

September 8, 2017

The Honorable Gene Yaw
Senate of Pennsylvania
Chair, Environmental Resources
and Energy Committee
Senate Post Office Box 203023
Harrisburg, PA 17120-3023

The Honorable John Maher
Pennsylvania House of Representatives
Chair, Environmental Resources
and Energy Committee
House Post Office Box 202040
Harrisburg, PA 17120-2040

The Honorable John Yudichak
Senate of Pennsylvania
Chair, Environmental Resources
and Energy Committee
Senate Post Office Box 203014
Harrisburg, PA 17120-3014

The Honorable Mike Carroll
Pennsylvania House of Representatives
Chair, Environmental Resources
and Energy Committee
House Post Office Box 202118
Harrisburg, PA 17120-2118

Dear Environmental Resources and Energy Chairs:

I write to express concern regarding the effect of the so-called "Taxpayer Budget" proposed by a small cadre of House members earlier this week.

This proposal relies on unsustainable one-time transfers of revenue from a number of dedicated funds the Department of Environmental Protection (DEP) uses to carry out its mission of protecting Pennsylvania's air, land and water from pollution and ensuring the health and safety of Pennsylvania's citizens through a cleaner environment.

These funds provide important economic development benefits, bringing brownfield and coalfield sites back into productive use, advancing new sources of energy, and assisting municipalities in reducing the amount of waste they are paying to landfill. Removing dedicated resources from special funds threatens the viability of key DEP programs in the following specific ways.

This proposal will create serious threats to the health and safety of Pennsylvanians and our environment. Postponing and cancelling projects that help Pennsylvania communities to balance the budget breaks the promise to Pennsylvania taxpayers that these funds represent. Trading one-time transfers for long-term environmental degradation is an uncalculated and unnecessary risk. As just one example, removing \$100 million from the Underground Storage Tank Indemnification Fund undermines the payment of cleanups for about 1,000 sites where toxic and carcinogenic chemicals from petroleum products threaten residents.

The assumption that the money in these funds is somehow extra or uncommitted is not only foolish but possibly unlawful. The PA Supreme Court ruled that it is unconstitutional to spend dollars collected for conservation/environmental purposes for work outside that scope.

Depleting these funds, even partially, jeopardizes federal matching funding used by DEP for program operations. The Hazardous Sites Cleanup Fund, Environmental Stewardship Fund, and the Conservation District Fund include federal matching funding with associated mandated uses.

At least one account is used to service debt; removing funding would jeopardize payments. The Environmental Stewardship Fund is used to service the debts of the Growing Greener program, scheduled to be \$20.9 million in FY2017-18.

Municipalities will suffer. DEP will not be able to fully fund Recycling Fund grants, some already in progress, for municipalities to support recycling programs and fulfill statewide recycling initiatives such as the Pennsylvania Recycling Markets Center at Penn State. This important program is good for the environment, supports jobs, and is now an integral part of most families' daily life.

Many of the funds targeted for transfers are used to cover shortfalls in the DEP budget not covered by the General Fund appropriations, and are not paid for with taxpayer dollars. Reducing these funds would lead to subsequent lapses and delays in inspections, enforcement, and permit reviews and potential staffing furloughs. At a time when DEP has begun showing progress in improving permit timeframes and inspection coverage, this proposal would send us in the wrong direction.

Raiding the revitalization accounts could stop critical pollution control and community enhancement projects. Removing \$50 million from the Hazardous Sites Cleanup Fund would postpone or cancel projects to rehabilitate sites throughout the state. Removing \$17.5 from the Industrial Sites Cleanup and Industrial Sites Environmental Assessment Funds would end projects to rehabilitate industrial brownfields into usable space, like a proposed pilot project that transforms brownfields into multi-dimensional community assets.

Withdrawing \$3.97 million from the Energy Development Fund would overdraw this account, which, as of July 31, 2017, has \$3.58 million in it. And would immediately halt at least one ongoing project for solar power.

Withdrawing coal lands improvement funds would halt projects already underway, and postpone or cancel future acid mine drainage projects. The \$2.8 million in this account is to be used for major watershed restoration projects throughout the bituminous and anthracite coal regions.

This raid harms programs that help our youth understand the value of protecting our environment. Removing \$1.2 million from the Environmental Education fund would eliminate grants to Pennsylvania schools and educational organizations that instill the importance of a healthy environment, foster an understanding of the functions of the natural world, and develop an understanding for the necessity of environmental protection and sound resource management.

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Overall, these programs represent jobs, economic development, and most importantly healthy environments for Pennsylvania's communities. Looting these funds does a disservice to Pennsylvania taxpayers, who will then foot the bill for these cuts through dirtier air and water and polluted lands.

I look forward to continuing a dialogue with you and your colleagues as the General Assembly and the administration work to finalize a responsible budget for FY 17-18. Should you have any questions, please do not hesitate to contact my office.

Respectfully,

A handwritten signature in black ink, appearing to read "Patrick McDonnell". The signature is fluid and cursive, with a large initial "P" and "M".

Patrick McDonnell
Secretary