



CHESAPEAKE BAY FOUNDATION

Saving a National Treasure

September 21, 2009

Dear Members of the General Assembly and Governor Rendell:

The budget agreement announced Friday contains significant cuts in the budgets for environmental agencies and an unprecedented diversion of funds meant for environmental programs to balance the state budget, when options are still available to restore those cuts and divert fewer funds.

We are well aware of the economic and budget problems faced by the Commonwealth. However, we believe the budget agreement details announced so far mean a dramatic step backwards in Pennsylvania's efforts to restore our environment and to meet federal and state mandates to improve water quality. Clean water is a responsibility. Without strong state water protection programs and funding in place, Pennsylvania citizens will be left to foot the bill alone.

As you consider the final details of this year's budget, the Chesapeake Bay Foundation would strongly encourage you to:

- adopt a severance tax on natural gas production;
- leave decisions regarding leasing of State forest lands to the discretion and stewardship of the Department of Conservation and Natural Resources;
- return the largest portion of any funds derived from the severance tax and from the leasing of State forest lands for natural gas drilling to programs to restore and protect our natural resources and to local governments that must bear the burdens of host drilling operations;
- restore funding to the departments of Environmental Protection and Agriculture and county conservation districts to help meet the federal Clean Water Act mandates to cleanup the Chesapeake Bay Watershed and Pennsylvania's commitments to reduce nutrient pollution made in the Chesapeake Bay 2000 Agreement and most recently in the Chesapeake Executive Council's milestones, and to review and enforce permits;
- restore full funding-- \$10 million- to the Resource Enhancement and Protection Program (REAP) farm conservation tax credit Program to help farmers install conservation practices.

You should also know the budget agreed to Friday does nothing to replace funding for the Growing Greener Program that will effectively end in 2010. This means projects to restore watersheds, reclaim abandoned mines, preserve farmland and open space and support State Park and recreation improvement projects can no longer be funded under this program.

We believe many of these budget holes can be filled through the adoption of a severance tax on natural gas production being developed by out-of-state companies in Pennsylvania's Marcellus Shale gas fields. Again, the largest portion of these funds should go to support environmental programs and to local governments.

While some say it is difficult to raise revenue during hard economic times, we remind you the General Assembly and Governor enacted a new \$4.00 per ton fee on municipal waste disposal to support the Growing Greener Program during the economic downturn following September 11.

For the first time in modern Pennsylvania history, we face a huge erosion of financial support for environmental restoration and protection programs. This budget should not be considered done until adequate funds are provided to help the Commonwealth meet its environmental obligations and clean water mandates.

We would be happy to work with you to ensure the success of these initiatives.

Sincerely,

Matt Ehrhart
Pennsylvania Executive Director
Chesapeake Bay Foundation

cc: Sect. Donna Cooper
Mr. Steve Crawford

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