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Cuts to Ohio Geological Survey threaten public safety, create new costs for business and taxpayers, study finds

Deep cuts to the Ohio Geological Survey will likely create millions of dollars in unnecessary costs for government as well as businesses operating in the state, and increase risk for Ohio communities, according to a new report by Policy Matters Ohio. Even as a boom in oil and gas drilling increases the importance of the agency's work, state policy makers have slashed OGS's relatively small budget.

"These cuts limit our ability to understand and plan for geological and environmental hazards," said Tim Krueger, Policy Matters research assistant and report author. "OGS has saved hundreds of millions of dollars for industry in Ohio by providing critical information that lays the groundwork for development."

Between 2003 and 2012, this small branch of the Ohio Department of Natural Resources lost 74 percent of its state funding, which peaked at about \$3 million a year. Most of this reduction came between 2010 and 2012, when the Kasich administration eliminated all General Revenue Fund allocations for the Division of Geological Survey, leaving OGS to rely on federal funding and a much smaller stream of state funding.

OGS's work saves industry and government at least \$575 million a year, according to a recent study by Kleinhenz & Associates. OGS creates these savings by making its research and information available at little or no cost to companies drilling wells, government agencies building new roads, and others. Without the Geological Survey, these entities would need to commission individual studies to learn about the geology of the area in question. Done piecemeal, each of these ad hoc studies would cost anywhere from thousands to hundreds of thousands of dollars.

Of particular concern is that OGS's geological expertise, core samples, databases and seismic equipment play a pivotal role in both oversight and development of the fast-growing hydraulic fracturing, or fracking, industry.

OGS research also keeps Ohioans safe by helping the state prepare for natural disasters and protects the financial interests of homeowners whose properties may be threatened by geological hazards such as erosion. Yet recent funding cuts have brought much of this activity to a halt.

"These cuts are penny-wise and pound-foolish," said Krueger. "It would be much smarter to adequately fund OGS, helping build a stronger, safer, more competitive Ohio."

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