



Prepared Testimony of

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Good morning Chairman Saylor, Chairman Bradford, Chairman Metcalfe, Chairman Vitali, and members. Thank you for the opportunity to present Governor Wolf's proposed Fiscal Year 2020-21 budget for the Department of Environmental Protection (DEP).

I want to begin by acknowledging the 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." Governor Wolf's budget is a reflection of that mission, with funding to take action to further reduce pollutants in air, water, and land.

This year, DEP's budget request includes \$171.677 million from the General Fund and a total spending authorization of \$822.650 million. The proposal includes \$271.517 million of special fund authorizations as well as \$252.881 million in Federal spending authority. For reference, in 2019-20, DEP's total enacted General Fund budget was \$135,147,000 which represents a \$20,902,000 decrease from the 2018 fiscal year. However, the Fiscal Code of 2019 – Act 20 – authorized the Secretary of the Budget to transfer amounts from special funds under the Governor's jurisdiction to augment the operations of DEP (and DCNR). If the \$23,795,000 to augment GGO, EPO, EPM, Chesapeake Bay, Transfer to Conservation District Fund, and commissions are included, DEP's fiscal year 2019 enacted budget is \$158,942,000, which reflects a \$2,893,000 increase from the 2018 fiscal year. The current budget further increases this amount by \$12,735,000, a two-year increase of \$15,628,000. This is an increase of \$32,444,000 from the last budget of the prior administration.

This budget represents an investment in the future of Pennsylvania – planting a seed that, if nourished, will provide for cleaner air, cleaner water, and more economic activity for communities across the Commonwealth. It is a down payment on a future for our children and grandchildren to live and thrive in the Keystone State for generations to come.

In this testimony I will highlight some of the work that DEP is doing already to achieve this vision, and how the proposed budget furthers that vision.

Funding the Cleanup of Hazardous Sites

I will begin with the proposal to fund the Hazardous Sites Cleanup Fund (HSCF). This fund is responsible for a variety of investigative and cleanup procedures when dealing with contaminated soil and groundwater. It's the program that pays for DEP investigators to identify the source of legacy pollution, and in cases where there is no longer a responsible party, or one cannot be identified, cleaning up that contamination and restoring that land and ground water to a productive use. This fund pays for investigations into the source of PFAS contamination, an emerging issue that is becoming more prevalent by the day as more sites with contamination are found and more is learned about these ubiquitous chemicals. Through the 22-year history of the program, more than 6,000 sites have been addressed. It is a popular program with citizens, state and municipal leaders, and business developers but it is also a fund that is rapidly running out of money.

To address the need for a sustainable funding solution, we propose a \$1 per ton increase to the tipping fee for municipal landfills. Once enacted, this would go a long way to ensuring that the HSCF remains a viable tool for addressing needs now and in the future. The tipping fee was last increased in 2002 and the \$1 per ton increase would bring the minimum tipping fee to \$8.25, an increase of less than 14% that would pay dividends far beyond the investment. If the tipping fee had kept pace with inflation, it would be \$10.34 today.

Improving Local Waters and the Chesapeake Bay

Governor Wolf's budget includes an additional \$1 million for DEP's role in Pennsylvania's efforts to improve water quality and reduce the pollution flowing into the Chesapeake Bay. This funding will go towards additional staff in the Chesapeake Bay Program office, who will focus on coordinating with on-the-ground partners to achieve the goals laid out in the Chesapeake Bay Watershed Implementation Plan Phase 3 or "WIP 3" for short. These additional staff, along with existing DEP personnel, will achieve one of the benchmarks of the WIP 3, by rounding out DEP staff needs. There is still a tremendous need for resources for the WIP 3, but by bringing on these additional positions, DEP can be focused on implementation and verification of on-the-ground practices to reduce pollution.

The WIP 3 laid out ambitious but achievable goals for Pennsylvania to meet our obligations under the federal Total Maximum Daily Load (or TMDL), and as I noted, there is still a tremendous need for resources. An estimated \$324 million per year in total value of projects and practices is needed to reduce pollution going into our streams and rivers, and in that context, an additional \$1 million for staff at DEP may seem like a drop in the river, so to speak. I want to assure you that nothing could be further from the truth.

These additional staff, approximately 10 full time employees, will be working with county conservation districts to identify the most cost-effective conservation practices like streamside buffers, manure storage, and wetland restoration, while at the same time helping to secure funding for those needs. DEP is already prioritizing existing Growing Greener funds for Chesapeake Bay-related projects and is working with the EPA to secure additional funding for communities for these projects. I should also note that much of this green infrastructure – streambank restoration, streamside tree plantings, wetland restoration – doesn't just reduce pollution; it also helps reduce downstream flood risk by slowing down and absorbing stormwater.

Another source of resources for the Chesapeake Bay effort is Restore Pennsylvania. Achieving not just the goals of the WIP 3 but making a real, substantial investment into Pennsylvania's future needs a long-term, sustainable funding solution, and Restore Pennsylvania, which has broad, bi-partisan support is just the tool to provide those resources. I've been to communities that desperately need new infrastructure, new stormwater controls, new flood prevention, and the main thing holding them back is the lack of resources. The same on-the-ground projects that are going to reduce the pollution going into the Chesapeake Bay will also help these communities, making efficient use of invested dollars – but we must make that investment.

Investing in Air Quality

The Governor's budget proposal also provides for \$1.5 million to help restore staff to the Bureau of Air Quality. The Bureau of Air Quality is responsible for safeguarding the health of Pennsylvanians by limiting pollution and ensuring our air is safe to breathe. We do this through monitoring toxic pollutants, collecting data from field monitoring, investigating complaints, working with other states on transport issues, ensuring compliance with emissions limits, and permitting and testing new sources to prevent deterioration of the air we breathe. Despite having made significant gains in air quality, according to the American Lung Association's State of the Air Report Card, a dozen counties in Pennsylvania are failing and 8 counties received a D for high ozone pollution days. A recent study by MIT researchers published in the science journal *Nature* just this month found that more than 3,100 of our fellow Pennsylvanians' lives were cut short due to air pollution in 2018, most of which was generated in-state.

Since 2005, staffing in the Bureau has decreased by 24 percent, which has limited our ability to keep up with new technologies and new industries looking to locate in Pennsylvania. This additional funding will allow DEP to hire 15 more staff to ensure that we are responsive to permitting, maintain the improvements we have gained, and ensure Pennsylvania's air quality continues to improve and reduces impacts to vulnerable populations.

Participating in the Regional Greenhouse Gas Initiative

I want to turn now to the Regional Greenhouse Gas Initiative (RGGI). In September 2019, Governor Wolf issued an Executive Order that directed DEP to develop a program to reduce carbon dioxide emissions from power plants in Pennsylvania, in line with RGGI. DEP is currently in the process of developing this regulation, and recently presented draft regulatory language to the Air Quality Technical Advisory Committee, in addition to appearing several times before committees in the legislature.

DEP is currently engaged in stakeholder outreach and the CO₂ Budget Trading Program rulemaking will follow the typical path of all other regulations. RGGI will limit harmful pollution from power plants and require that companies pay for the carbon that's emitted into the atmosphere. Those payments are then reinvested in Pennsylvania's economy. We see this program as an opportunity to not only reduce air pollution, but also create jobs and economic activity. Improvements to public transportation, installing energy efficient windows, insulation, or appliances, or building out alternative fuel vehicle infrastructure are just a few examples of how these revenues could be used. We plan to have this rulemaking completed and program implemented within the next two years.

Addressing Waste, Recycling, and Litter

DEP is embarking on several efforts around waste, litter, and recycling, which have serious economic impacts in Pennsylvania.

Starting with litter, DEP and PennDOT recently completed a statewide litter survey – identifying not just what litter is polluting our roadways and communities, but also surveying the attitudes and opinions of Pennsylvanians about litter, cleanup, and enforcement of anti-litter laws.

Alongside this research, the non-profit group, Keep Pennsylvania Beautiful, also identified the financial costs of litter cleanup for several major Pennsylvania cities and found that cleanup alone cost more than \$68 million. DEP, PennDOT, and Keep Pennsylvania Beautiful will form a workgroup of state government agencies, local governments, and industry and community leaders to use the research results to develop and carry out a plan of actions to reduce littering in Pennsylvania. The goal is to build the action plan around four behavior change strategies, including infrastructure, such as waste and recycling facilities and trash cans; public and school-based education; laws and ordinances; and incentives and enforcement.

Recent changes in global markets have affected recycling; this has been seen in communities across the state where concerns over what can and cannot be recycled and what materials are sent to landfills are growing. DEP is developing a white paper of policy recommendations, in consultation with the Solid Waste Advisory Committee, for changes that could be made to modernize the Municipal Waste Planning Recycling and Waste Reduction Act (or Act 101 of 1988) to ensure that recycling continues to be a viable tool for reducing landfill waste and preventing pollution. Electronics recycling is also changing with advances in products available on the market today. Lighter products, from TVs to cell phones, are challenging the way electronics are recycled under the current Covered Device Recycling Act (Act 108 of 2010). DEP welcomes the opportunity to work with the legislature to update this statute in a way that will ensure electronics are disposed of properly, kept out of landfills, and not dumped alongside roads and streams.

Improving Pipeline Oversight

Also in need of modernization are the laws that govern pipeline siting in Pennsylvania. Pipeline development, spurred by the growth of the natural gas industry, has become an increasingly controversial topic, brought into sharp focus by the explosion of the Revolution pipeline in Beaver County in 2018 and the issues with the construction of the Mariner East 2 pipeline.

Currently there is no Pennsylvania agency with siting authority for pipelines. DEP's role in pipeline development is related to the construction aspects – earth disturbance and water and wetland crossing – but not the route that a particular project takes. Rights of way that were established generations ago may not be appropriate or account for the other development - like homes and schools - that has taken place in the intervening years.

Governor Wolf's budget proposal lays out a solution, seeking to collaborate with the General Assembly to update laws regarding pipeline development. Routing and siting authority would be provided to the Public Utility Commission under this plan. Emergency preparedness and commonsense provisions like mandatory setbacks are also included, ensuring that homes, schools, and businesses are kept safe.

This proposal would go a long way toward balancing the need for proper pipeline infrastructure with the needs of the communities where the pipelines are or could be. It's a commonsense solution that lays important groundwork for both economic development and environmental protection in the future.

Enhancing Permitting Reforms

While not strictly related to the budget proposal, I would like to go over some of the results of DEP's efforts to improve our permitting processes. As you are aware, permitting is the main source of complaints about DEP, with the time it takes to process a permit being the main driver of those complaints. Since 2017, DEP has made a concerted effort to improve the permit review process from the way applications are received to the time it takes to issue a determination, and I am very pleased to say that we are seeing results.

Through use of online application forms, there has been a decrease in incomplete applications, as applicants can no longer submit applications with missing information the way they could with paper forms. This has increased the time spent by staff on the technical aspects of a permit, and improved efficiency dramatically. The average time with a permit application for a Well Drilling Permit in the Oil and Gas Program, for example, has decreased from 40 days in FY 2017-18 to 22 days in FY 2018-19.

DEP has also incorporated Lean management tactics into the review process, using tools like PowerBI to create visual dashboards for supervisors to better manage staff and identify and solve problems as, or even before, they arise.

Throughout this testimony I have referred to investments paying dividends, and the success we are seeing with our permitting reforms is an example of those dividends. By purchasing tablet computers for field inspection staff in the Oil and Gas program, we were able to achieve a 20% increase in efficiency – basically adding a day to the workweek – by enabling staff to submit inspection reports electronically in the field rather than copying data from a paper form into an electronic database. It's a powerful example of the work that we can accomplish if we have the right tools.

Conclusion

Throughout this testimony I have highlighted investments that can be made in Pennsylvania. The investments outlined in Governor Wolf's budget proposal are a seed that can be planted today that becomes a sustaining orchard tomorrow. Cleaner water, healthier air, and remediated land are tremendous dividends for the future of Pennsylvania, and we owe it to ourselves today and our children tomorrow to make these investments now.

I will close with an off-topic but not off-theme request: that you, the members of the General Assembly, encourage your constituents to take part in the nationwide census taking place this year. The census is a critical tool that determines not only Pennsylvania's representation in Congress, but also plays a role in determining how federal funds are distributed to the states. For Pennsylvania, that can mean the funds that assist low-income populations with their heating bills through the LIHEAP program, and DEP's State Energy Program. It also plays an important role in determining where Pennsylvania's Environmental Justice communities are located, which helps ensure that low-income and minority populations are not adversely affected by pollution.

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