Department of Conservation & Natural Resources

2014-2015 Annual Report
Pennsylvania Constitution
Article I, Section 27

The people have a right to clean air, pure water, and to the preservation of the natural, scenic, historic and aesthetic values of the environment. Pennsylvania’s public natural resources are the common property of all the people, including generations yet to come. As trustees of these resources, the commonwealth shall conserve and maintain them for the benefit of all the people.

MISSION STATEMENT OF
The Conservation and Natural Resources Advisory Council

Drawing upon the diversity of experiences and perspectives of its appointed citizen members, the Council will provide to the Department of Conservation and Natural Resources, to the Governor, to the General Assembly, and to the public, advice regarding the conservation and stewardship of the Commonwealth’s natural resources.

The powers and duties of the Council will be carried out as legislatively mandated in Section 315(d), Act 18 of 1995.

On the cover: Michaux State Forest
September 1, 2015

The Honorable Tom Wolf  
Office of the Governor  
225 Main Capitol  
Harrisburg, PA 17120

Dear Governor Wolf:

The Conservation and Natural Resources Advisory Council (CNRAC) is pleased to present its 2014-2015 annual report of our activities in fulfillment of our obligations to provide advice and recommendations to the Department of Conservation and Natural Resources (DCNR).

The election year and change of administration created a year of transition for CNRAC. In addition to our transition statement, which we provided to you late last year and is included in this report, we also wrote to both gubernatorial candidates expressing our concerns about the use of the Oil and Gas Lease Fund for purposes other than those for which it was intended. We are pleased to see in your proposed budget, you are reducing the reliance of the DCNR budget on the Oil and Gas Lease Fund to fund agency operations.

We believe there are pressing issues facing Pennsylvania’s natural resources, such as unconventional gas drilling, biodiversity and climate change that warrant the attention of the council. We hope this report and our future actions will give you an indication of our commitment to these and other important issues.

Sincerely,

[Signature]

Walt Peechatka  
CNRAC Chairman
CNRAC Council Members 2014-2015

GOVERNOR’S APPOINTMENTS

Erick J. Coolidge - Wellsboro, PA; Tioga County Commissioner and Owner/Operator of Le-Ma-Re Farm; term expires January 2016.

Paul Lumia - Dallas, PA; B.A. Economics, Lehigh University; M.S. Environmental Resource Management, University of Pennsylvania; Executive Director, North Branch Land Trust; term expired January 2015, awaiting reappointment.

Paul A. Lyskava - Camp Hill, PA; B.A. Notre Dame University; M.P.A. Public Administration, Penn State University; Executive Director, Pennsylvania Forest Products Association; term expires January 2018.

L. Richard Sayles - Harrisburg, PA; B.S. Developmental Psychology, Penn State University; Dauphin County Area Coordinator for the Retired Senior Volunteer Program (RSVP) of the Capitol Region; term expires January 2017.

Ephraim Zimmerman - Pittsburgh, PA; B.S. Wildlife Biology, Colorado State University; M.S. Forest Ecology, University of Michigan; Ecological Assessment Manager, PA Natural Heritage Coordinator, Western Pennsylvania Conservancy; term expires January 2017.

Lori Mizgorksi - Pittsburgh, PA; B.A. English, Hood College; Shaler Township Board of Commissioners. (resigned seat in January 2015)

PRESIDENT PRO TEMPORE OF THE SENATE APPOINTMENTS

Rocco S. Ali - North Apollo, PA; B.S. Biology and Chemistry, Geneva College; M.S. Orthopedics and Neurology, University of Pittsburgh; Physical Therapist and Clinical Supervisor, Nova Care Outpatient Rehabilitation; term expires January 2017.

L. Stockton Illoway - Phoenixville, PA; B.A. Liberal Arts, Harvard University; M.S. Financial Science, American College; Senior Sales Associate, 1847 Financial; term expires January 2017.

Robert Kirchner - St. Marys, PA; B.S. Health & Physical Education, Slippery Rock University of PA; Senior Risk Control Consultant, PMA Companies; President, American Council of Snowmobile Associations; term expires January 2017.

Walter N. Peechatka - New Cumberland, PA; B.S. Forestry, Penn State University; Senior Consultant, Versant Strategies; term expires January 2016.
Janet L. Sweeney - Luzerne, PA; B.A in Sociology, State University of New York; M.S. Science in Planning and Regional Development, University of Arizona; Director, Pennsylvania Environmental Council; term expires January 2018.

David Trimpey - Pittsfield, PA; B.S. in Forest Science, Penn State University; Resource Manager, Kane Hardwood Division of Collins Pine Company; term expires January 2018.

SPEAKER OF THE HOUSE APPOINTMENTS

Clifford C. David, Jr. - Lower Gwynedd, Montgomery County, PA; B.A. Psychology, Bucknell University; B.S. Botany, University of Vermont; M.S. Organization and Management, Antioch College; President, Conservation Economics; term expires January 2017.

William Engle - Harrisburg, PA; B.S. Geoenvironmental Studies/History, Shippensburg University; M.S. Education, Temple University; term expires January 2017.

William C. Forrey - Camp Hill, PA; B.S. Landscape Architecture; M.S. Regional Planning, Penn State University; Retired Pennsylvania State Park Director; term expired January 2015, awaiting reappointment.

Gary M. B. Kribbs - Havertown, PA; B.A. Geology, University of Toledo; M.S. Geology, University of Toledo; President, AEON Geoscience, Inc.; term expires January 2016.


David Rohm - Pittsburgh, PA; Visual Communications, Art Institute of Pittsburgh; Design Team Leader, Infinity Concepts; term expires January 2017.

CNRAC OFFICERS AND STAFF

DCNR Secretary – Cindy Adams Dunn
Chairman – Walt Peechatka, May 2013 to May 2015
Secretary – Paul Lumia, Sept. 2013 to May 2015
DCNR Council Adviser – Gretchen Leslie
Council Assistant – Danna Koren
CNRAC Meetings


July 23, 2014

Ellen Shultzabarger, division chief in DCNR’s Bureau of Forestry, gave a presentation to council members on the department’s plant regulations, which are in the process of being updated, as well as an overview of the Bureau of Forestry’s plant program.

Lauren Imgrund, bureau director from DCNR’s Bureau of Recreation and Conservation, gave an update on the department’s Statewide Comprehensive Outdoor Recreation Plan. The update included a timeline, a current draft of recommendations, and action items created thus far.

Brian Grove and Pam Pasi from DCNR’s Bureau of Administrative Services, gave a budget update on the current fiscal year 2014-2015 to council members. Some general discussion occurred with the Oil and Gas Lease Fund and the department’s increasing reliance on gas extraction to fund department operations.

During the public comment period, Joanne Kilgour from the Sierra Club thanked the council for their response letter dated July 3, 2014, and the council’s attention to the Sierra Club’s concerns with the monitoring report and Oil and Gas Lease Fund.

Others in attendance were:

- Michele Tate, DEP, Citizens Advisory Council Executive Director
- Wendy Carson, DCNR, Assistant Council
- Chris Novak, DCNR, Press Secretary
- Paul Lyskava, PA Hardwoods Council
- Rebecca Oyler, DCNR, Policy Director
- Fred Brown, Brown & Associates
September 25, 2014

This meeting was held at the Genetti Hotel and Convention Center in Williamsport as part of the annual CNRAC field trip.

Mark Murawski, Lycoming County Planning, gave a presentation to council members on the role DCNR has played in Lycoming County in relation to the Pine Creek Rail Trail, Susquehanna Riverwalk, and future trail projects.

Jim Weaver, Tioga County Planning, gave a presentation to council members on work Tioga County does with trails as well as the role DCNR has played in projects and watersheds.

Renee Carey, Northcentral PA Conservancy, presented to council the work the conservancy has done with DCNR and the Bureau of Forestry through land acquisitions.

During the public comment period, Harvey Katz addressed the council to discuss a current project he is working on in the Loyalsock State Forest to look at wetland habitats. Mr. Katz made a few comments on the conditions of the soil in the state forest lands, particularly at higher elevations, as well as the water quality of streams, and the overall health of the trees. Mr. Katz also made a comment to the council on the impact the Marcellus Shale industry has had on state forests.

Bob Deering addressed council members on the impacts of Marcellus Shale industry has had on local residents and recreational users. Mr. Deering also mentioned some concerns locals have had such as health, noise, truck traffic, etc.

Ralph Kisberg read a letter he had written for the council that addressed issues relating to the Loyalsock State Forest, specifically the Clarence Moore Lands and the potential impact drilling could cause.

Jerry Walls addressed the council on the work of the Susquehanna Greenway Partnership to make Pennsylvania the best place to live and work. Mr. Walls discussed some of the major trail projects they and their partners are working on.
Others in attendance were:

- Bob Deering, Resident of Lycoming County
- Jerry Walls, Susquehanna Greenways Partnership and Pine Creek Watershed Council
- Robert Phillips, Williamsport Sun-Gazette
- Harvey Katz, Resident of Lycoming County
- Robert Cross, Responsible Drilling Alliance
- Ralph Kisberg, Responsible Drilling Alliance
- John Morrison, Shalefield Organizing Committee
- Tayler Anderson, Representative Mirabito’s Office

November 19, 2014

Chairman Peechatka informed council members that, since the September meeting, he submitted a copy of the white paper on the Oil and Gas Lease Fund to both the Corbett and Wolf campaigns on behalf of the council. He and Adviser Gretchen Leslie also ensured that DCNR staff responded to the concerns of Mr. Kisberg and Mr. Deering from the last public meeting.

Council member David Rohm brought to the council’s attention the need for updating CNRAC’s logo and streamlining the website. Mr. Rohm will work with Ms. Leslie and DCNR staff to make the website more appealing and user friendly. Mr. Rohm also suggested with council approval that he will come up with a few logo designs for council to vote on at the January meeting. The council voted unanimously in favor of a new logo and updating the website.

Matt Beaver, DCNR’s Bureau of Forestry Recreation Section, gave a presentation to council on the current ATV trail riding opportunities that occur on state forest land. DCNR offers 11 trails for over 200 miles of riding opportunity. The department is looking to enhance trail riding opportunities without expanding the trail system. Mr. Beaver went over recent trail connectors and completed projects.

Rebecca Oyler, DCNR’s director of policy and planning, gave a presentation to council members on the department’s interest in closing trail gaps on the ATV trail system. DCNR is currently drafting a scope of work to hire a consultant to create a statewide inventory of riding opportunities, identify trail gaps specifically in the north-central region of the state, and propose feasible outcomes and alternatives to close these gaps. Council members asked a few questions and provided feedback and suggestions.

Lauren Imgrund, DCNR director, Bureau of Recreation and Conservation, gave another update to council members on the Statewide Comprehensive Outdoor Recreation Plan (SCORP). Lauren
discussed the status of the plan, the outcome of the three public meetings held in October, recommendations and action items. DCNR received over 10,000 comments from the public on this plan through various forms of public participation.

During the public comment period, Jeff Schmidt, Sierra Club, addressed council on the elimination of dedicated DCNR staff and the importance of reinstating an executive director. Mr. Schmidt also provided suggestions for council members to consider with the upcoming transition.

Fred Brown, Brown & Associates, briefly addressed council members on the work DCNR is doing on the ATV trail gap analysis and statewide inventory and discussed the importance of economic benefits that ATVs provide the commonwealth.

Others in attendance were:

- Sarah Clark, Executive Director, Environmental Committee Democratic Caucus

January 28, 2015

Newly appointed DCNR Acting Secretary Cindy Adams Dunn was introduced to the council.

Acting Secretary Dunn discussed her history with the council, including being around at its formation. She pledged her commitment to working with them and making sure they are involved in DCNR’s work. She discussed Governor Wolf’s commitment to open government, leading differently, public participation, ethics, transparency and interagency cooperation. Ms. Dunn thanked council for their transition paper and praised them for their work.

Richard Morrison, chief counsel for DCNR, reviewed the recent Pennsylvania Commonwealth Court decision to uphold the commonwealth’s right to lease more public lands for drilling and to allow oil and gas revenues to be used for programs other than environmental conservation.

Ellen Shultzabarger from DCNR’s Division of Ecological Services gave a presentation on the state’s bat populations and efforts to develop a bat conservation plan. Recent grants from the U.S. Fish and Wildlife Service will enable DCNR and the Pa. Game Commission to develop a conservation plan to address impacts to federally-listed bats in Pennsylvania from forest management practices on state park, forest and game lands.

Randy White from DCNR’s Division of Forest Fire Protection along with Mike Kern from the division gave an overview of forest fire protection in the state going back 100 years. The Bureau of Forestry has a responsibility for forest fire protection for the entire commonwealth, not just state forest lands. The division works with forest fire wardens and local fire companies to tackle the forest fires every year which, on average, burn about 5,000 acres—almost all caused by humans. The division also has trained personnel who travel to other states each year to help combat larger fires.
During the public comment session, Ralph Kisberg from the Responsible Drilling Alliance discussed his time living in New Mexico and the fire suppression efforts in that state and region. He said he would be willing to share his insights with the division.

Others in attendance were:

- Laura Legere, Pittsburgh Post-Gazette reporter
- R.B. Swift, Scranton Times reporter
- Joanne Kilgour and Jeff Schmidt from the Sierra Club
- Bob Keaton from the American Forest and Paper Association

March 23, 2015

Mark Faulkenberry from the Bureau of Forestry, Division of Conservation Science and Ecological Resources, presented the DCNR Hemlock Conservation Plan for the eastern hemlock tree. The full plan is available for public viewing online. It was developed in conjunction with Don Eggen and Houping Liu of the Division of Forest Pest Management.

Mr. Liu, PhD, forest entomologist, presented the DCNR management plan for the emerald ash borer for Pennsylvania communities. The emerald ash borer (EAB) is an invasive insect that has caused the deaths of 20 to 55 million ash trees. Its presence can result a 99 percent tree mortality rate due to the nutrient transportation disruption caused by larval feeding. Economic damages may exceed $10 billion.

Greg Podniesinski, PhD, from the Division of Ecological Services, presented the Pennsylvania Natural Heritage Program’s revisions to the Pennsylvania Natural Diversity Inventory Environmental Review tool (PNDI). The upgraded tool will allow members of the public to perform online searches for any prospective impacts to endangered or protected wildlife species. The tool can be particularly useful for property owners, project planners, developers, and other stakeholders. Users can perform a search analysis of the land they plan to develop and determine any potential impacts before submitting permit applications.

Michelle Tate, executive director of DEP’s Citizens Advisory Council (CAC), spoke about the council’s recommendations for making DEP’s advisory committees more effective. A number of her findings may be applicable to DCNR’s advisory boards. The CAC distributed a survey to the chairpersons of each of DEP’s 22 advisory committees. The responses to this survey were provided to CNRAC members in print.

During the public comment period, Jeff Schmidt of the Sierra Club applauded the decision by Gov. Wolf to reinstate the moratorium on additional oil and gas leases on state park and forest lands. He felt that a reduction in DCNR’s reliance on the oil and gas lease fund is a positive development. He suggested that DCNR begin listing all the advisory committees and their participants online in the spirit of openness and transparency. He also suggested that DCNR adopt a similar approach to DEP’s CAC and audit the advisory committees currently in operation. Finally, he mentioned that it would be helpful for CNRAC to have a full-time staff person on board to help manage the operation.
May 27, 2015

Council unanimously approved new members in leadership positions: Rick Sayles as chairman, Paul Lumia as vice chairman, and Gary Kribbs as secretary.

Alfred Uzokwe, director of the Bureau of Facility Design and Construction (FDC), presented information about DCNR’s green building initiative, which is focused on increasing the number of LEED-certified structures in state parks and forests. Currently, the agency has 121 dams (40 of which are classified high-hazard) and approximately 4,000 buildings and 800 bridges. All of this infrastructure requires maintenance and improvement over time. The goal of FDC is to design new buildings using sustainable features and to rehabilitate the old ones to incorporate energy efficiencies.

Seth Cassell, division chief with DCNR’s Bureau of Forestry, presented information about the upcoming release of the new State Forest Resource Management Plan, on track to be ready for public release and comment in August. Mr. Cassell suggested there is a role for Council in soliciting public comment on the plan. The Bureau of Forestry will be holding public meetings in the fall and using social media and email distribution lists to publicize the plan.

Marci Mowery, executive director of the Pennsylvania Parks and Forests Foundation (PPFF), presented about the ongoing partnership between DCNR and PPFF. This important relationship sustains projects and initiatives throughout the commonwealth by securing funding and support. The group also raises awareness about the importance of recreation and encourages volunteerism in state parks and forests.

Sara Nicholas, DCNR’s director of policy and planning, presented information about the ongoing ATV policies in state parks and forests. There has been disagreement between groups about where new ATV trails should be allowed, particularly since the consequences of allowing ATVs in state forests often include damage to areas around existing trails, by illegal riding off trails. DCNR will seek input from CNRAC members on a draft policy for new ATV trails.

During the public comment period, Jeff Schmidt of the Sierra Club expressed support for DCNR’s position on ATV trails. He expressed concern about how extensive the connector trails would have to be. He also expressed concern for a large ATV proposal by the Central Mountain ATV Association in northern Pennsylvania that would involve 800 miles of additional trails, and mentioned his opposition to HB 663 which allows for motorbike use on state lands.
Shanna Klucav of the Keystone Trails Association spoke about the organization’s extensive volunteer hours in support of DCNR’s projects. She expressed concern about the impact of motorcycle and other motorized vehicle use in addition to ATVs.

Richard Martin of the PA Forest Coalition, a former ATV salesman and safety instructor, spoke about the complexity of ATV policies.

Others in attendance were:

- Jonathan Lutz, PA House of Representatives
- Kerry Lange, Gmerek Government Relations
- Jason Stephen, Gmerek Government Relations
- Kevin Moody, PIOGA
ANNUAL COUNCIL FIELD TRIP

CNRAC took its annual field trip Set. 24-25, 2014 to learn more about unconventional gas drilling on state forest lands and its impact on the surrounding community. Members of council began their trip with a tour of the Tiadaghton Resource Management Center in Waterville. The 12,655 square-foot, LEED-certified green building features interactive exhibits; a green roof; energy efficient lighting, heating and cooling; and recycled materials.

A lunchtime panel with several local stakeholders focused attention on the gas activity in the surrounding area. Panelists included Glenn McConnell, owner of McConnells Country Store; Paul Hoffmaster, McHenry Township supervisor; Dan Casey, Hyner Mountain Snowmobile Club; and Zach Roeder, DCNR.
Council visited several active Marcellus sites on Tiadaghton State Forest, including a well pad, a water impoundment and pipelines.
COUNCIL ACTIONS

Council drafted a letter to candidates Tom Wolf and Tom Corbett during their gubernatorial election campaigns in October 2014 regarding concerns about the Oil and Gas Lease Fund. A copy of the below letter was sent to both campaigns.

October 6, 2014

Mr. Tom Wolf
Tom Wolf for Governor
100 S. Broad Street
Suite 1530
Philadelphia, PA 19110

Dear Mr. Wolf:

I am contacting you as a candidate for Governor to make you aware of a potential issue that may be facing the Commonwealth and the Department of Conservation and Natural Resources in the future. I refer specifically to the Oil and Gas Fund enacted in 1955 and administered by DCNR.

At its July and September 2014 meetings, the DCNR Advisory Council discussed the changes that have been made in the last six years in how the revenues from oil and gas extraction from state-owned lands are treated and the potential challenges facing the Commonwealth and the department if the current process is continued into the future.

Following discussion at our most recent meeting on September 25, 2014 in Williamsport, the Council unanimously adopted a position paper entitled “Restoring the Original Purpose of the Oil and Gas Fund,” a copy of which is attached.

We are providing this information to both candidates for Governor for your consideration. If you or your staff have questions or wish to discuss this matter further, please feel free to contact me.

Thank you for your consideration.

Sincerely,

Walt Peechatka, Chairman

Attachment
cc: Sarah Galbally, Policy Director
Ellen Ferretti, DCNR Secretary
Restoring the Original Purpose of the Oil and Gas Fund

Background

The Department of Conservation and Natural Resources and its predecessor agency, Forests and Waters, historically have been funded with general fund revenues of the Commonwealth. The decision to do so was based on the very nature of the work of the agency in managing more than 2 million acres of state forest lands and operating 120 state parks as the steward of these resources for the benefit of the Commonwealth and its 12 million citizens. Also, it is important to remember that the DCNR budget is a very small part of the state budget. For example, the state park budget amounts to only three tenths of one percent of the total Commonwealth budget.

The Oil and Gas Fund was created in 1955 to provide a vehicle in which revenues from the extraction of oil and gas resources from, and under, state forest and park land could be placed in the Fund. The proceeds of that Fund would be used to fund special projects of the agency for the purposes of conservation, recreation, dams and flood control projects on Commonwealth lands. The intention was that revenues raised from extraction of resources from public lands were to be reinvested in those lands by implementing conservation programs, advancing recreational programs, and by the installation of dams and other flood control projects on those lands.

This approach was used for more than 50 years. Essential services of the agency were paid from General Fund revenues and the revenues from the Oil and Gas Fund, which essentially were held in trust, were used for special projects in fulfillment of the Act creating the Fund.

Recent Changes

Beginning in 2008, the Commonwealth started down what could be defined as a very “slippery slope.” Since that time, revenues from gas development on state forest land were diverted from the intended purpose of the Act to the General Fund of the Commonwealth to be used to pay for DCNR operations and also increasing amounts for programs of other agencies in the six years since that time.

In the current fiscal year (2014-2015), the General Fund will be contributing approximately 4% of DCNR’s total budget, while the Oil and Gas Lease Fund will be contributing around 37%, all of which will be used for the day-to-day operations of the agency and not for special projects as originally intended.

Outlook

If the current trend continues, the “slippery slope” will get steeper and even more slippery as the basic and essential services of DCNR will be funded entirely by revenues resulting from the extraction of gas resources on state lands. No funding will be available for special projects, the originally intended use for those funds, and the backlog of infrastructure projects requiring attention will get greater.

A major dilemma will arise when those gas and oil resources underlying state lands are exhausted, or in an economic downturn of the industry, or as a result of an industry decision to drill and cap the wells with the goal of returning sometime in the future to extract the resources. During any of these scenarios the revenue shortfall will jeopardize the Commonwealth’s ability to adequately fund DCNR to carry out its mission to
provide adequate management of the state parks and forests and a quality visit to citizens using these lands, or the ability to address the special project needs on those state-owned lands.

**Recommended Actions to Address the Situation**

1. Return to funding DCNR from the General Fund and restore the original purpose of the Oil and Gas Fund.

2. Establish a minimum level of revenue that must be placed in the Oil and Gas Fund to be used by the DCNR for special projects in fulfillment of the original purposes of the Fund.

3. Revenues in excess of the minimum level established may be also placed in the Fund or on a temporary basis be placed in the Commonwealth’s General Fund to be used by the administration to meet its General Fund obligations.

4. Revenues placed in the General Fund may be used to fund the operations of the DCNR.
Council submitted the following transition statement to Gov.-elect Wolf regarding priority issues for the Council and DCNR.

**Transition Statement of the Conservation and Natural Resources Advisory Council**

"The central thing for which conservation stands is to make this country the best possible place to live in, both for us and our descendants. It stands against the waste of the natural resources which cannot be renewed, such as coal and iron; it stands for the perpetuation of the resources which can be renewed, such as food-producing soils and the forests; and most of all it stands for every American citizen to get his fair share of benefit from these resources, both now and thereafter."


DCNR is a significant contributor to some of the commonwealth’s largest industries and serves as the protector of our vital natural resources. It takes a significant commitment of resources – human and financial – for DCNR to attain its goals of leadership in the management of the state’s natural resources.

As the agency’s legislatively mandated advisory council, CNRAC strongly encourages the Wolf Administration and the DCNR Secretary to define the correct balance among natural resource conservation, resource extraction, recreation and tourism and be fiscally supportive of programs and services and legislative responsibilities.

Charged with providing advice to the Governor, DCNR and others on the stewardship of the commonwealth’s natural resources, CNRAC offers the following insight for the Wolf Administration on top DCNR issues.

**PRIORITY ISSUES**

**Oil and Gas Lease Fund**

The Oil and Gas Fund was created in 1955 to provide a vehicle in which revenues from the extraction of oil and gas resources from, and under, state forest and park land could be placed in the Fund. The proceeds of that Fund would be used to fund special projects of the agency for the purposes of conservation, recreation, dams and flood control projects on commonwealth lands. The intention was that revenues raised from extraction of resources from public lands were to be reinvested in those lands by implementing conservation programs, advancing recreational programs, and by installing dams and other flood control projects on those lands.

This approach was used for more than 50 years. Essential services of the agency were paid from General Fund revenues and the revenues from the Oil and Gas Fund, essentially held in trust, were used for special projects in fulfillment of the Act creating the Fund.
Beginning in 2008, revenues from gas development on state forest land were diverted from the intended purpose of the Act to the General Fund of the commonwealth to be used to pay for DCNR operations and also increasing amounts for programs of other agencies in the six years since that time.

In the current fiscal year (2014-2015), the General Fund will be contributing approximately 4% of DCNR’s total budget, while the Oil and Gas Lease Fund will be contributing around 37%, all of which will be used for the day-to-day operations of the agency and not for special projects as originally intended.

Continuing on this path will mean essential services of DCNR will be funded entirely by revenues resulting from the extraction of gas resources on state lands. No funding will be available for special projects, the originally intended use for those funds, and the backlog of infrastructure projects requiring attention will get greater.

A major dilemma will arise when those gas and oil resources underlying state lands are exhausted, there is an economic downturn of the industry, or there is an industry decision to drill and cap the wells with the goal of returning sometime in the future to extract the resources. During any of these scenarios the revenue shortfall will jeopardize the commonwealth’s ability to adequately fund DCNR to carry out its mission to provide adequate management of the state parks and forests and a quality visit to citizens using these lands, or the ability to address the special project needs on those state-owned lands.

Therefore CNRAC recommends:

- Return to funding DCNR from the General Fund and restore the original purpose of the Oil and Gas Fund.
- Establish a minimum level of revenue that must be placed in the Oil and Gas Fund to be used by the DCNR for special projects in fulfillment of the original purposes of the Fund.
- Revenues in excess of the minimum level established may be also placed in the Fund or on a temporary basis be placed in the commonwealth’s General Fund to be used by the administration to meet its General Fund obligations.
- Revenues placed in the General Fund may be used to fund the operations of the DCNR.

**Resource extraction on state park and forest lands**

Currently 386,000 acres of state forest land are available for gas development through department-issued leases. Additionally, 287,000 have the potential for shale gas development where the agency does not own the subsurface rights. Over 1,000 well locations have been approved for all of state forest lands since 2008, with the majority on commonwealth-issued leases. By September 2014, there were 470 unconventional shale gas wells reporting royalty production on state forest lands where the commonwealth issued a lease agreement. To manage this growth, DCNR has expanded natural gas monitoring staff, improving best management practices and managing increased natural gas activity, while balancing the other uses and values of the forest. In 2014, DCNR issued its shale gas monitoring report outlining its efforts to track, detect and report on a broad set of values, including: water, wildlife, plants, invasive species, incidents, air, landscapes, soils, revenue, energy, recreation, community engagement, forest health, timber products and infrastructure. CNRAC believes future reports should include more detail about the groundwater and potential headwater stream impacts to the activity.
While CNRAC believes that DCNR has well-qualified staff to manage gas activity, unconventional gas drilling brings a host of challenges to the agency, both short-term and long-term, which stress the agency’s personnel and finances. For instance, two lawsuits currently are challenging Executive Order 2014-13, which lifted the moratorium on new gas leasing on state forest and parks and allows for limited leasing that results in no additional long-term disturbances.

CNRAC recommends that DCNR increase resources for management of existing oil and gas resources on state lands, including using the Bureau of Topographic and Geologic Survey, and solicits assistance from other state agencies in order to best manage resource extraction.

The council also recommends DCNR continue to pursue forest certification by the Rainforest Alliance under the Forest Stewardship Council™ (FSC) standards. This independent certification ensures DCNR is managing its forests in a way that protects their long-term health and sustainability. Each year since 1998, a team of scientists have been reviewing the management of the 2.2 million acres of state forestlands, and each year researchers have lauded Pennsylvania’s commitment to its forests, and exemplary practices and innovation in managing forest resources. CNRAC expects this practice will continue.

Maintenance of DCNR park and forest infrastructure

Pennsylvanians expect their parks and forests areas to be safe, clean, well-maintained and accessible. A recent survey of Pennsylvanians indicated that maintaining existing infrastructure was a top priority when it came to their outdoor recreation interests. DCNR resource managers are challenged with protecting the lands and waters entrusted to them, while building and maintaining facilities to adequately serve citizens’ wants and needs.

The existing infrastructure to support outdoor recreation in our parks and forests is worth billions of dollars. Within the Pennsylvania parks and forests system alone are 4,700 buildings, 3,720 miles of roads, 842 bridges, 180 boat launches and 121 dams. The estimated cost to repair and improve those facilities approached $1 billion in 2013.

In February 2014, Governor Corbett announced Enhance Penn’s Woods, a 2-year, more than $200 million initiative to repair and upgrade state park and forest infrastructure. The effort will involve about 200 projects, from new visitor centers and campground improvements to dam, fire tower, road and bridge repairs, as well as land acquisitions. As of September 2014, 56 projects totaling over $41 million are in various stages of bidding, award, or construction. All remaining projects, totaling about $159 million, are in the design phase.

CNRAC recommends that the projects from Enhance Penn’s Woods get completed and that other infrastructure projects be addressed as soon as possible.

Maintaining and improving DCNR’s grant program

DCNR’s Community Conservation Partnerships Program creates new recreational opportunities, conserves natural resources and helps revitalize local communities through grants to nonprofits and government entities. Funding comes from the Keystone Fund, which is generated from a portion of the realty transfer tax; the Environmental Stewardship Fund; the ATV/Snowmobile Fund, generated through fees for licenses; and federal monies. Over the last four years, more than $130 million in grants for recreation and conservation initiatives have been provided for parks, open spaces, trails, rivers, and heritage areas. This money has
leveraged at least that amount because the grants require a 50 percent match. Without this program, our trails, community parks and playgrounds, rivers and open spaces would suffer.

To sustain our recreation facilities and protect our resources, the Community Conservation Partnerships program must thrive and grow. These investments are vital to the prosperity of our cities, towns and rural areas. Each year, the grant program can only fund about half of the amount requested. There have been years where the Keystone Fund has been threatened to help fill the gap of budget shortfalls.

CNRAC recommends that the commonwealth continue its support of this important matching grant program to strengthen the partnership between the commonwealth and local units of government and other appropriate entities.

**Expansion and improvement of trails**

Pennsylvania is one of the nation’s leaders in its total mileage and types of recreational trails. Interconnecting neighborhoods, workplaces, retail centers, and natural resources through trails and pathways helps create healthier citizens and communities and saves energy. Long distance trails like the Pine Creek Rail Trail and the Great Allegheny Passage have become economic engines in small towns, drawing visitors from around the world. This expansive trail network would simply not exist without DCNR’s funding and technical expertise. Pennsylvania’s Outdoor Recreation Plan identifies trails as one of the state’s most important priorities in helping meet our health, recreation and economic development needs. DCNR and partners are also working on completing a strategic trails plan that will accompany the next Outdoor Recreation Plan, which will be released in early 2015.

CNRAC recommends that the current emphasis on trails be continued and that the trails strategic plan (part of the Outdoor Recreation Plan) be implemented. Whenever appropriate, DCNR should contractually engage partners in the private and/or nonprofit sector to form enterprise or operational public/private partnerships. This action would relieve the burden on the department in areas where this dedicated expertise is available, willing and able.

**Biodiversity**

DCNR plays a critical role in protecting and stewarding land for biological diversity. On DCNR-managed lands, the agency is aggressively addressing invasive species in its parks and forests, as well as increasing habitat restoration and improvement efforts throughout the system. The agency’s efforts include large-scale lake habitat and shoreline stabilization projects; a hemlock conservation plan; a bat conservation plan; selective removal of undesirable species; prescribed burning; species restoration; control of nuisance and invasive aquatic vegetation; and more.

On a statewide level, DCNR and the Pennsylvania Natural Heritage Program are embarking on a major upgrade of the Pennsylvania Natural Diversity Inventory (PNDI) environmental review tool in order to adequately protect species of special concern during the permitting process. DCNR is also currently updating the listed plants of special concern used in environmental review to reflect the current status of the plants in Pennsylvania to ensure appropriate protections.

Council supports DCNR’s ongoing work to update the plant regulations as well as continue advancement of the new environmental review tool to support efforts to inventory and protect plant and wildlife species in the commonwealth.
REQUEST FOR INFORMATION

If after reading this report you would like to receive more information about the Council or would like to be added to our electronic mailing list, please contact us at:

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