

**House Appropriations Budget Hearing
Testimony by Richard J. Allan
Secretary
Department of Conservation and Natural Resources
February 28, 2012**

Chairman Adolph, Chairman Markosek, committee members, thank you for this opportunity to address the budget priorities of the Department of Conservation and Natural Resources.

This spring I will mark my first anniversary as Secretary of DCNR. As I have travelled throughout the state and learned in-depth about the work and mission of the department I've developed a great appreciation for DCNR staff who care for our public lands, and whose work helps to support sustainable, thriving communities. I believe we can conserve, promote and use our natural assets as an integral part of a coordinated economic strategy.

Our achievements since I began at DCNR help show the breadth of our work:

- Our Pennsylvania five-year Statewide Outdoor Recreation Plan was honored as the best in the nation;
- Our employees weathered severe storms that challenged resources as our parks and forests experienced a number of extreme weather events that threatened lives and wreaked havoc on our facilities. They went way above the call of duty to help our visitors and protect our facilities while assisting citizens and communities in need;
- We received Gold LEED certification related to their construction and sustainability for the Nature Inn at Bald Eagle, the Elk Country Visitor Center and the Resource Management Center in the Tiadaghton State Forest; and
- We completed a glass-bottomed viewing platform at the tornado-stricken Kinzua Bridge State Park and opened the Wildlife Center at Sinnemahoning State Park -- key investments in the Pennsylvania Wilds region.

Governor Corbett himself has said our state parks and forests define who we are as Pennsylvanians. In addition to their beauty and the opportunities they provide to be active

outdoors, newly revised data indicates that visitors to state parks help local communities prosper, generating more than \$1 billion in expenditures in local communities each year and supporting almost 13,000 local jobs.

Our certified well-managed forest system supports more than 100,000 jobs in the state's multi-billion dollar timber and energy industries. They promote clean water and air, hiking and other outdoor activities, scenic beauty and habitat.

Studies show rail-trails and trail networks provide visitors unique experiences and result in multiple millions of dollars to related businesses in the towns that border them.

So we can see that conservation of our natural resources and their benefits to quality of life and the vitality of our communities puts the environment and the economy on the same path to prosperity.

Governor Corbett's fiscal 2012-13 proposed budget maintains his commitment to balance the state budget by bringing spending in line with available revenues and meeting the state's obligations without raising taxes.

We, at DCNR, like all other agencies are being called upon to do our part to help close the fiscal gap created by national economic conditions. Our General Fund budget allocation for fiscal year 2012-13 is down about \$2.5 million from the current fiscal year, requiring us to operate frugally, dig for operational efficiencies and stretch ourselves. We have proven before that we can do that and do it well.

Similar to last year, DCNR will use about \$69 million from the Oil and Gas Lease Fund generated by rents and royalties to offset General Fund allocations for our state park, forest and other government operations.

Through creativity and reallocation of funding sources to cover our most pressing needs, we expect all of our 120 state parks will remain open to our citizens who enjoy them for the opportunity to experience the outdoors close to home, and for the visitors who spend their dollars in the communities that surround them.

We also will maintain the number of Bureau of Forestry staff who are overseeing natural gas extraction and the future viability of our state forests.

Our recent re-certification validates that we are managing our forests in a way that protects their long-term health, even with an increase in energy extraction activity related to the Marcellus Shale.

Our work this year will include implementation and evaluation of the recommendations of the Marcellus Shale Commission, including monitoring current activity and adapting our management practices based on what we are learning.

The timber we cut on our 2.2 million acres of state forestland provides important economic value for rural Pennsylvania and strong revenues for regenerating our forests. With 10 percent of our timber revenues, we'll reinvest about \$2.4 million in the next fiscal year for fencing, spraying and tree planting to help our woodlands grow.

The Governor's 2012-13 budget proposes transferring about \$30 million of Keystone Recreation, Park and Conservation Fund revenues from DCNR to the General Fund. Although we will receive Environmental Stewardship Fund and federal dollars, this transfer would have a significant impact on our Community Conservation Partnership Program grants and maintenance of state park and forest infrastructure in the next fiscal year.

The Marcellus Shale impact fee legislation will provide some additional monies to the Environmental Stewardship Funds for grants and infrastructure, as well as some dollars directly

to counties to help them improve and capitalize on their local parks, forests, rivers, greenways and trails to help offset this transfer.

In the face of a tighter budget for the next fiscal year, we will look to focus on our core mission with proven programs and approaches, including well-managed forests; high management standards for our award-winning state parks; and the regional approach outlined in our Conservation Landscape Initiative. This will include:

- Focusing on improving what we have now and managing it better and smarter;
- Moving back to basics, adopting a “fix-it-first” approach to deal with growing infrastructure needs, new demands from energy production and the public’s need for accessible, affordable recreation; and
- Using innovation, creativity and imagination to address these needs in new ways and with limited resources.

I am fortunate to lead an agency of extremely dedicated men and women who are the best in the country when it comes to land management, providing outdoor recreation opportunities and adopting partnership approaches.

The work we do to enhance our state parks and forests, invest in communities, protect special lands and extract resources creates jobs, improves the local business climate, increases tourism and contributes to our economic prosperity. By tightening our belt and constantly looking for new efficiencies and sources of revenue, we will continue to do our best to maintain our unique balance of conservation practices and economic development.

I look forward to your help in these efforts.

Thank you.