

Testimony of
John Quigley, Secretary
Pennsylvania Department of Environmental Protection
Governor's Proposed Fiscal Year 2016/2017 Budget
House Appropriations Committee Budget Hearing
Tuesday, March 1, 2016

Thank you for the opportunity to present Governor Wolf's proposed Fiscal Year 2016/2017 budget for the Department of Environmental Protection (DEP). I'm honored to work with over 2,600 of Pennsylvania's finest public servants, who set a high standard of professionalism every day.

As you know, DEP's duty begins with Article I, Section 27 of Pennsylvania's Constitution. Our charge, as trustee of our natural resources, is to protect the public's right to clean air, pure water and preserving our environment for our citizens today and for every generation of Pennsylvanians yet to come.

DEP's mission is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of our citizens. We are to guarantee that all Pennsylvanians, including future generations, have a safe, healthy environment. We are to work as partners with individuals, organizations, governments and businesses to achieve a balance in preventing pollution and protecting our natural resources, while carrying out these responsibilities in a fair

and timely manner that respects both the environment and the regulated community, and is deserving of the public's trust.

I come before you today representing an agency that has been severely degraded over the last eight years, a condition that the Wolf Administration has been working to overcome. It's important to understand that, after years of relentless budget cuts, DEP has over 670 fewer staff than it did eight years ago. Over 440 of those positions performed the basic agency functions of inspections and processing permits.

Here is an important example of the two paths we face: cuts have been made in the past to meet short-term deficits, and this has hurt Pennsylvania businesses that rely on our permits and Pennsylvania communities that rely on our protection. The choice in front of us is to choose a path that addresses the structural deficit and avoids further cuts, or continue this path we're on – where cuts hurt the economy and the environment.

Our regulatory responsibilities have not diminished; indeed, workload is increasing. In recent audits, the US Environmental Protection Agency has cited DEP for severe understaffing in our coal mine inspection, air quality monitoring, safe drinking water, and stormwater programs. As a result, DEP's ability to protect public health and the environment, and to perform basic functions like evaluating permit applications in a timely fashion, have been stressed to the limit. Further cuts will jeopardize the citizens we serve and the environment that we are obligated to protect, and harm the state's economy.

DEP's staffing level is not the only issue we face. DEP's Information Technology budget in 2004 was \$23 million, and at that time the agency received an "A" grade from the Office of Administration, which rated us then as among the most capable agencies in state government from an IT perspective. Today, we are at the bottom of the class, rating at best a "D." Merely adjusted for inflation since 2004, our IT budget should be \$29 million today. Unfortunately, it stands at \$16 million – 43% less in nominal terms than 11 years ago. And that's not because personal computers have become cheaper. This represents a cumulative \$83 million divestment in the agency's IT capacity over the period. One of the results is that agency staff are using antiquated tools to permit and monitor industries equipped with 21st Century technology. We must reinvest in our IT capacity to improve efficiency, productivity, business processes, service levels, and transparency. That investment is required for all of DEP's GOTIME initiatives.

The budget proposal that Governor Wolf has presented for my agency is exceptionally lean in the face of a projected \$2 billion structural budget deficit. It embodies the Governor's directive to agencies to reduce costs, improve efficiency and effectiveness, and enhance transparency in a government that works. I want to focus my testimony this morning on the initiatives we've undertaken at DEP to respond to his direction – and to concerns that I've heard from members of the General Assembly about the agency's performance.

First, we have begun a multi-phase agency reorganization, separating Water Programs and Water Resources Planning into different deputates – without adding any additional staff - to better align resources and improve management focus and accountability. Among the next steps is to

evaluate the effectiveness of our current implementation of stormwater regulation to improve implementation consistency statewide and to restore and maintain Pennsylvania's water quality.

I want you to know that I've heard the concerns expressed by some members of the General Assembly that the agency's policies and compliance efforts varied widely from region to region. We are currently reviewing and revising internal policies and procedures regarding inspections, compliance, and enforcement to not only make them more effective, but to help ensure consistent application across all of our regional operations. We will be releasing those revised policies for public comment this year.

We believe in transparency and have several examples to prove it. In 2015, DEP instituted monthly online production reporting for unconventional natural gas wells to improve transparency in gas production information - a move that will be particularly useful for royalty owners and production forecasters. Production data was previously reported on a semi-annual basis. We launched the online eComment tool to enhance public participation in and transparency of regulatory process. Nearly 4,000 comments have been submitted to the system on a wide variety of issues. In 2016, we will roll out additional tools to provide accessible, understandable on-line reporting and public information.

We have improved key operations and our effectiveness, and saved money. DEP evaluated and redesigned a treatment method at Lancashire acid mine drainage treatment plant in Cambria County within the West Branch Susquehanna River Basin, lowering operating costs while preserving plant performance, with annual savings of more than \$200,000. Our nation-leading

well integrity reporting system has already enabled operators to avoid risk and protect public health and the environment by significantly increasing their well plugging activities. In 2016, we will tie our new well integrity database to water supply investigations in the field with mobile technology, to increase efficiency, effectiveness, and responsiveness. This data-driven work will also enable more surgical rulemaking aimed at specific problems that we are now more readily able to identify.

We have focused on restoring the agency's information technology capacity as the fastest path to costs savings and efficiency gains. DEP completed an assessment of IT needs and developed a strategic plan to improve business processes, track performance metrics, transition to new geolocation-based mobile solutions, and institute paperless workflows. We are also planning to digitize our archives instead of warehousing paper records. Indeed, IT has been the focus of DEP's GOTIME initiatives, which will be grounded in a standard methodology for calculating cost savings and productivity gains. We are hard at work on ten GOTIME projects that have already saved the Commonwealth over a quarter million dollars and that will produce over \$28.5 million in net annual savings when completed. A detailed breakdown of those savings has been provided to you in preparation for today's hearing. The projects include:

- DEP's grant programs are currently managed by several bureaus across multiple systems, duplicating efforts and wasting IT resources. Partnering with DCED, we have begun to consolidate those programs and centralize the awarding of grant money to improve service to the public, local government, universities, and the business community. As part of this process, we will decommission an outdated server. Moving grant

administration from many systems to one with on-line grant application processes will create efficiencies.

- In July 2015, DEP deployed 25 high resolution scanners to employees who handle large volumes of paper. The scanners maximize efficiency, minimizing use of paper and streamlining the agency's workflow.
 - Slow network connectivity for employees in DEP's six regional offices reduces productivity. Web pages take many minutes to load, if they load at all. To remedy this, DEP will procure a much faster connection through an open bid process to commence in July 2016.
 - We will purchase routers and switches that are currently leased at all 26 office locations, resulting in net savings in less than 3 years.
 - We have begun the deployment of mobile iPhone applications on agency smartphones to improve efficiency, minimize paper usage, streamline the agency's workflow, and improve service provided to the public and the regulated community.
 - In 2015, DEP purchased 147 tablet computers for emergency and critical staff according to the agency's continuity of operations plan, creating a more mobile working environment for agency personnel and reducing the number of devices and volume of paper in circulation.
 - DEP inspectors are currently sent into the field with clipboards and carbonless forms. They record results twice – on paper in the field, then electronically in the office. In 2016, by partnering with PennDOT, we will begin the process of equipping our inspection staff throughout the agency with tablet computers. This could double their
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productivity, and significantly reduce our ongoing needs for additional staff while better serving the regulated community and the public.

- DEP relies heavily on paper records and archives, which require more personnel time to manage and more space to house. DEP is exploring various department-wide electronic document management system (EDMS) solutions. By instituting an EDMS system agency-wide, the ability to share information across agencies will be improved, and the turnaround time for responding to requests for public information will improve.
- Faced with increasing demand for capacity, aging hardware and limited space, DEP is transitioning to an outsourced data center to reduce cost and provide for more efficient maintenance.
- DEP's central database, known as eFACTS (Environment Facility Application Compliance Tracking System), uses end-of-life technology that will be supported for only five more years. This database is critical to providing accurate information for agency operations and to the public and the regulated community. We will achieve significant cost savings by updating the system now, versus waiting until the technology is no longer supported in five years.

These projects serve as the foundation for additional work to improve our efficiency, effectiveness, and productivity, and to respond to the needs to the regulated community. For example, among the top recommendations of Governor Wolf's Pipeline Infrastructure Task Force was for DEP to move to electronic permitting, streamlining the process for the regulated community. I am happy to report that, building on the initiatives I've described this morning, we are currently also designing a pilot project to implement e-permitting within DEP's Mining

Deputate, so that we can learn from that deployment and then proceed to adopt it agency-wide over the course of the next two years.

DEP is striving to demonstrate government that works. That great work takes time to build. We are hard at the task.

Thank you.
