



2015 Pennsylvania Land Conservation Conference

The (Past and) Future of Conservation Funding

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State Funding Programs

- ❖ Keystone Recreation, Park and Conservation Fund (Key 93)
- ❖ Agricultural Conservation Easement Purchase Program
- ❖ Growing Greener / Environmental Stewardship Fund (ESF)
- ❖ Heritage Area Program
- ❖ Marcellus Shale Legacy Fund (Act 13 of 2012)
- ❖ Oil & Gas Lease Fund

Key 93

- ❖ Established in 1993 — 15% of the state's realty transfer tax.
- ❖ DCNR receives 65% for Community Recreation Grants for planning, development, and land acquisition; Rivers Conservation Plans and Projects; Land Trust Projects; and Rails-to-Trails Projects.
- ❖ PHMC receives 13% to support projects that identify, preserve, promote, and protect historic and archaeological resources.
- ❖ Frequent target for revenue diversion by General Assembly.

Agriculture Preservation

- ❖ 1993 — dedicated funding source: 2% of cigarette tax revenue.
- ❖ 2002 — changed to flat amount of \$20,485,000 annually.
- ❖ Fifty-seven participating county programs receive state funds for the purchase of agricultural conservation easements.

Growing Greener / ESF

- ❖ Established in 1999 – General Fund commitment of \$650 million.
- ❖ 2002 — creation of Environmental Stewardship Fund (ESF) with dedicated source of funding from the ‘Tipping Fee’
- ❖ 2005 — \$625 million bond for “Growing Greener II”
- ❖ ESF monies have been repurposed to pay debt service on GGII Bonds (unprecedented)
- ❖ Per Act 13 of 2012 - \$35 million transfer from Oil & Gas Lease Fund to ESF

Heritage Area Program

- ❖ Established in 1989 — multifaceted regional strategy to conserve and enhance resources and promote heritage for tourism development. Pennsylvania has 12 state-designated Heritage Areas.
- ❖ Dependent on General Fund line-item appropriations in DCNR's annual budget.

Marcellus Shale Legacy Fund

- ❖ Established through enactment of Act 13 Impact Fee.
- ❖ Revenues are split between state agencies, counties and municipalities, and special funds.
- ❖ In 2013–2014, more than \$56 million went toward environmental, conservation, and recreation projects, with another \$27.8 million being transferred to the Environmental Stewardship Fund.

Marcellus Shale Legacy Fund (cont.)

Marcellus Shale Legacy Fund (40% of Impact Fee revenues) provides funding to the following environmental programs:

- (20%) Commonwealth Financing Authority (CFA)
- (10%) Growing Greener Environmental Stewardship Fund
- (25%) Water & Sewer Projects - split between PENNVEST and CFA H2O PA
- (15%) County Conservation and Recreation Projects
- (5%) Hazardous Sites Cleanup Fund

Oil & Gas Lease Fund

- ❖ Established in 1955 — revenues derived from rents and royalties from oil and gas leases of Commonwealth-owned land.
- ❖ 2009 – Act 50 provides \$50 million for an annual appropriation from the Fund to DCNR.
- ❖ 2012 – Act 13 authorized annual transfers to the Environmental Stewardship Fund (\$35 million annually) and the Hazardous Site Cleanup Fund (\$15 million as of 2016).
- ❖ General Assembly & Governor Rendell twice advanced leasing of state land for natural gas development to balance the state budget.
- ❖ Governor Wolf: Moratorium on Further Leasing (for now)

Issues

- ❖ Frequent Attempts by General Assembly and Governor's Office to Divert or "Zero Out" Funding for Conservation Programs.
- ❖ Diversions of Established Funds for Non-Dedicated Purposes.
- ❖ Forced leasing to help balance the budget.
- ❖ Dwindling revenues for established Funds and programs.
- ❖ Fiscal Code "stealth provisions"

Governor Wolf Budget Proposal

- ❖ Severance Tax on Unconventional Shale Gas Development — would incorporate, but cap, existing Impact Fee revenue programs and distributions.
- ❖ Reinstate \$17.4 million of DCNR Budget from General Fund.
- ❖ \$500 million bond for PennVEST water and sewer infrastructure projects
- ❖ No Funding for Heritage Parks.
- ❖ No proposed diversions from Special Funds (e.g., Key 93).

PEDF Case

- ❖ Court refused to address legality of leasing events because the companies that procured those leases were not parties to the case — but court recognized that it could be challenged.
- ❖ Secretary of DCNR, not the Governor or General Assembly, identified as appropriate authority on leasing decisions.
- ❖ On diversion of funds — “royalties” ok / “rents” no because separate standing appropriation.

Resources

- ❖ **Pennsylvania Environmental Digest**
www.paenvironmentaldigest.com
- ❖ **PA Growing Greener**
www.pagrowinggreener.org
- ❖ **PALTA's Conservation Advocate**
www.conservationadvocate.org
- ❖ **Pennsylvania Environmental Council**
www.pecpa.org