



Pennsylvania Department of Environmental Protection

Rachel Carson State Office Building
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September 12, 2007

Secretary

717-787-2814

The Honorable Dominic F. Pileggi
Senate of Pennsylvania
Senate Post Office Box 203009
Harrisburg, PA 17120-3009

Dear Senator Pileggi:

I would like to bring you up-to-date on the current fiscal situation of the Hazardous Sites Cleanup Fund (HSCF).

Over the last three years I have carefully managed the Fund to prolong the program's operations. Currently, the HSCF funds are only being used to address imminent threats to health and safety, but not fully remediate problem sites. For example, at some sites, bottled water has been supplied to homes with contaminated water rather than build public water lines.

As of July 1, 2007, HSCF has a \$19.3 million balance. This balance combined with revenue projections of \$5.5 million will provide a total of \$24.8 million. The \$24.8 million is sufficient to pay for our federally mandated cleanup costs for the remainder of the current fiscal year and maintain program staffing through January 1, 2008.

The Department had been operating according to a spending plan that would have resulted in program closure on September 30. That spending plan reserved dollars to meet the Commonwealth's federal obligations and provide emergency response activities until 2010. Given that the funding situation was not successfully resolved in the budget process, we revised our spending plan in order to meet federal commitments and emergency response only through the end of this fiscal year. The good news is that, together with monies made available due to slowed spending under existing contracts, this plan gives us the ability to continue to address imminent threats to health and safety through 2007 until January 1. The bad news is that, if funding is not identified, in addition to losing the vital hazardous sites and brownfield cleanup programs, the Commonwealth will not have any funding to meet the federal obligations to clean up the Superfund sites or be able to respond to emergency situations beyond June 2008.

In terms of the furlough planning, we are prepared to meet our responsibilities under collective bargaining agreements and civil service rules. Assuming a January 1, 2008 furlough, the Department

