Ohio Sunset Review Committee
Agency Questionnaire

Agency Name Reclamation Forfeiture Fund Advisory Board: ORC 1513.182

Point of Contact Ben Bruns, ODNR Legislative Director

Agency's primary purpose and its various goals and objectives

The Reclamation Forfeiture Fund Advisory Board reviews deposits into and expenditures from the reclamation forfeiture fund established under ORC 1513.18. Disbursements from the fund are made by the Ohio Department of Natural Resources' Chief of the Division of Mineral Resources Management for reclaiming areas of land affected by coal mining done since 1981 in cases where a coal operator has defaulted.

The Board is required to:

(1) Review the deposits into and expenditures from the Reclamation Forfeiture Fund;
(2) Periodically retain a qualified actuary to perform an actuarial study of the Fund;
(3) Based on an actuarial study and as determined necessary by the board, adopt rules to adjust the rate of the supplemental severance tax levied on coal and the balance of the Fund that pertains to that rate;
(4) Evaluate any rules, procedures, and methods for estimating the cost of reclamation for purposes of determining the amount of performance security that is required; the collection of forfeited performance security; payments to the Fund; reclamation of sites for which operators have forfeited the performance security; and the compliance of operators with their reclamation plans;
(5) Provide a forum for discussion of issues related to the Fund and the performance security;
(6) Submit a report biennially to the Governor that describes the financial status of the Reclamation Forfeiture Fund and the adequacy of the amount of money in the Fund to accomplish the purposes of the Fund and that may discuss any matter related to the performance security;
(7) Make recommendations to the Governor, if necessary, of alternative methods of providing money for or using money in the Fund and issues related to the reclamation of land or water resources that have been adversely affected by past coal mining for which the performance security was forfeited; and
(8) Adopt rules in accordance with Chapter 119. of the Revised Code that are necessary to administer this section.

Agency's past and anticipated workload, number of staff required to complete workload, and total number of staff

Approximately $400,000 to $500,000 in tax revenue and interest is currently deposited into the Fund each year. There are no current mine forfeitures at this time and the last reclamation expense was in 2020.

Every two years since 2009, the Board has procured and worked with an actuary to perform an actuarial study of the Fund. The most recent actuarial study was completed in June 2023 and an upcoming report is due to be completed by June 2025. The actuary is used by the Board to make recommendations to the Governor on severance tax rates to keep the fund solvent.

ODNR's Division of Mineral Resources staff averages 150 hours annually working with the Board. There are 5-6 staff who routinely work with the Board and attend the majority of meetings, which includes the Chief of the Division and other senior staff. Other Division staff members assist with contracts, data collection for actuarial analysis of the fund, travel authorizations, expense reports, and payroll, but their hours are included in the overall 150 hours worked annually. This DMRM staff work is not paid for out of the Fund.

Agency's past and anticipated budgets and its sources of funding

The Directors of the Department of Natural Resources and the Department of Insurance do not receive compensation for serving on the Board but can be reimbursed for the actual and necessary expenses incurred in the performance of their duties as members of the Board. The members appointed by the Governor receive per diem compensation and reimbursement for the actual and necessary expenses incurred in the performance of their duties.

Reimbursements are allocated out of Fund 5310 / ALI 725648, which is the reclamation forfeiture fund.

Number of members of its governing board or other governing entity and their compensation, if any

The Board consists of the Director of the Ohio Department of Natural Resources and the Director of the Ohio Department of Insurance, along with seven others who are appointed to four-year terms by the Governor, with the advice and consent of the Senate:

- One certified public accountant.
- One registered professional engineer with experience in reclamation of mined land.
- Two representing agriculture, agronomy, or forestry.
- One representing operators of coal mining operations that have permits in the bond pool.
- One representing operators of coal mining operations that have full-cost permits (permits that are not in the bond pool).
- One representing the public.

All meetings are open to the public.

We believe that the current makeup of the Board is good governance and works effectively to meet the Board's objectives.

Additional notes

The Reclamation Forfeiture Fund is a critical element of Ohio's coal mining and reclamation program. To maintain primacy over the Ohio coal mining regulatory program, it is essential that Ohio show that it has adequate financial resources available to perform timely reclamation on any permits that might be forfeited. The continual evaluation of the Fund by the Reclamation Forfeiture Fund Advisory Board is important to the long-term stability of the fund.

ODNR recommends that the Reclamation Forfeiture Fund Advisory Board be retained by the Sunset Review Committee.