

# PA Environment Digest

## An Update On Environmental Issues In PA

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Harrisburg, Pa

March 3, 2014

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### **Analysis: Time To Stop The Slow Budget Bleeding At DEP, Fund Real Restoration Efforts**

This week the Senate and House agency by agency hearings on Gov. Corbett's FY 2014-15 budget request ended and the real work of putting together a state budget by the June 30 deadline begins.

On the plus side of the ledger, the hearings spotlighted the additional \$30 million DEP and DCNR received as a result of the transportation funding package for the Dirt and Gravel Road Program, the \$45 million in additional funding for State Park and Forest infrastructure investments in the Enhance Penn's Woods proposal, the projected \$75 million from additional "no additional surface impacts" leasing of natural gas rights on State Park and State Forest land, continued General Fund support for county conservation districts and \$10 million in continued funding for the Resource Enhancement and Protection (REAP) farm conservation tax credit program.

Also on the positive side is the additional conservation funding provided by the Marcellus Shale Legacy Fund based on drilling impact fees: \$42.8 million for the Growing Greener Program, \$9.8 million for the H2O Water Infrastructure Program, \$9.8 million for PennVEST, \$3.9 million for the Hazardous Sites Cleanup Fund and \$15.7 million to the Commonwealth Financing Authority for a variety of other programs.

DCNR made out well in the FY 2014-15 budget proposal which, if adopted, will not result in the loss of any staff. The transfer of \$117.4 million from the Oil and Gas Fund, fed by royalties on natural gas drilling on State Forest land, to pay for day-to-day operations is troubling because it takes away from spending on longer-term investments.

The Enhance Penn's Woods proposal and new money proposed to be invested in State Park and Forest infrastructure tends to blunt some of that concern, although not completely. The proposal to lease additional natural gas rights without additional surface impacts does as well, but the full details of the plan need to be laid out for all to see and evaluate openly.

But once again, DEP has taken a budget hit which requires the agency to lose another 66 positions bringing the total of positions lost since FY 2002-03 to 548 or 17 percent of its staff. Unlike Gov. Rendell, Gov. Corbett has not proposed to furlough any DEP staff, but clearly no organization can

suffer a 17 percent cut in staff and not have that reflect in its overall performance.

The Corbett budget does propose to increase DEP's line items related to personnel and general operations by \$10 million to cover its cost-to-carry, again unlike Gov. Rendell who cut DEP's budget every year for eight years.

So where does this leave us?

While the last three budget years have brought resources back to DEP and DCNR programs, the fact remains that \$2.3 billion in funding has been cut or diverted from environmental programs over the last 12 years, starting with the record budget and staff cuts and staff furloughs by Gov. Rendell.

Gov. Rendell's share of these cuts/diversions is \$1.4 billion. Gov. Corbett's share is now \$766.5 million.

At the very least, now is the time to stop the slow bleeding of DEP staff positions that has occurred every year for the last 12 years.

It is also time for additional resources to be invested in environmental restoration programs-- watershed improvement, abandoned mine drainage abatement and other programs that make a real, measurable difference in environmental quality.

A good start would be to use a major portion of revenue from any new leasing of natural gas rights under State Parks and Forests, assuming the details can be worked out, to support restoration efforts, including our commitments to clean up our rivers and streams in the Chesapeake Bay Watershed.

While addressing the backlog of infrastructure needs in State Parks and Forests is important, Enhance Penn's Woods and a portion of the revenue from new leasing will be a good step forward.

The fact is, Pennsylvania has a legal obligation under the federal Clean Water Act to take the necessary steps so our rivers, streams and lakes meet at least minimum water quality standards and we have the experience and the award-winning programs, like the original Growing Greener, to do just that.

Now is the time for a more thorough debate on these issues and to show the kind of leadership Pennsylvania has had in the past to deal with our most pressing need-- clean water.

### **\$2.3 Billion In Cuts/Diversions**

Here's an itemized list of the cuts and diversions--

- \$635 million in Act 339 grants intended to support wastewater plant operations over the last nine years were eliminated to balance the budget (\$52 million or so each year);
- \$143 million diverted from the DCNR Oil and Gas Fund to balance the FY 2008-09 budget;
- \$79 million cut from the DEP and DCNR General Fund budget during FY2009-10;
- \$60 million diverted from the DCNR Oil and Gas Fund to balance the FY 2009-10 budget;
- \$100 million in 2002 from the Underground Storage Tank cleanup insurance fund to balance the budget (although this is slowly being repaid over 10 years);
- \$52.7 million "one-time" diversion from the Keystone Recreation, Parks and Conservation Fund in 2006 to balance the budget;
- \$50 million in 2007 and 2008 from the Environmental Stewardship Fund, which supports mine reclamation and watershed restoration, to fund the Hazardous Sites Cleanup Program because there was no agreement on how to fund that program;
- \$285.7 million in FY 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 from the Environmental Stewardship Fund to pay debt service on the Growing Greener II bond issue and taking funding away from restoration projects each year for the next 25 years -- reflecting a pattern of only environmental programs being required to address their own bond debt service;

- \$15 million from the Recycling Fund in to balance the FY 2008-09 budget;
- \$18.4 million put into budgetary reserve in 2008-09 from the Department of Environmental Protection and Department of Conservation and Natural Resources;
- \$5 million reduction in Resource Enhancement and Protection (REAP) farm conservation tax credit program in FY 2009-10;
- \$102.8 million cut from the DEP and DCNR General Fund budget in FY 2010-11 budget;
- \$180 million diverted from the DCNR Oil and Gas Fund to General Fund in proposed FY 2010-11 budget;
- \$5.5 million reduction in Resource Enhancement and Protection (REAP) farm conservation tax credits in FY 2010-11;
- \$5 million in additional cuts to the agencies to balance the FY 2010-11 budget;
- \$3.9 million in across-the-board cuts to help fill gaps caused by reduced federal Medicaid appropriations-- \$2.4 million from DEP, \$1.5 million from DCNR;
- \$669,000 from the Safe Water line item in DEP's budget;
- \$102.8 million cut continued from the FY 2010-11 DEP and DCNR General Fund budget in FY 2011-12 budget;
- \$8.3 million Mid-year budget freeze cuts additional resources for environmental programs: Agriculture: \$2.6 million; DCNR: \$1.5 million; and DEP: \$4.2 million.
- FY 2012-13 budget eliminates \$11.8 million in General Fund monies from DEP, and \$2.5 million from DCNR.
- FY 2012-13 budget continues the \$102.8 million cut made by Gov. Rendell beginning in FY 2010-11.
- FY 2012-13 budget for the State System of Higher Education zeroes out funding again for the PA Center for Environmental Education (\$368,000) and McKeever Environmental Center (\$213,000).
- FY 2013-14 budget continues the \$102.8 million cut made by Gov. Rendell beginning in FY 2010-11.
- FY 2013-14 budget for the State System of Higher Education zeroes out funding again for the PA Center for Environmental Education (\$368,000) and McKeever Environmental Center (\$213,000).
- FY 2013-14 budget diverts \$106.5 million from the Oil and Gas Fund to support DCNR operations.
- FY 2014-15 budget diverts \$117.4 million from the Oil and Gas Fund to support DCNR operations. [While still funding environmental programs, this transfer takes funds away from supporting long-term investments in the environment to funding day-to-day operations. It also raises a concern over whether it is sustainable without forcing additional leasing of state forest lands for natural gas drilling.]
- FY 2014-15 budget continues the \$102.8 million cut made by Gov. Rendell beginning in FY 2010-11.
- FY 2014-15 budget cuts \$2 million for Heritage Parks grants.
- FY 2014-15 budget for the State System of Higher Education zeroes out funding again for the PA Center for Environmental Education (\$368,000) and McKeever Environmental Center (\$213,000).
- FY 2014-15 budget cuts \$1 million for abandoned mine reclamation.
- FY 2014-15 budget cuts \$500,000 for household hazardous waste programs.
- FY 2014-15 budget cuts \$500,000 for Delaware River Basin Commission.

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