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Testimony to the Senate Environmental Resources and Energy Committee and the Local Government Committee

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Chairman Yaw and Chairman Hutchinson:

There is no doubt that the extraction of natural gas has had an impact on the Commonwealth, both positive and negative. Economic development and job creation are two positives of how the gas industry is helping local communities and the Commonwealth. But there is a flip side as well. Greater demands on existing infrastructure cause destruction and congestion on local roads, increases in social services, and environmental pollution have also impacted our communities and the state as a whole. Local communities need the revenue generated by the impact fee to address these issues and to survive.

Local governments rely on the revenues from the impact fee to reinvest in their communities. This need for a reinvestment of resources also exists for conservation, recreation, and restoration projects.

As one resource in an area is depleted or degraded, there must be a reinvestment of resources in another. For this reason, the Pennsylvania Growing Greener Coalition supported the passage of Act 13 because it contains a significant portion of funding for conservation, recreation, and restoration projects.

This was not an easy decision for the Coalition, as the Coalition represents a diverse and dynamic group of organizations, each with their individual missions.

It was the consensus that Act 13 met the mission of the Coalition by providing funding for conservation, recreation, and restoration projects through the Marcellus Legacy Fund (MLF). More specifically, the MLF provides monies to the state's Growing Greener Environmental Stewardship Fund, the Commonwealth Financing Authority, and to each county across the Commonwealth to support conservation, recreation, and restoration projects.

The Growing Greener Environmental Stewardship Fund (GGESF) receives 10 percent of the MLF. Act 13 also legislated an annual transfer of \$35 million from the Oil and Gas Lease Fund to the GGESF. Growing Greener is the state's premier conservation, recreation, and restoration program providing hundreds of millions of dollars in investments over the past sixteen years. Developed by the Ridge Administration, the Growing Greener program provides funds to communities and non-profit organizations to help restore and protect local watersheds, clean up abandoned mines, preserve and acquire farmlands and open spaces, and lessen non-point source pollution entering our waterways. Growing Greener also provides funds for maintaining our award winning state parks and forests system, for heritage conservation, and for the development of multipurpose trails, greenways, and parks in our



communities. Without the impact fee, this program would go from approximately \$65 million annually to \$20 million annually.

The Commonwealth Financing Authority (CFA) receives 20 percent of the MLF for abandoned mines, Pennsylvania Sewage Facilities Act, orphan or abandoned oil and gas well plugging, programs to establish baseline water quality data, watershed programs and related projects, and the planning, acquisition, development, rehabilitation, and repair of greenways, recreation trails, open space, parks and beautifications projects. This **new** program has provided more than \$45 million in investments to more than 270 projects in 54 counties over the past three years.

Each county government receives a portion, based on population, of 15 percent of the MLF for the rehabilitation of greenways, recreation trails, open space, and nature areas. This provides more than \$10 million per year to the counties of the Commonwealth – however – there are no reporting requirements on MLF, so it is not known if these funds are being used for the purposes intended in the legislation.

Marcellus Legacy Fund investments are benefitting communities from Philadelphia to Pittsburgh, Lancaster City to Williamsport, and beyond. I would encourage this joint committee to hold additional hearings on the Marcellus Legacy Fund investments being made in the areas of conservation, recreation, and restoration. Whether it is a community park, recreational trail, preserved farm, cleaned waterway, or protected historical site, these dollars are contributing to the economic vitality of the state and our communities, and to the betterment of our society.