



# Senate Environmental Resources and Energy Committee

Senator Mary Jo White  
Chairman

*Patrick Henderson, Executive Director*

Room 168 • State Capitol Building

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August 29, 2007

Ronald J. Wilshire, President  
Clarion Borough Council  
1400 East Main Street  
Clarion, PA 16214

Dear Mr. Wilshire:

Thank you for your recent letter on behalf of Clarion Borough Council regarding my support for Senate Bill 913.

Please be assured that I am aware of and support the financial assistance available to my communities through the Key '93 program. I am pleased to learn about the Borough's recent \$30,000 planning grant. With regard to Senate Bill 913, I would like to provide you some background so that you and your colleagues can fully understand this legislation.

As it currently stands, Senate Bill 913 would direct approximately \$40 million annually to the Hazardous Sites Cleanup Act Program, commonly called HSCA. HSCA serves as the Department of Environmental Protection's (DEP) first line of defense and assistance for local communities faced with toxic or hazardous material spills or releases. Additionally, HSCA is used to support over 250 DEP employees. HSCA has been without a dedicated source of funding for some time, and according to Governor Rendell literally faced bankruptcy at the beginning of July. Historically, HSCA has operated with a budget of between \$45 - \$55 million annually.

Governor Rendell stated that funding for HSCA was the Commonwealth's most pressing environmental funding need in the current budget. However, efforts to provide funding were a bit complicated. The Governor proposed a new \$50 million annual trash tax increase on residents, businesses and local governments. I did not support this tax increase. My preference, and that of my colleagues, was to utilize existing General Fund revenue to fund HSCA. Governor Rendell opposed this approach. Consequently, the legislature was left to find funding for HSCA without raising taxes or without the benefit of General Fund tax revenue.

Under Senate Bill 913, the \$40 million provided to HSCA would come from existing realty transfer tax revenue that is currently dedicated to the Key '93 Fund. The booming real estate market from the past several years has led to a literal windfall for the Key '93 program; indeed, funding for Key '93 has grown from approximately \$45 million in 2000 to nearly \$100

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million. Therefore, the legislation would allow us to meet a critical need while minimizing the impact on organizations that benefit from the Key '93 program. It is also important to note that many of the projects funded under Key '93 can also be funded under the \$625 million Growing Greener bond which I helped craft in 2005. In fact, under a provision I helped author in the bill, Clarion County is entitled to designate \$1 million in projects that must be funded by the state. Approximately \$180,000 of these funds remain unencumbered.

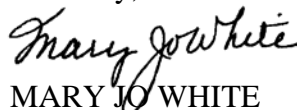
As budget negotiations continued in late June and early July, the discussion surrounding Senate Bill 913 also evolved. Governor Rendell, first and foremost, agreed to support the approach contained in the bill. DEP and the Governor's Office revealed to us that they did not actually need the full \$40 million contained in Senate Bill 913, so the amount was lowered to approximately \$23 million a year. The Governor also pushed for this to only be a two-year funding agreement, though I think a lengthier commitment would be more responsible. Finally, while funding would be transferred from Key '93, the Budget Office would "draw down" unexpended money within the Key '93 Fund to ensure that funding for libraries, parks, recreation projects and the State System schools would not be reduced. In summary, the draconian cuts advertised by some groups simply were not accurate.

At the end of the day, the funding approach contained in Senate Bill 913 was not acted upon by the House of Representatives. Consequently, the HSCA program and its 250 DEP employees remain without a funding stream for the current fiscal year. DEP has stated it will close this program within the next month, and I am currently trying to ascertain what DEP is doing to meet the needs of communities facing HSCA-related emergencies.

As Council no doubt knows from its own experiences, budgeting is about balancing often competing priorities out of limited tax revenue. The goal of Senate Bill 913 is not to undercut funding for Key '93 related projects. The goal is to provide an assured stream of funding for a critical program that communities all across the Commonwealth rely upon every day. I believe this is a responsible approach. I remain open to ideas on how to improve this legislation, but am very worried about the lack of funding that currently exists for the HSCA program.

Thank you again for bringing this important matter to my attention.

Sincerely,



MARY JO WHITE  
SENATOR, 21<sup>ST</sup> DISTRICT

cc: Clarion Borough Council