



Waste Disposal Fee to Support Ohio EPA and Ohio Department of Natural Resources

Ohio's Proposed 2010 - 2011 Budget

February 2009

Four years ago, when faced with the planned loss of General Revenue Funds (GRF) for environmental programs, Ohio EPA replaced those funding sources in the State's biennial budget with a new environmental protection fee. That fee – which raised the state fee by \$1.50 per ton to \$3.50 per ton on solid waste disposed in Ohio's landfills — replaced GRF that funded 24 environmental programs at Ohio EPA.

The Ohio Department of Natural Resources' Division of Soil and Water Conservation now finds itself in a similar situation. The division has relied on GRF to carry out soil and water conservation work across the state, most significantly by the 88 local soil and water conservation districts. This work is currently funded by GRF as a state matching grant to the local SWCDs.

Since 2005, Ohio EPA has cut staffing in response to difficult economic times. Ohio EPA eliminated 32 positions in SFY 2008-09 and has identified 33 additional positions that may have to be eliminated due to declining fee revenues. ODNR's Division of Soil and Water Conservation has undergone similar staff reductions; it lost 23 positions, or 38 percent, of its staffing level since 2001.

The proposed waste disposal fee increases sought in the SFY 2010-11 budget will generate an estimated \$15.4 million annually to maintain Ohio EPA's air, water and waste programs and an estimated \$12.6 million to maintain ODNR's soil and water conservation programs.

The proposed fee increases will:

- Provide \$450,000 in annual subsidies to six local areawide planning (208) agencies for wastewater service planning.

- Fund 18 permitting positions in the Division of Air Pollution Control (8 existing, 10 transferred from other divisions) and 3 positions dedicated to achieving compliance with federal air quality standards.

- Provide a net increase of \$800,000 in subsidies to local air agencies in FY 2010 and \$1 million in FY 2011 to maintain existing services and support faster air permitting.

- Maintain 41 positions in the Division of Surface Water for wastewater permitting and water quality monitoring.

- Maintain 16 positions in the Division of Drinking and Ground Waters for drinking water supply supervision and permitting, ground water protection and laboratory certification.

- Maintain 1 position in the Office of Compliance Assistance and Pollution Prevention to help small businesses comply with environmental requirements and help any business save costs by preventing waste.

- Provide the 1:1 state matching grant to all 88 county soil and water conservation districts.

- Provide Ohio's match to the federal Lake Erie Conservation Reserve Enhancement Program, which is implemented by the county soil and water conservation districts. This is a 20 percent state/80 percent federal cost-share program, leveraging up to \$167 million in federal investment in Ohio.

Proposed Waste Disposal Fee Increases				
	Current Fee	Increase	New Fee	Estimated Revenue
Municipal Solid Waste	\$3.50/ton	\$1.25/ton (\$1 to Ohio EPA and \$.25 to ODNR)	\$4.75/ton	\$13.5 million annually for Ohio EPA \$3.38 million for ODNR
Construction and Demolition Debris	\$1.70/ton	\$2.70/ton (\$.45 to Ohio EPA and \$2.25 to ODNR)	\$4.40/ton	\$1.85 million annually for Ohio EPA \$9.23 million annually for ODNR

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Why a Fee on Waste Disposal?

All Ohioans benefit from a clean environment and most of Ohio's citizens, industries and cities generate some amount of waste that, if not properly regulated and disposed of, can have significant impacts on our air, land and water. Imposing a fee on waste disposal makes sense since many disposal facilities and/or the waste generators themselves will share in the cost to protect human health and the environment.

In the past 10 years, there has been a slow and steady increase in out-of-state waste disposed in Ohio. In 2006, solid waste imports exceeded the previous record set in 1989. In addition, an estimated 50 percent of the construction and demolition debris disposed in Ohio comes from out of state. With the increased waste disposal fees, other states would contribute an additional \$9 million each year to programs in Ohio.

How Does the Fee Compare to Other States?

The cost of waste disposal in Ohio is much lower than the average for states in the Northeast, including New York and New Jersey – the source of about 62 percent of the "long-haul" waste that came to Ohio in 2007. With the fee increase, disposal in Ohio would still cost less than \$40 per ton, compared to \$80-105 per ton in some Northeast states.

The proposed fee increase on solid waste disposal from \$3.50 to \$4.75 per ton would raise average disposal costs in Ohio to about \$37 per ton. Waste disposal costs in Ohio would remain lower than the average cost in Michigan, Indiana, West Virginia and Pennsylvania. Disposal costs for construction and demolition debris would continue to be significantly lower than in other states.

Ohio is not alone in assessing this type of fee and would not have the highest fee in the region at \$4.75 per ton. The state solid waste disposal fee is \$8.75 per ton in West Virginia and \$6.25 per ton in Pennsylvania. In both of those states, the fees support multiple environmental programs.

Impact on Ohioans if Fees Are Not Increased

Failure to secure replacement fee increases could result in potentially significant environmental, economic, health and quality of life impacts in Ohio.

Examples at Ohio EPA include:

- Ohio EPA will substantially reduce its oversight of Ohio's public water systems and will not be able to ensure compliance with all safe drinking water requirements. The quality of Ohio's public water supplies has a direct link to public health.
- Local air pollution control agencies working on behalf of Ohio EPA in 24 counties will lose \$1 million a year in direct state aid. Air agencies inspect facilities that have air pollution sources, respond to citizen complaints and review

applications submitted by companies that need air permits to build and operate.

- Deadlines for meeting new federal air quality standards may not be met, which would trigger more stringent regulatory requirements for businesses that want to build or expand.
- Air and water permits that businesses need to operate, install or modify equipment could take longer to review, slowing economic growth.
- Rulemaking required by state law to develop best available technology for air emission sources would be delayed further.
- Non-regulatory assistance to help Ohio businesses reduce waste, save money and operate in compliance with environmental requirements will be reduced.
- Stream cleanups will slow down considerably without the resources to evaluate stream health and develop restoration plans.

Examples at ODNR include:

- Local governments (primarily counties) will have to fully fund the soil and water conservation districts on their own.
- Landowners (including farmers, residential home owners and commercial businesses) will not be able to implement projects to prevent the lowering of water quality due to sedimentation runoff and other causes. In turn, local water quality will suffer and the cost of remediation to landowners, businesses and government agencies will rise.
- Lake Erie water quality, particularly in the Western Basin, will decline as programming to prevent runoff is ended. Similarly, sedimentation in streams like the Maumee River will rise, worsening the Toledo Port's ability to keep commerce shipping lanes open as that sedimentation builds up at the River's mouth.
- Ohio could lose access to upwards of \$15 million in federal funds annually.
- Drinking water source protection will be compromised.
- Assistance to communities with flood protection, stormwater and drainage needs will be reduced or eliminated
- Environmental education programs for K-12 students and adults will be cut back.
- Programs ideally suited to assist communities and businesses with changing energy production and policy (e.g., designing and building "green" infrastructure, and bio-fuel production) will be severely impacted.