



FY 2009-10 Budget Impact Statement

The Department of Environmental Protection (DEP) is the state agency largely responsible for administering Pennsylvania's environmental laws and regulations. Its responsibilities include: reducing air pollution; making sure drinking water is safe; protecting water quality in rivers and streams; making sure waste is handled properly; supporting community renewal and revitalization; promoting advanced energy technology; and helping citizens prevent pollution and comply with state environmental regulations. DEP is committed to general environmental education and encouraging effective public involvement in setting environmental policy.

Budgetary challenges have forced DEP to make tough choices to preserve the programs and initiatives that protect the health and safety of Pennsylvania's citizens and our environmental resources. Critical environmental inspection and enforcement efforts that are essential to protecting health, safety and the environment remain top priorities and will not be reduced.

The total 2008-2009 DEP budget from all funding sources was \$719 million. Historically about one-third of department funding comes from federal funds; one-third from special funds supported by fees and penalties; and one-third from the state general fund.

In fiscal year 2009-2010, the general fund budget was reduced from \$217 million to \$159 million, a difference of \$58 million. The impacts of the reductions include:

Personnel: DEP will furlough 138 employees -- roughly 5 percent of its workforce -- and will not fill 120 vacant positions.

Services and Programs: Affected services and programs include:

- The elimination of some permitting staff in each region that may lengthen processing times for some permits; the department is in the process of raising any outdated fees to ensure effective permitting;
- A reduction in planning and technical services for local governments and counties;
- Elimination of funding for this year of the Consumer Energy Program;
- Reduction in the period of time Black Fly spraying can continue with spraying likely to terminate by the end of July 2010; and
- Elimination of West Nile Virus county grants in 36 counties; DEP staff will attempt to provide some lessened coverage in those counties where county programs do not operate.

Very importantly, the reduction in state funds will have no impact on the permitting and inspection operations performed by the Oil and Gas staff at DEP. Drilling companies – not taxpayers – pay for this critical environmental protection work. Fees for gas drilling permits were increased to make it possible for DEP to hire additional inspectors to oversee and make sure gas drilling in the state does not harm the environment.

Other important environmental work continues, with significant levels of state funds not affected by the recently enacted state budget. For example, since April 2009, the state has invested \$1.5 billion in new grants and loans for urgently needed repairs to local water, sewer, flood and dam infrastructure. That is more than four times the normal annual investment in these critical water project upgrades.

When it comes to energy, major electric utilities will invest \$1 billion in electricity conservation over the next four years in their service territories, making Pennsylvania a top five energy conservation state. In addition \$650 million will be released for alternative energy projects that will make Pennsylvania a top five solar state by the end of 2010. Pennsylvania now has enough wind farms to provide the electricity for 198,000 homes and ranked second nationally in the growth of wind energy during both the second and third quarters of 2009.