

Testimony of
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Pennsylvania Department of Environmental Protection
Governor's Proposed Fiscal Year 2017-18 Budget
Pennsylvania House Appropriations Committee Budget Hearing
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Thank you for the opportunity to present Governor Wolf's proposed Fiscal Year 2017-18 budget for the Department of Environmental Protection (DEP).

I want to begin by acknowledging the more than 2,400 public servants who work every day to achieve the department's mission. Every one of us commits daily to "protect Pennsylvania's air, land and water from pollution, and to provide for the health and safety of our citizens."

This year, DEP's budget request includes \$152.026 million from the General Fund and a total spending authorization of \$727.715 million. The proposal includes \$227.705 million of special fund authorizations as well as \$217.9 million in Federal. This represents an increase of \$1.18 million in general funds, or a 0.78 percent increase over the current budget.

In Governor Wolf's budget address, he spoke of protecting the investments that taxpayers have already made. We at DEP believe that protecting our environment is an investment in economic prosperity. Clean water and air, along with a healthy workforce, create certainty for any business process.

For DEP, this year's challenges are similar to last year's. As you have heard in prior years' testimony, DEP staffing numbers continue to decline due to budget constraints, despite the same or increasing expectations to achieve our mission. We are constantly reviewing the results of staffing departures, and our goal is a complement that is determined by our mission and implementation strategy moving forward, not one defined by the practices of the past.

Nonetheless, we continue to struggle with our daily workload due to these staff shortages. At the end of 2016, we received a letter from the U.S. Environmental Protection Agency (EPA), cautioning that our current level of staffing is insufficient to meet the requirements to ensure that safe and potable drinking water is continuously supplied to the 10.7 million customers currently served by public water systems. As EPA noted, while the national average of public water systems per sanitarian inspector is 67, DEP's average is more than double – at 149 public water systems per sanitarian inspector.

EPA's concerns are well-founded, and without additional investment, the problems outlined in the agency's letter will continue to be exacerbated. We are continuing to pursue shoring up those staffing needs with new revenue sources separate from the general fund.

We appreciate the legislature's willingness to work with DEP on recent legislatively authorized increases to the Radiation Protection fund, and we continue to work with our stakeholders and advisory groups to determine how to best ensure other programs have the necessary resources to achieve the department's mission.

These fee increases represent only a small portion of the overall funding needed to administer DEP's programs. But it is our belief that the regulated community will benefit greatly in terms of improved permit application review times and greater levels of compliance assistance. This, we believe, will decrease non-compliance, enforcement actions and associated civil penalties.

With these financial and staffing constraints, we have focused on the best tools we can to achieve efficiencies over the past year.

Some of our best efforts in this regard are in the development and deployment of electronic tools, web-based applications and electronic document management. With the recent launch of several new electronic tools to replace paper-based processes or significantly upgrade existing technology, DEP will begin reaping rewards in boosted efficiency.

On the operator side, a new electronic permit application for bituminous surface mine operators enables faster application and payment, more accurate data, and more timely staff review and approval. This pilot project is the first step toward department-wide e-permitting. To enable unconventional oil and gas operators to more speedily submit well-related documents, we have just launched an electronic document submission site. To date, 26 operators have electronically submitted almost 900 documents.

For staff, a new iPad app for field inspections of oil and gas surface activities will increase the number of inspections performed yearly. All 46 oil and gas surface activities inspectors will be using this app by the end of February, and DEP is currently developing a version for 32 oil and gas sub-surface inspectors. The app will be configured for other DEP programs, with the goal of equipping 350 inspectors by 2018.

We're also talking directly with the leaders and operators of our regulated communities to improve our understanding of their challenges, and to help us clarify their responsibilities. We continue to work with our more than 30 advisory bodies on regulatory and policy development issues. To this, we've added multiple stakeholder engagement listening sessions this past year -- to discuss permitting of pipelines, municipal separate storm sewer systems (MS4s), and erosion and sedimentation. We are also focusing on how we engage with the public through a review of our public participation processes and how we approach environmental justice.

These efforts will better inform DEP staff on external processes, identify solutions and efficiencies in the permitting process, and help educate consultants and permit applicants on DEP's permit-review decision-making process -- all without any reduction to environmental quality. DEP staff have also offered in-person and web-based training on regulatory updates and new or revised permits, and have joined meetings and trainings offered by industry trade groups and non-governmental organizations to maximize our outreach.

In addition to increasing our efficiency, we're boosting our effectiveness. Developing and fully leveraging strategic partnerships statewide is vital on this front.

Our Chesapeake Bay restoration efforts -- in coordination with federal, state and local agencies, nonprofit organizations and academic partners -- attest to this. One year ago, Governor Wolf initiated a Bay restoration strategy that included inspecting farms in the watershed, and improving how we quantify the local water quality improvements farmers have undertaken -- often without credit for their efforts and expense.

Our intention is to work with partners to find innovative solutions to achieve Bay goals at a lower transactional cost. One example of this is Commonwealth agencies' work with Pennsylvania State University to survey Bay watershed farmers to determine the non-cost shared best management practices they have already installed on farms. These efforts have tangible reductions for the watershed, calculated to result in a yearly reduction of a million pounds of nitrogen, almost 80,000 pounds of phosphorus, and more than 10 million pounds of sediment.

Pennsylvania is working with the EPA and Bay Compact states to include this important data in the EPA model for Pennsylvania's required watershed pollution reduction. Perhaps even more important to Pennsylvanians, we are also forging ahead with a plan that works best for us locally, strategically targeting our resources to implement practices where they can have maximum impact.

This year's budget reflects the Commonwealth's increased investment in water quality through a proposed three-year, \$45 million plan that enables the departments of Agriculture, Conservation and Natural Resources, and Environmental Protection to help communities and individuals restore more than

19,000 miles of impaired local waterways. The funds will put plans and practices in place to reduce nutrient and sediment runoff; improve technical capacity by enhancing conservation training opportunities; install more riparian buffers; control stormwater; restore the quality of our waterways; and leverage additional federal funding. DEP's annual distribution will be \$8.3 million.

This focus on working with the agricultural community is in addition to directing resources and training to MS4 communities to help them meet their requirements to implement stormwater management programs.

We consider partnerships the key, not only on the ground, but in creating visionary paths, as our statewide partnership focused on growing the energy economy demonstrates. Through a \$550,000 federal grant from the U.S. Department of Energy, we are working with stakeholders to create a statewide solar deployment plan, with a goal of achieving 10 percent in-state solar electricity generation by 2030. That would be a substantial increase, since solar energy makes up about 1 percent of our net electricity generation now.

Perhaps our hardest work is in the decisions we make every day to protect public health.

Lead in drinking water has been a salient topic even before exceedances were discovered in Flint, Michigan. DEP, along with the Pennsylvania Department of Health, have long provided information and consumer to help Pennsylvanians reduce their exposure to lead in drinking water.

Beyond public education, in October 2016, DEP issued notice to 132 public water systems of varying sizes that they had exceeded the action levels for lead and/or copper levels in drinking water. This is less than 5 percent of the 2,859 systems that conducted sampling in 2016. DEP outlined the steps that these systems need to take to alert their users, and will work with these systems to lower these levels. DEP continues to work with operators such as Pittsburgh Water and Sewer Authority to optimize corrosion-control methods to reduce lead exposure for their customers. These actions are not always front-page news, but they are an example of DEP working in communities to protect public health.

As this testimony indicates, we at DEP are working with the tools we have. But there are cautions also worth highlighting.

The permit review process generates the most interest of residents as well as the regulated community. DEP received more than 30,000 permit applications in FY 2015-16, all of which were reviewed by qualified and trained staff. We will undergo an evaluation of the permit review process over the next several months to assess the efficiency in light of current staffing and workload requirements. This review will include an analysis of historic data, input from staff, roundtable meetings, workload analysis and tool development as well as training.

We believe a mix of high-tech and low-tech improves the process and the outcome. First, we encourage applicants to seek a pre-application meeting. And second, we're working to grow the online application process, a tool that will allow applicants to submit more complete applications.

In the vein of becoming more efficient, DEP has received approval to establish the Regional Permit Coordination Office, which will be responsible for the synchronized review and decisions related to permits necessary for construction stormwater discharges and stream and wetland encroachments for complex linear infrastructure projects. This infrastructure may include complex linear infrastructure projects (such as pipeline and transportation projects) that cross a county, multiple counties or span multiple watersheds. This office may also assist the regional offices when workload redistributions are made to help provide timely permit review.

There are many challenges we collectively face. We seek to collaborate with the General Assembly on programs that have been important investments in the Commonwealth's future. Legislatively, we hope to work with you to modernize and fix the Covered Device Recycling Act, fund the Hazardous Sites

Cleanup Program, continue the Recycling Fund, and reauthorize the Environmental Cleanup and Pollution Prevention programs.

We look forward to working with the legislature on the challenges and opportunities that lie ahead this fiscal year. Thank you for your consideration.