

# Continue the Legacy of Funding of State Parks and Forests

“Whatever the cost, however financed, the benefits for park visitors in health and happiness – virtually unknown to statisticians – would be immeasurable.” – Edward Abbey

Over the years, governors and the legislature have designated funds for conservation and recreation purposes. The following is a synopsis of the historic and current funding mechanisms used by the Department of Conservation and Natural Resources (DCNR) for state park and forest operations and maintenance projects.

## *Act 256 of 1955 - The Oil and Gas Lease Fund*

This act, one of the first of its kind in the country, required that the rents and royalties from oil and gas taken from state-owned land be put into a restricted fund to be used for recreation, conservation, land acquisition, and flood control.

Between 1955 and the end of 2017, the Oil and Gas Lease Fund generated \$1,088,413,270 for conservation purposes including the purchase and creation of 26 state parks and the acquisition of hundreds of acres of state forest land.

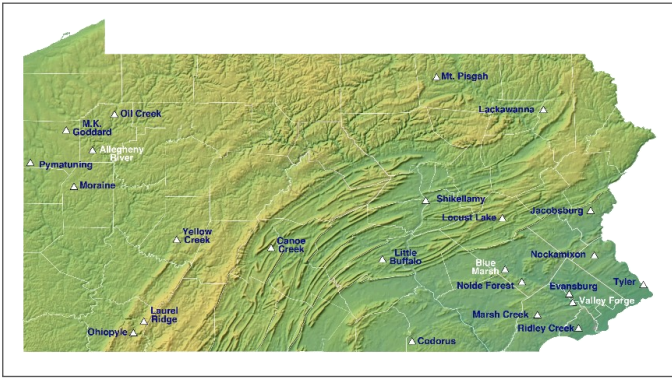
Beginning in fiscal year 2008-2009 through the spring of 2017, the State Assembly transferred more than \$526 million from the Oil and Gas Lease Fund to the General Fund, removing the requirement that all funds be spent for conservation purposes. However, in June 2017 the Pennsylvania Supreme Court found this practice unconstitutional, ruling that all Oil and Gas funds from state lands must be used for conservation purpose, rather than balancing the state's budget. The outcome of this decision remains to be seen.



*The land for McConnells Mill State Park was acquired through the Oil and Gas Fund.*

## *Project 70 – The Land Acquisition and Borrowing Act*

Department of Forests and Waters Secretary Maurice “Doc” Goddard worked with Governor William Scranton (R) and the legislature to enact Project 70 funding to support the creation of additional state parks in Pennsylvania. Project 70 was a \$70 million bond initiative, passed by public referendum and signed into law in 1964, to purchase lands for public parks, reservoirs, and other conservation, recreation, and historical preservation purposes. It was named “Project 70” because 1970 was chosen as the target year to complete all open space acquisitions.



Project 70 included \$40 million for the acquisition of state parks and acquisition of historical sites across Pennsylvania (see map). The last Project 70 funds were invested in state parks in the late 1970s.

### *Project 500 – The Land and Water Conservation and Reclamation Act*

Project 500, signed into law by Governor Raymond Shafer (R) in 1968, packaged state park needs, along with money

for abandoned mine land cleanup and sewage treatment plant construction, into another bond issue worth \$500 million. Of that total, \$125 million in funds were set aside to develop the state recreational lands that were purchased previously with Project 70 funds. Project 500 funds were fully invested by 1980.

### *Act 51*

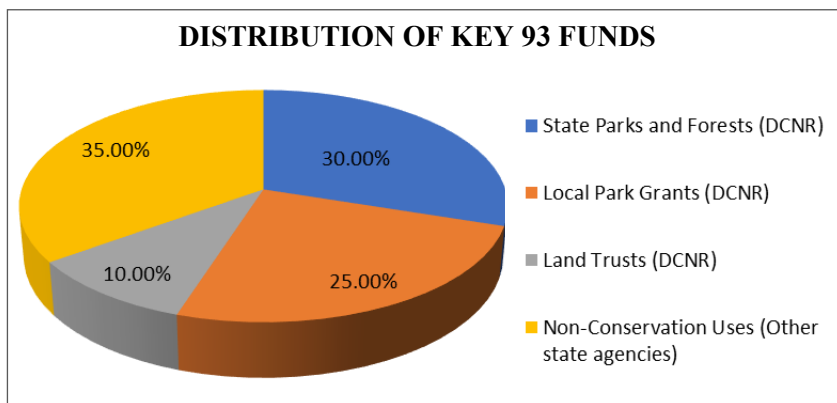
In 1981, Governor Dick Thornburgh (R) enacted Act 51 to enable fees collected in state parks to be spent for park operation and maintenance, rather than deposited into the General Fund. By 2005, while this fund

generated the \$13 million needed each year for annual maintenance needs, a state bond or other financing initiative was still required to address the maintenance project inventory. With the passage of Growing Greener II in 2005 (see below), the administration started requiring the bureau to use the major maintenance fund, originally intended for infrastructure rehabilitation projects, for salaries and other general operating costs.



*Lake Arthur at Moraine State Park was created using Project 500 funds.*

### *Key 93 – The Keystone Recreation, Park and Conservation Act*



In 1993, the Keystone Recreation, Park and Conservation Act, or Key 93, (also known as the Keystone Fund) was passed under Governor Bob Casey, Sr. (D), authorizing a \$50 million bond issue referendum (which voters subsequently approved overwhelmingly), creating a “deferred maintenance account” by earmarking a portion of the realty transfer tax for state

parks, historic sites, libraries, zoos, and higher education facilities. Fifteen percent of the realty transfer tax receipts are required by law to go to those uses<sup>1</sup>. By law, 65 percent of the total monies in the fund go to DCNR, where 30 percent goes to state parks and forests, 25 percent goes to local parks, and 10 percent goes to land trusts to protect natural areas (see graph).

<sup>1</sup> While the amount of funds provided through Key 93 is significant, the amount fluctuates as the housing market rises and falls. Key 93 funds have been under attack numerous times by various governors and the state legislature to balance the General Fund budget.



## THE KEYSTONE FUND

The Keystone Fund is DCNR's primary source of funding to support grants for recreation and land conservation and is considered the lifeline for state park and forest infrastructure like the swimming pool at Mount Pisgah State Park (pictured). The Pennsylvania Land Trust Association and the Natural Lands Trust reported that the Keystone Fund returned \$7 in economic value for every dollar invested in its first 20 years. Since 1995, the Keystone Fund has contributed over \$1 billion to recreation and conservation projects in each of the state's 67 counties, through grants and matching funding.

## *The Environmental Stewardship Fund - Growing Greener I*

In 1999, Governor Tom Ridge (R) and the legislature created the five-year, nearly \$645 million "Growing Greener" program, investing in watershed restoration, parks and recreation; open space preservation; abandoned mines and wells reclamation; and sewer and drinking water system upgrades. The fund comes from tipping fees on disposal of municipal waste.

In 2002, Governor Mark Schweiker (R) and the legislature expanded the funding for Growing Greener I by adopting a new \$4.25 per ton fee on municipal waste disposed in the state, expanding the investment from \$650 million to \$1.3 billion through 2012, when the funds were exhausted. The tipping fees from the original Growing Greener are still being generated and used for conservation purposes, as well as going to the Department of Environmental Protection (DEP), the Department of Agriculture, and PENNVEST. Between 1995 and 2015, \$122 million was generated for state park and forest infrastructure projects via tipping fees.

## *Growing Greener II*

In 2005, Governor Ed Rendell (D) and the legislature passed Growing Greener II, allocating a \$625 million bond issue to occur over six years. Of the total funds, \$217.5 million was allocated to DCNR (at least \$100 million for state park and forest improvements and \$90 million for open space conservation). Though a portion of the Growing Green I and II funds was directed for new capital projects in the state parks and forests, it was also used to address some major maintenance needs.

Starting in 2002, the administration reduced General Fund appropriations for state parks operations and required DCNR to use its maintenance fund from Act 51 to fill in the gap for salaries and other operational costs. The only way to fix some of the worn infrastructure was to package it with new capital projects being funded by Growing Greener. However, the administration directed that revenues from Growing Greener I be used to pay down the debt of Growing Greener II, thereby redirecting those funds from their intended purpose. Furthermore, Growing Greener II sunset in 2011, removing that revenue stream from the system. Today, an effort is underway to renew Growing Greener funding, but it was not included in the 2017 state budget.



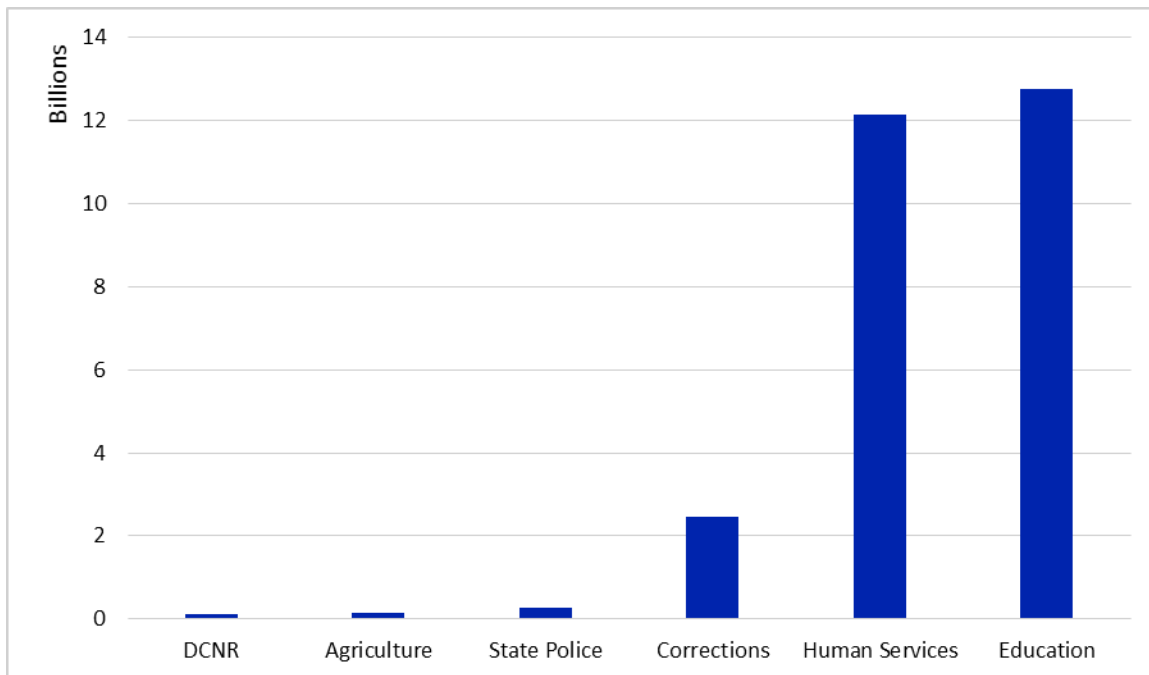
*The shower house at the Little Buffalo State Park campground was completed with funds from Growing Greener II.*

## The General Fund

DCNR's General Fund budget today (in actual dollars, not adjusted for inflation) is the same as it was 15 years ago, despite increases in wages, more visitors, a greater number of state park and forest acres, construction of modern facilities (such as swimming pools, cabins, and flush toilets), increasing demands for visitor programs, the emergence of horizontal natural gas drilling on state forest lands, and the increased presence of invasive plant, animal, and insect species to control. The amount of General Fund dollars going to DCNR in Governor Tom Wolf's (D) 2017-18 budget was just .003 percent of the overall \$31.99 billion at a little more than \$105 million. Agencies like the Department of Education and Department of Human Services received more than \$24 billion of the total General Fund dollars (see *chart*).

Looking back 15 years, the General Fund provided 77 percent of DCNR's operating budget in 1996. In 2014-15, that total was less than 10 percent. The growing gap has needed to be filled each year by other sources, such as higher user fees and oil and gas drilling revenues. The agency is being forced to become increasingly dependent on oil and gas extraction revenues for its operating budget.

**SAMPLE OF WHERE THE GENERAL FUND REVENUES GO (2017-18)**



The reliance on special funds like the Oil and Gas Lease Fund and Key 93 for support of the operations budget has purchased less staff time, resulting in reduced hours available for routine maintenance, as well as an overall reduction in salaried staff. Without a stable, dedicated source of funds for routine infrastructure maintenance and upgrades, Pennsylvania state parks and forests will continue to face the dilemma of paying salaries or fixing roads.