined by the type and size of the system. The Ohio Environmental Protection Agency expects the increases to generate approximately \$1.6 million in additional revenue for the Drinking Water Protection Fund annually.

Drinking Water Plan Review Fees

Revised Code Section 6109.07 prohibits any person from beginning construction or installation of a public water system, or from making substantial changes to a public water system, until system plans have been approved by the Ohio EPA. Under the budget act, the fee associated with such an engineering plan review increased. Formerly, the fee was \$100 plus 0.2% of the estimated cost of the project, up to \$15,000 per plan. The new fee is \$150 plus 0.35% of the estimated cost of the project, up to \$20,000 per plan. The fee increase is expected to generate approximately \$850,000 in additional revenue for the Drinking Water Protection Fund annually.

Operator Certification Fees

Effective December 1, 2003, fees associated with certification as an operator of a water supply system or a wastewater system increased. Application and certification exam fees are based upon the level of certification sought. Under current law (until December 1, 2003), there are four levels of operator certification (Class 1 to Class 4). Under the budget act, the fee for each class increases, and a fifth level is created (Class A). In addition, the current flat renewal fee and late renewal fee of \$15 and \$25, respectively, increase to a higher schedule of fees, also based on the level of certification sought. The fee for replacement certification increases from \$5 to \$25. The fee increases are expected to generate approximately \$175,000 in additional revenue for the Drinking Water Protection Fund annually.

Laboratory Certification Fees

The Ohio Environmental Protection Agency assesses certification fees for evaluating laboratory compliance with state analytical technique and process requirements. Fees are set according to the type of survey conducted. Under continuing law, there are five types of surveys described under the fee schedule that will be effective until June 30, 2006 (although the name of one survey changed). Under the budget act, fees increased for each type of survey described under this schedule. In addition, the fee schedule that is to be effective on and after July 1, 2006 was realigned so that the types of surveys described under it match those described under the first schedule. These fees were also increased. Finally, a new fee was established for when a laboratory requests that additional surveys be conducted. In total, these changes are expected to generate approximately \$281,000 in additional revenue for the Drinking Water Protection Fund annually. 

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency

FY 2001: FY 2002: FY 2003: FY 2004 Appropriations: % Change 2003 to 2004: FY 2005 Appropriations: % Change 2004 to 2005:

Report For: Main Operating Appropriations Bill

Version: Enacted

EPA Environmental Protection Agency

| | | | | | | | | | |
|--|---------|---------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------|----------------------|---------------|
| GRF | 715-403 | Clean Ohio | ---- | \$ 217,944 | \$565,599 | \$ 788,985 | 39.50% | \$ 788,985 | 0.00% |
| GRF | 715-501 | Local Air Pollution Control | \$ 1,331,940 | \$ 1,263,030 | \$1,178,818 | \$ 1,119,878 | -5.00% | \$ 1,091,882 | -2.50% |
| GRF | 716-321 | Central Administration | \$ 3,377,685 | \$ 16,205 | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| GRF | 717-321 | Surface Water | \$ 8,954,487 | \$ 9,209,457 | \$9,408,806 | \$ 9,333,376 | -0.80% | \$ 9,358,950 | 0.27% |
| GRF | 718-321 | Groundwater | \$ 1,129,161 | \$ 1,321,747 | \$1,315,038 | \$ 1,195,001 | -9.13% | \$ 1,163,554 | -2.63% |
| GRF | 719-321 | Air Pollution Control | \$ 2,641,942 | \$ 2,623,948 | \$2,606,998 | \$ 2,543,260 | -2.44% | \$ 2,543,260 | 0.00% |
| GRF | 721-321 | Drinking Water | \$ 2,878,284 | \$ 2,818,150 | \$2,713,163 | \$ 2,713,032 | 0.00% | \$ 2,713,032 | 0.00% |
| GRF | 723-321 | Hazardous Waste | \$ 268,187 | \$ 107,370 | \$119,086 | \$ 110,184 | -7.48% | \$ 107,284 | -2.63% |
| GRF | 724-321 | Pollution Prevention | \$ 784,357 | \$ 929,679 | \$770,169 | \$ 765,137 | -0.65% | \$ 745,002 | -2.63% |
| GRF | 725-321 | Laboratory | \$ 1,173,539 | \$ 1,307,939 | \$1,336,002 | \$ 1,290,237 | -3.43% | \$ 1,293,971 | 0.29% |
| GRF | 726-321 | Corrective Actions | \$ 1,532,145 | \$ 1,799,983 | \$1,812,750 | \$ 1,253,593 | -30.85% | \$ 1,255,080 | 0.12% |
| GRF | 728-321 | Environmental Financial Assist | \$ 30,137 | ---- | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| GRF | 729-321 | Solid and Infectious Waste | \$ 72,766 | ---- | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| General Revenue Fund Total | | | \$ 24,174,630 | \$ 21,615,452 | \$ 21,826,429 | \$ 21,112,683 | -3.27% | \$ 21,061,000 | -0.24% |
| 199 | 715-602 | Laboratory Services | \$ 776,768 | \$ 913,935 | \$829,485 | \$ 1,042,081 | 25.63% | \$ 1,045,654 | 0.34% |
| 219 | 715-604 | Central Support Indirect | ---- | \$ 13,256,831 | \$14,266,874 | \$ 15,239,297 | 6.82% | \$ 15,544,407 | 2.00% |
| 4A1 | 715-640 | Operating Expenses | \$ 3,508,454 | \$ 2,482,418 | \$2,804,332 | \$ 3,308,758 | 17.99% | \$ 3,369,731 | 1.84% |
| 491 | 715-665 | Moving Expenses | \$ 28,687 | ---- | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| General Services Fund Group Total | | | \$ 4,313,909 | \$ 16,653,184 | \$ 17,900,691 | \$ 19,590,136 | 9.44% | \$ 19,959,792 | 1.89% |
| 362 | 715-605 | Underground Injection Control-Federal | \$ 106,227 | \$ 109,049 | \$105,135 | \$ 101,874 | -3.10% | \$ 101,874 | 0.00% |
| 3V7 | 715-606 | Agency-wide Grants | ---- | \$ 221,583 | \$410,426 | \$ 100,268 | -75.57% | \$ 0 | -100.00% |
| 363 | 715-610 | Construction Grants | ---- | \$ 11,518 | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| 352 | 715-611 | Wastewater Pollution | \$ 193,342 | \$ 140,533 | \$383,342 | \$ 252,000 | -34.26% | \$ 265,002 | 5.16% |
| 353 | 715-612 | Public Water Supply | \$ 2,690,595 | \$ 2,416,755 | \$2,446,852 | \$ 2,909,865 | 18.92% | \$ 2,916,174 | 0.22% |
| 354 | 715-614 | Hazardous Waste Management-Federa | \$ 5,050,549 | \$ 3,898,777 | \$3,844,828 | \$ 4,195,192 | 9.11% | \$ 4,203,891 | 0.21% |
| 3J5 | 715-615 | Maumee River | \$ 89,114 | \$ 74,698 | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| 356 | 715-616 | Indirect Costs | \$ 3,528,972 | \$ 94,066 | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| 357 | 715-619 | Air Pollution Control-Federal | \$ 4,906,922 | \$ 5,124,407 | \$5,159,034 | \$ 5,447,334 | 5.59% | \$ 5,599,501 | 2.79% |
| 3J1 | 715-620 | Urban Stormwater | \$ 339,805 | \$ 386,202 | \$363,052 | \$ 850,000 | 134.13% | \$ 956,001 | 12.47% |

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

| <i>Line Item Detail by Agency</i> | | | <i>FY 2001:</i> | <i>FY 2002:</i> | <i>FY 2003:</i> | <i>FY 2004 Appropriations:</i> | <i>% Change 2003 to 2004:</i> | <i>FY 2005 Appropriations:</i> | <i>% Change 2004 to 2005:</i> |
|---|---------|--|----------------------|----------------------|----------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| EPA Environmental Protection Agency | | | | | | | | | |
| 3K2 | 715-628 | Clean Water Act 106 | \$ 3,469,522 | \$ 4,078,897 | \$4,084,321 | \$ 4,125,992 | 1.02% | \$ 4,125,992 | 0.00% |
| 3F2 | 715-630 | Revolving Loan Fund-Operating | \$ 2,881,955 | \$ 11,101 | \$36,092 | \$ 80,000 | 121.66% | \$ 80,000 | 0.00% |
| 3F3 | 715-632 | Federally Supported Cleanup & Respo | \$ 2,251,677 | \$ 2,563,191 | \$1,932,840 | \$ 2,792,648 | 44.48% | \$ 2,326,434 | -16.69% |
| 3F4 | 715-633 | Water Quality Management | \$ 776,622 | \$ 680,952 | \$648,945 | \$ 737,850 | 13.70% | \$ 712,850 | -3.39% |
| 3K4 | 715-634 | DOD Monitoring and Oversight | \$ 632,091 | \$ 726,129 | \$728,216 | \$ 1,462,173 | 100.79% | \$ 1,450,333 | -0.81% |
| 3K6 | 715-639 | Remedial Action Plan | \$ 498,215 | \$ 313,657 | \$383,196 | \$ 416,000 | 8.56% | \$ 385,001 | -7.45% |
| 3F5 | 715-641 | Nonpoint Source Pollution Managemen | \$ 4,611,897 | \$ 4,763,587 | \$5,241,523 | \$ 7,090,002 | 35.27% | \$ 7,155,000 | 0.92% |
| 3M5 | 715-652 | Haz Mat Transport Uniform Safety | \$ 6,951 | \$ 807 | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| 3S4 | 715-653 | Performance Partnership Grants | \$ 67,815 | --- | \$0 | \$ 0 | N/A | \$ 0 | N/A |
| 3N1 | 715-655 | Pollution Prevention Grants | --- | \$ 5,594 | \$73,311 | \$ 10,172 | -86.12% | \$ 0 | -100.00% |
| 3N4 | 715-657 | DOE Monitoring and Oversight | \$ 2,129,097 | \$ 2,199,791 | \$2,455,318 | \$ 3,362,932 | 36.97% | \$ 3,427,442 | 1.92% |
| 3T1 | 715-668 | Rural Hardship Grant | \$ 186,485 | \$ 566,399 | \$648,474 | \$ 0 | -100.00% | \$ 0 | N/A |
| Federal Special Revenue Fund Group Total | | | \$ 34,417,852 | \$ 28,387,693 | \$ 28,944,905 | \$ 33,934,302 | 17.24% | \$ 33,705,495 | -0.67% |
| 5S1 | 715-607 | Clean Ohio - Operating | --- | --- | \$0 | \$ 206,735 | N/A | \$ 208,174 | 0.70% |
| 500 | 715-608 | Immediate Removal Special Acct | \$ 433,633 | \$ 310,698 | \$388,834 | \$ 475,024 | 22.17% | \$ 482,000 | 1.47% |
| 5N2 | 715-613 | Dredge and Fill | --- | \$ 350 | \$30,743 | \$ 30,000 | -2.42% | \$ 30,000 | 0.00% |
| 503 | 715-621 | Hazardous Waste Facility Management | \$ 7,294,925 | \$ 9,072,184 | \$9,942,133 | \$ 11,051,591 | 11.16% | \$ 11,465,671 | 3.75% |
| 505 | 715-623 | Hazardous Waste Clean-up | \$ 8,429,304 | \$ 9,235,885 | \$10,687,286 | \$ 10,862,544 | 1.64% | \$ 11,557,987 | 6.40% |
| 602 | 715-626 | Motor Vehicle Inspection & Maintenanc | \$ 2,352,292 | \$ 2,377,414 | \$2,315,980 | \$ 1,444,464 | -37.63% | \$ 1,437,398 | -0.49% |
| 592 | 715-627 | Anti Tampering Settlement | --- | \$ 1,096 | \$1,097 | \$ 0 | -100.00% | \$ 0 | N/A |
| 660 | 715-629 | Infectious Waste Management | \$ 120,239 | \$ 106,657 | \$130,645 | \$ 160,000 | 22.47% | \$ 160,000 | 0.00% |
| 644 | 715-631 | ER Radiological Safety | \$ 176,477 | \$ 185,587 | \$184,519 | \$ 281,424 | 52.52% | \$ 286,114 | 1.67% |
| 678 | 715-635 | Air Toxic Release | \$ 291,022 | \$ 336,053 | \$259,448 | \$ 314,081 | 21.06% | \$ 210,662 | -32.93% |
| 679 | 715-636 | Emergency Planning | \$ 1,707,964 | \$ 1,601,522 | \$2,367,733 | \$ 2,798,648 | 18.20% | \$ 2,828,647 | 1.07% |
| 4J0 | 715-638 | Underground Injection Control | \$ 298,777 | \$ 332,203 | \$375,414 | \$ 379,488 | 1.09% | \$ 394,385 | 3.93% |
| 676 | 715-642 | Water Pollution Control Loan Administr | \$ 4,614 | \$ 3,667,757 | \$4,038,343 | \$ 4,858,798 | 20.32% | \$ 4,964,625 | 2.18% |
| 696 | 715-643 | Air Pollution Control Administration | \$ 511,024 | \$ 508,830 | \$554,550 | \$ 750,002 | 35.25% | \$ 750,000 | 0.00% |
| 699 | 715-644 | Water Pollution Control Administration | \$ 296,247 | \$ 499,967 | \$476,715 | \$ 625,000 | 31.11% | \$ 625,000 | 0.00% |
| 6A1 | 715-645 | Environmental Education | \$ 1,402,676 | \$ 1,359,758 | \$1,531,911 | \$ 1,500,000 | -2.08% | \$ 1,500,000 | 0.00% |
| 4C3 | 715-647 | Central Support Indirect | \$ 6,562,687 | \$ 200,403 | \$0 | --- | N/A | --- | N/A |
| 4K2 | 715-648 | Clean Air - Non Title V | \$ 2,534,038 | \$ 3,464,796 | \$2,025,688 | \$ 3,092,801 | 52.68% | \$ 3,370,002 | 8.96% |

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

| Line Item Detail by Agency | | | FY 2001: | FY 2002: | FY 2003: | FY 2004 Appropriations: | % Change 2003 to 2004: | FY 2005 Appropriations: | % Change 2004 to 2005: |
|---|---------|------------------------------------|-----------------------|-----------------------|-----------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| EPA Environmental Protection Agency | | | | | | | | | |
| 4K3 | 715-649 | Solid Waste | \$ 12,453,380 | \$ 11,572,775 | \$11,724,485 | \$ 14,286,500 | 21.85% | \$ 14,698,987 | 2.89% |
| 4K4 | 715-650 | Surface Water Protection | \$ 7,139,916 | \$ 7,895,171 | \$8,723,941 | \$ 9,380,180 | 7.52% | \$ 9,380,181 | 0.00% |
| 4K5 | 715-651 | Drinking Water Protection | \$ 3,188,177 | \$ 4,816,221 | \$5,255,743 | \$ 6,294,334 | 19.76% | \$ 6,255,946 | -0.61% |
| 4P5 | 715-654 | Cozart Landfill | \$ 23,501 | \$ 44,070 | \$33,220 | \$ 146,792 | 341.88% | \$ 149,728 | 2.00% |
| 4R5 | 715-656 | Scrap Tire Management | \$ 1,793,014 | \$ 2,975,090 | \$4,174,642 | \$ 5,800,000 | 38.93% | \$ 6,000,000 | 3.45% |
| 4R9 | 715-658 | Voluntary Action Program | \$ 404,442 | \$ 299,000 | \$458,737 | \$ 603,435 | 31.54% | \$ 795,671 | 31.86% |
| 4T3 | 715-659 | Clean Air - Title V Permit Program | \$ 14,270,783 | \$ 15,542,352 | \$16,069,926 | \$ 16,950,003 | 5.48% | \$ 16,650,001 | -1.77% |
| 4U7 | 715-660 | Construction & Demolition Debris | \$ 205,024 | \$ 136,145 | \$139,768 | \$ 220,000 | 57.40% | \$ 220,000 | 0.00% |
| 503 | 715-662 | Hazardous Waste Facility Board | \$ 403,831 | \$ 385,819 | \$333,249 | \$ 566,350 | 69.95% | \$ 576,619 | 1.81% |
| 5H4 | 715-664 | Groundwater Support | \$ 1,079,173 | \$ 1,405,867 | \$1,615,640 | \$ 1,768,661 | 9.47% | \$ 1,797,036 | 1.60% |
| 3T3 | 715-669 | Drinking Water SRF | \$ 2,046,872 | \$ 2,863,835 | \$2,349,295 | \$ 3,631,132 | 54.56% | \$ 3,716,777 | 2.36% |
| 541 | 715-670 | Site Specific Cleanup | --- | \$ 157 | \$551 | \$ 344,448 | 62,413.25% | \$ 345,075 | 0.18% |
| 542 | 715-671 | Risk Management Reporting | \$ 128,448 | \$ 158,494 | \$122,512 | \$ 142,087 | 15.98% | \$ 146,188 | 2.89% |
| 505 | 715-674 | Clean Ohio Environmental Review | --- | --- | \$0 | \$ 999,896 | N/A | \$ 1,179,249 | 17.94% |
| State Special Revenue Fund Group Total | | | \$ 75,552,480 | \$ 81,356,159 | \$ 86,312,748 | \$ 99,964,418 | 15.82% | \$ 102,182,123 | 2.22% |
| Environmental Protection Agency Total | | | \$ 138,458,871 | \$ 148,012,487 | \$ 154,984,773 | \$ 174,601,539 | 12.66% | \$ 176,908,410 | 1.32% |