

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE  
BUDGET HEARING

DEPARTMENT OF CONSERVATION  
& NATURAL RESOURCES

STATE CAPITOL  
HARRISBURG, PENNSYLVANIA  
ROOM 140, MAJORITY CAUCUS ROOM

TUESDAY, FEBRUARY 22, 2018  
2:00 P.M.

BEFORE :

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN  
HONORABLE JOSEPH MARKOSEK, MINORITY CHAIRMAN  
HONORABLE KAREN BOBACK  
HONORABLE SHERYL DELOZIER  
HONORABLE GEORGE DUNBAR  
HONORABLE GARTH EVERETT  
HONORABLE KEITH GREINER  
HONORABLE SETH GROVE  
HONORABLE DOYLE HEFFLEY  
HONORABLE SUE HELM  
HONORABLE LEE JAMES  
HONORABLE WARREN KAMPF  
HONORABLE FRED KELLER  
HONORABLE JASON ORTITAY  
HONORABLE MIKE PEIFER  
HONORABLE MARGUERITE QUINN  
HONORABLE CURT SONNEY  
HONORABLE KEVIN BOYLE  
HONORABLE TIM BRIGGS  
HONORABLE DONNA BULLOCK  
HONORABLE MARY JO DALEY  
HONORABLE MADELEINE DEAN  
HONORABLE MARIA DONATUCCI  
HONORABLE PATTY KIM  
HONORABLE STEPHEN KINSEY

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

1       BEFORE:           *(Continued)*

2           HONORABLE LEANNE KRUEGER-BRANEKY  
3           HONORABLE MIKE O'BRIEN  
4           HONORABLE PETER SCHWEYER

5       NON-COMMITTEE MEMBERS

6           HONORABLE MIKE SCHLOSSBERG  
7           HONORABLE BILL KORTZ  
8           HONORABLE ED NEILSON  
9           HONORABLE PERRY WARREN  
10          HONORABLE MIKE CARROLL

11       COMMITTEE STAFF PRESENT:

12           DAVID DONLEY  
13           REPUBLICAN EXECUTIVE DIRECTOR  
14           RITCHIE LAFEVER  
15           REPUBLICAN DEPUTY EXECUTIVE DIRECTOR

16           MIRIAM FOX  
17           DEMOCRATIC EXECUTIVE DIRECTOR  
18           TARA TREES  
19           DEMOCRATIC CHIEF COUNSEL

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I N D E X

TESTIFIERS

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SUBMITTED WRITTEN TESTIMONY

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(See submitted written testimony and handouts online.)

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P R O C E E D I N G S

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MAJORITY CHAIRMAN SAYLOR: We'll get our hearing started.

Welcome, Madam Secretary.

If you would, and anybody else that is going to provide testimony, please rise and raise your right hand.

Do you swear and affirm that the testimony you're about to give is true to the best of your knowledge, information and belief; if so, say I do.

SECRETARY DUNN: I do.

DEPUTY SECRETARY NORBECK: I do.

DEPUTY SECRETARY IMGRUND: I do.

DEPUTY SECRETARY WALSH: I do.

MAJORITY CHAIRMAN SAYLOR: Thank you.

With that, we'll get right into questions, and we'll start off with Representative Peiffer.

REPRESENTATIVE PEIFFER: Thank you, Chairman. First in line here today, great.

Thank you, Secretary, for being here. It's always great to listen to your initiatives for our State parks and State lands. The question I

1 have is, for many years I've talked about the  
2 Poconos marketing themselves. And the  
3 Pocono Mountain Vacation Bureau has a very good  
4 marketing campaign now. We get to see the  
5 commercials down here. We get to see them back  
6 home. We're competing against New York.

7 But are you in discussion with those  
8 different vacation bureaus across Pennsylvania to be  
9 a part of this marketing scheme on how we can get  
10 more people into your parks?

11 SECRETARY DUNN: Yes, absolutely. I'm  
12 glad you asked that.

13 The Poconos happen to be a place where we  
14 have one of our conservation landscape initiatives,  
15 the Poconos Forests and Waters. And that  
16 partnership has a broad array of folks, including  
17 the Visitor's Bureau. We work at DCNR mainly on the  
18 asset side. We assure beautiful State parks,  
19 forestlands.

20 In fact, that's an area of the State  
21 where there's been a lot of addition to the  
22 forestland system based on local interest, and where  
23 we work to assure clean water coming out of the  
24 public lands. But the partnership, through its  
25 relationships with the businesses and the marketing

1 provided by Poconos Visitors Bureau, collaborates a  
2 lot with DCED Tourism to get the word out.

3 DCED Tourism, I know Dennis Davins has  
4 already been here, but they've got some incredible  
5 social media tools. They can actually blast a  
6 specific social media marketing to a specific area  
7 of, say, New York and New Jersey and really bring  
8 people in, say, on a snowy weekend. And we have a  
9 lot of -- I was just up on Friday with  
10 Representative Carroll to a site. And ironically,  
11 it's snowing again today.

12 So when there's a snowing opportunity, we  
13 can get that out there. I say we, I mean DCED can  
14 get that out there rapidly and bring visitors in in  
15 these shorter seasons that the businesses really  
16 want and need. You know, the summer season is  
17 pretty busy with the canoeists and the hikers and  
18 the vacationers, but the shorter seasons are what  
19 the businesses really want to see more of.

20 And we do collaborate, especially in the  
21 seven conservation landscape initiatives.

22 REPRESENTATIVE PEIFER: Okay. Great.

23 Because I really think, you know, we're  
24 trying to track millennials. People are coming  
25 there to recreate. They want to have fun. I think,

1     you know, a part of the State park would be a part  
2     of those commercials. I know they are going to  
3     historical sites. They are going to different types  
4     of resorts. And it's all about recreation. It's  
5     all about fun, and it's all about giving people that  
6     opportunity to come back and have a positive  
7     experience.

8                 So I mean, somewhere in there, I'd love  
9     to see our parks as part of that initiative.

10                SECRETARY DUNN: We would be glad to be  
11    in it more than we are. If you see an opportunity  
12    that we're missing, we definitely want to be part of  
13    that. Interestingly, the Visitors Bureau did some  
14    public interest surveys up there. And it's been  
15    years ago, but I suspect the findings would be the  
16    same today.

17                People going to the Poconos today are  
18    looking for a natural experience. They're looking  
19    to connect with nature. They're looking for a hike  
20    in the deep woods or a connection to clean water. I  
21    know the past Poconos image on tourism was a little  
22    different, but the new Poconos is really family  
23    oriented, recreation, getting people out in the  
24    outdoors, fun, adventure, et cetera.

25                And I think --

1                   REPRESENTATIVE PEIFFER: Along those  
2 lines, do you -- I know you talked about clean water  
3 and what you're trying to do to maintain our clean  
4 water. I know our whole community does in the  
5 northeast, but do you work with the Game Commission?

6                   I know they have, I think, a million and  
7 a half acres here in the Commonwealth.

8                   Do you work -- do your foresters consult  
9 with their foresters?

10                  I mean, do you have initiatives where  
11 you're working together?

12                  SECRETARY DUNN: A good example is  
13 actually in your area. The Kittatinny Ridge is a  
14 ridge that the Appalachian Trail is on across 11  
15 counties in Pennsylvania. And it goes into the  
16 Poconos, and then it hooks up into New Jersey.

17                  So the Game Commission has been the  
18 primary public landowner for a lot of the  
19 Kittatinny Ridge, but sometimes they come to us for  
20 assistance on a land conservation grant through,  
21 say, a land grant like Wildlife Conservancy or  
22 National Lands Trust or Nature Conservancy.

23                  And add land to the Kittatinny Corridor  
24 or surrounding lands, where there's a lot of demand  
25 for additional public lands, in that area



1 particularly.

2 REPRESENTATIVE PEIFFER: Okay. Because  
3 again, it only makes sense if you're working with  
4 those agencies. And you have a management plan that  
5 I get every year. I use that because we get many  
6 questions that come into our office about, you know,  
7 where are they timbering, why are they fixing this  
8 road? You know, what's the initiative?

9 And that management plan is a really good  
10 profile of what your activity is for the year. So  
11 if there's any way you can help market that to  
12 people, you know, we've been marketing it in my  
13 office, just simply because it answers so many  
14 questions.

15 SECRETARY DUNN: Yeah. Thank you for  
16 doing that.

17 We're trying to get the public more  
18 directly involved in their district forest  
19 management plan, so thank you for making that  
20 opportunity available to your constituents. And  
21 we'd like to advertise that opportunity to  
22 everybody.

23 REPRESENTATIVE PEIFFER: All right.

24 Thank you, Mr. Chairman.

25 SECRETARY DUNN: Thank you.

1 MAJORITY CHAIRMAN SAYLOR: Representative  
2 Markosek.

3 MINORITY CHAIRMAN MARKOSEK: Thank you,  
4 Chairman.

5 Secretary, welcome. Welcome to your  
6 staff.

7 You know, right before the meeting, the  
8 Secretary suggested that, you know, in my new life  
9 here, in about a year or so, that I could add all of  
10 these State parks to my bucket list of places that I  
11 want to travel to. I have a big, long bucket list  
12 and, quite frankly, I didn't have a whole lot of  
13 State parks on it until today.

14 So I'm going to take you up on that. We  
15 have a lot of great areas to see in Pennsylvania,  
16 and we should be very proud of them. We all should  
17 make it a point to visit a lot of those areas.

18 Secretary, you were kind enough to come  
19 in here a short time ago and talk to our Committee  
20 relative to the special funds and the potential  
21 surpluses that may or may not be in those special  
22 funds.

23 Can you just kind of give us a little  
24 status report on that, not only refresh our memories  
25 on some of the basics there, but also, any new

1 information that you want to share with us relative  
2 to that?

3 SECRETARY DUNN: Sure. I appreciate  
4 that. And I did appreciate that opportunity to come  
5 in here in late January. And at the time, I  
6 mentioned that, you know, I would love to bring my  
7 staff in front of any of the committees to talk  
8 about our work, but the special funds, they have a  
9 long important tradition in Pennsylvania.

10 Even the ones that precede, predated the  
11 Environmental Stewardship Fund put in by  
12 Governor Ridge or the Keystone Fund before that by  
13 Governor Casey. There was Project 500, Project 70.  
14 We have a long tradition of supporting the  
15 environment and conservation through these special  
16 funds, but the funds in play now, the ones that were  
17 questioned, the Environmental Stewardship Fund and  
18 the Keystone Fund, whether it be a grant or a public  
19 infrastructure project, the project is selected, the  
20 money attached to that project, and then committed  
21 to it, either precommitted or programatically.

22 Eventually, it shows in a cash balance as  
23 committed once there's a contract, but the projects  
24 are committed very shortly after the budget process.  
25 And to pull any of that money away would harm a real

1 project in a real place that people are looking  
2 forward to and communities are excited about.

3 One thing that happened since the  
4 hearing, we were gratified, opened with interest,  
5 you know, one of those things that come across your  
6 e-mail, Independent Financial Office issued a report  
7 on the special funds. So needless to say, I  
8 couldn't open that fast enough to see what it said.

9 I was gratified that it really supported  
10 what we had been telling the Committee and what our  
11 Budget Office had helped us develop. Maybe I'll ask  
12 Lauren Imgrund, who had really taken a look at that  
13 IFO Report and compared it to our experience with  
14 the grant program, particularly.

15 DEPUTY SECRETARY IMGRUND: Sure. I'd be  
16 happy to talk about that. As the Secretary said,  
17 you know, the special funds, the dedicated funds  
18 that we have at DCNR through the Keystone Fund and  
19 the Environmental Stewardship Fund and the  
20 Environmental Education Fund, go for projects, both  
21 grant projects and State park enforced  
22 infrastructure projects.

23 And those are paid out over several  
24 years. So you will see that there's, you know, an  
25 available number in the budget. And this is

1 confirmed by the IFO report that both takes into  
2 account the funds that are budgeted for that year  
3 and then the funds that are budgeted for projects  
4 that have not yet been completed, but are from  
5 previous fiscal years.

6 So for example, with the grants that we  
7 announced in the fall, we announced 442 -- excuse  
8 me, I'm sorry -- had 442 applications, 266 grants  
9 for \$44 million. And we're working on finalizing  
10 all the contracts for those. Most of these are  
11 contracted now, but those contracts will be over  
12 three to four years.

13 So the money is committed to the projects  
14 as soon as we make the announcement, but the  
15 expenditures may not take place. They'll take place  
16 over time, and that mirrors what the Independent  
17 Fiscal Office Report says.

18 MINORITY CHAIRMAN MARKOSEK: Okay. Just  
19 so I understand it here, when you release a grant or  
20 name a grantee to a contract, is the money there at  
21 that time, all the money for that contract?

22 You're saying it's being paid out over  
23 time, but it's not sitting there making interest and  
24 being paid out, is it, or is it?

25 SECRETARY DUNN: Yeah, that money is

1     there. We require them to have their match before  
2     we make the grant. And therefore, we have to have  
3     our funds, you know, as the project unfolds.

4             You know, and frankly, in the beginning  
5     of the projects, we don't know and they don't know  
6     how fast it will unfold. Sometimes they actually  
7     happen very, very rapidly. And sometimes they take  
8     three years and sometimes even four, depending on  
9     the complexity of the project, design phase,  
10    permitting requirements, et cetera, et cetera.

11            But we're always looking for ways to  
12    speed them up. I think one big advancement that  
13    we've been able to make on the grant side is the  
14    Electronic Grant Program. We've built and improved  
15    this over the last five years. We started with the  
16    application and the behind-the-scenes management.

17            And now we're about to open a portal that  
18    will really, just like doctors' offices do now, and  
19    you can chat back and forth with your doctor on,  
20    let's say, a lab result or something. You can now  
21    -- we'll be able to chat back and forth with the  
22    grantee, saying, hey, you need a quarterly report  
23    here. We're expecting, you know, we're expecting a  
24    report from you. Or they can say, hey, we're about  
25    ready to ask for the remaining amount on this grant

1 because we're wrapping it up.

2 So that portal, once that part of it is  
3 done, will be really efficient. So we're constantly  
4 -- we're looking for constant improvement in the  
5 system, but I would say the system now, the main  
6 thing to remember is each -- you know, to take money  
7 out of that means you're taking something away from  
8 a community or a park.

9 MINORITY CHAIRMAN MARKOSEK: So the  
10 money, it's invested by the Treasurer, right?

11 SECRETARY DUNN: Right.

12 MINORITY CHAIRMAN MARKOSEK: And when  
13 it's due to be paid out to the recipient, you go to  
14 the Treasury and --

15 SECRETARY DUNN: Right.

16 MINORITY CHAIRMAN MARKOSEK: -- withdraw,  
17 is that pretty much it?

18 SECRETARY DUNN: The process we follow,  
19 in fact, we focus more on the program side of this,  
20 but we draw the money down as the payments are  
21 requested and as we approve them. Yeah, we feel we  
22 do it with a lot of rigor.

23 When you're managing public dollars, the  
24 public expects that kind of a rigor. And we do  
25 that, but then when we submit for a payment, then

1 we're satisfied that the requirements have been met,  
2 that the project is, in fact, proceeding as planned  
3 and we release the payment.

4 MINORITY CHAIRMAN MARKOSEK: Okay. Thank  
5 you.

6 SECRETARY DUNN: Thank you.

7 MAJORITY CHAIRMAN SAYLOR: Representative  
8 Everett.

9 REPRESENTATIVE EVERETT: Thank you,  
10 Mr. Chairman.

11 Thank you, Madam Secretary, for being  
12 here today. We'll switch it up for a little bit  
13 from what you and I usually talk about, which is  
14 the --

15 SECRETARY DUNN: Chesapeake Bay.

16 REPRESENTATIVE EVERETT: -- Chesapeake  
17 Bay to guess what? Natural gas.

18 SECRETARY DUNN: Okay.

19 REPRESENTATIVE EVERETT: So one of the  
20 questions that I get asked, because there is so much  
21 gas activity up in the area that I represent, is how  
22 much money are we making off of gas, natural gas, on  
23 DCNR land?

24 You know, what did we make this year;  
25 what do you think we're going to make next year?



1                   And what do we do with that money?

2                   SECRETARY DUNN:   Okay.   So as you know,  
3                   there's a moratorium on new leasing.   So the leases  
4                   that we have on State land are the original leases  
5                   that were done in '08 and '10.   On those existing  
6                   leases, there are at this point 653 wells that have  
7                   been drilled.   Two additional ones were drilled in  
8                   '17.   There are 633 of them reporting royalties and  
9                   a current acreage under these leases, totals from  
10                  the three big leases, 265,000 acres.

11                  Some of the State forestland, as you  
12                  know, has severed rights.   So we've never owned the  
13                  mineral rights under that portion.   So the total  
14                  amount on the 2.2 million acres of forestland,  
15                  there's about 1.5 million in the Marcellus play in  
16                  the State forestlands.   And there are 350 severed  
17                  acres where there's the opportunity for drilling.

18                  We release a monitoring report every  
19                  three years, five years --

20                  DEPUTY SECRETARY NORBECK:   Five years.

21                  SECRETARY DUNN:   -- every five years that  
22                  reports on the amount of activity going on.   And the  
23                  past one that's been published showed that 20  
24                  percent of the existing leases have been developed  
25                  out.   Keeping in mind, the industry continues to

1 advance their practice. And they're now able to,  
2 you know, go farther and farther underground with  
3 less, you know, surface disturbance and less pad.

4 So they're actually leasing parts of  
5 their area through existing pads. And I think when  
6 we see the next monitoring report, we just looked at  
7 some draft numbers, we're probably looking at about  
8 a 30 to 40 percent build-out of existing leases.

9 Deputy Secretary Norbeck could probably  
10 add a little detail to that.

11 DEPUTY SECRETARY NORBECK: Sure.

12 REPRESENTATIVE EVERETT: If I could just,  
13 and then you can get right into my follow-on  
14 question, which is one of the concerns that we've  
15 had over the years -- this isn't a new concern --  
16 with private lands, DCNR lands, Game Commission  
17 lands.

18 If you feel -- are you still having any  
19 difficulty with the developers on ensuring that  
20 you're getting paid what your leases said and  
21 post-production costs and those kinds of issues,  
22 while we're talking about the revenue?

23 SECRETARY DUNN: Deputy Secretary Norbeck  
24 just came back from a Natural Gas Advisory Committee  
25 and he reported to me. Our relationship with that

1 set of leasees that we have -- again, it's a finite  
2 set because of no new leasing. It's really grown,  
3 and we've really come to understand each other. And  
4 I think we've acquired improvement in practice. And  
5 they're proud of the improvement in practice.

6 But I'll have John take the question  
7 since you were there directly.

8 DEPUTY SECRETARY NORBECK: Sure. Thank  
9 you very much.

10 I guess I can talk about a couple of  
11 things. And one is, as the Secretary said, we had  
12 two new wells approved this year on State  
13 forestlands. However, they haven't been drilled  
14 yet. And we expect, if the market stays the way  
15 that it appears to, that we'll probably have another  
16 drill rig on State forestlands by the end of '18,  
17 calendar year '18.

18 REPRESENTATIVE EVERETT: Just real quick,  
19 then you can keep going.

20 What developer is that?

21 Is that Seneca or Alta?

22 DEPUTY SECRETARY NORBECK: Actually, I  
23 think it's PGE, but I'm not sure.

24 REPRESENTATIVE EVERETT: Okay.

25 DEPUTY SECRETARY NORBECK: I'm not sure.

1                   REPRESENTATIVE EVERETT: That's fine.

2                   DEPUTY SECRETARY NORBECK: I'm not sure.  
3                   Yes.

4                   So with that, I'll go back to the income  
5                   side of things. We project that we'll make about  
6                   \$80 million this year in the Oil and Gas Lease Fund.  
7                   And if you know about the depreciation of these  
8                   wells, I mean, they produce their best the very  
9                   first day that they're drilled -- excuse me,  
10                  drilled.

11                  And then from there, their biometric  
12                  production starts to go down. So we're seeing that  
13                  right now. In our projections for next year, we're  
14                  looking at probably \$79 million -- or the following  
15                  year, \$79 million in income coming back to the  
16                  Lease Fund.

17                  We have been working with the industry,  
18                  looking at a number of pipeline opportunities. So  
19                  it's both on the supply side, where we're working,  
20                  where pipelines are crossing State forest or State  
21                  parklands. We're working with the industry to  
22                  reduce the environmental impact that it has.

23                  And as the Secretary said, I was at a  
24                  meeting yesterday with the industry and conservation  
25                  folks there and Repsol was giving DCNR great kudos

1 where we had a situation going across the State  
2 forests, where they initially were asking for a  
3 right-of-way of 60 to 90 feet.

4 They said our program folks carried a big  
5 stick and beat them back to 25, but they actually  
6 did it. So they improved their process through  
7 working with DCNR, and they gave us credit for that.  
8 We're very proud of that.

9 As far as the audits go, so we have a  
10 couple of really robust audit programs. And one is  
11 volumetric auditing. We've got a contract with  
12 Penn State University to do that for us. In that  
13 program, we audit every producer that's both  
14 conventional and non-conventional. We audit their  
15 records every three years, so we have a rotation of  
16 companies that we're auditing each year.

17 Through that program, we've brought back  
18 about \$100,000 of money that was owed to the  
19 Commonwealth that was missed in the reporting  
20 process. With the unconventional wells, a lot of  
21 that stuff, or all of it on the unconventional, is  
22 electronically recorded. I mean, we can get down to  
23 the second of how much volume is leaving the  
24 wellhead. So we're feeling pretty comfortable on  
25 that side of things.

1           We also have, within our Oil and Gas  
2 Division, a group of folks who are dedicated to  
3 doing audits of our leases. So we want to make sure  
4 that as the payments come in, the payments are based  
5 on the correct volume. It's based on the correct  
6 royalty payment. It's based on the correct pricing.

7           So we go through all of that. We've  
8 probably received over \$2.5 million through that  
9 program where we've found some incorrect reportings  
10 to us. Now, I will say a lot of that incorrect  
11 reporting often comes from -- we have a pretty  
12 stringent lease. I mean, we're managing the  
13 Commonwealth's resources, so we have a pretty  
14 stringent lease.

15           And we have a floor, a price, a floor  
16 that even if gas prices go below that, that the  
17 royalty rate is fixed. Most leases do not have  
18 that. So when the industry is processing these  
19 bills, they're processing it like they usually do.  
20 And we catch these particularly when gas prices go  
21 below that floor.

22           REPRESENTATIVE EVERETT: Thank you very  
23 much. I know a lot of people don't understand what  
24 you're explaining, but I do.

25           I know a lot of my private landowners

1 wish they had a floor price like that, rather than  
2 the market price.

3 Thank you. Keep up the great work.

4 DEPUTY SECRETARY NORBECK: If I can just  
5 add on to that, I mean, we are working through this  
6 Natural Gas Advisory Council to look at best  
7 management practices. And that's both in the land  
8 management and the conservation side of things and  
9 also our leases. So we're more than willing to  
10 share what we've learned with other State agencies  
11 and the general public.

12 MAJORITY CHAIRMAN SAYLOR: Representative  
13 Krueger-Braneky.

14 REPRESENTATIVE KRUEGER-BRANEKY: Hello,  
15 Secretary. Thank you so much for joining us here  
16 today.

17 So I know in previous years DCNR has  
18 relied on what has often been a volatile Oil and Gas  
19 Lease Fund to cover operational expenses for State  
20 parks and forests. However, last summer the State  
21 Supreme Court came down with a ruling in the  
22 Pennsylvania Environmental Defense Foundation versus  
23 the Commonwealth of Pennsylvania, which essentially  
24 directed the General Assembly to more properly  
25 exercise its responsibility as a trustee of our

1 natural resources. And in a sense, the  
2 Supreme Court was upholding the State Constitution,  
3 Article 1, Section 27, which states that the people  
4 have a right to clean air, pure water and to the  
5 preservation of the natural scenic, historic and  
6 esthetic values of the environment. Pennsylvania's  
7 public natural resources are the common property of  
8 all the people, including generations yet to come.

9 So the Supreme Court came down and said,  
10 this is in our Constitution and we as a legislature  
11 need to abide by it.

12 So I'm wondering, as you went into your  
13 budget process this year, what impact did that  
14 ruling have?

15 And what financial impact do you  
16 anticipate this decision to have on the Oil and Gas  
17 Lease Fund?

18 SECRETARY DUNN: I'll start -- sorry, I  
19 can't see you too well.

20 REPRESENTATIVE KRUEGER-BRANEKY: There's  
21 a big map of the State parks, but they're lovely.

22 SECRETARY DUNN: I'll use this one here.  
23 I will start with the environmental rights amendment  
24 to the Pennsylvania Constitution.

25 So first of all, I'll say it's certainly



1 gratifying to the men and women of natural resources  
2 agencies to have that brought up in the public eye.  
3 It's been there, and it was really, you know,  
4 Franklin Curry, if you don't know him, it's really  
5 worth getting to know him. He'll talk to you about  
6 how that came about.

7           It really came about because of pollution  
8 of the Susquehanna River and this growing public  
9 interest in the public natural resources. And so  
10 for us, that gives our whole mission a  
11 Constitutional underpinning. And it also, you know,  
12 puts a pressure on us to really -- you know, we're  
13 managing the trust of the public lands and  
14 environment as part of our mission. And the  
15 beneficiaries of that trust are the citizens of  
16 Pennsylvania, all of the citizens, including  
17 generations yet to come.

18           So that means decisions made by not only  
19 DCNR and the natural resources agencies, but the  
20 legislature, elected officials of all types, to  
21 think about the Constitution that underpins the  
22 public trust. On the financial side, there's a part  
23 of that that the royalty issue is still on -- it was  
24 remanded back to the Commonwealth Court.

25           So that hasn't been decided on. So DCNR

1 and the Governor's Budget Office will look at that  
2 decision when that comes out. The Commonwealth's  
3 position has been that in supporting the men and  
4 women who work at DCNR, in other words, the  
5 Oil and Gas Lease Fund, you will see this year is  
6 underpinning part of our operating budget that that  
7 meets the tests.

8 And of course the PDF position is other  
9 than that. So I think we'll all watch with interest  
10 as the courts take a look at that, and we'll revisit  
11 that, I'm sure, when -- it's probably happening some  
12 time this year, so we'll know soon.

13 REPRESENTATIVE KRUEGER-BRANEKY: So do  
14 you anticipate having to rebudget or change your  
15 budget midstream as a result?

16 SECRETARY DUNN: It depends on -- yeah,  
17 it depends on the outcome. I think, the  
18 Commonwealth is put in a position that wouldn't  
19 expect that, but, then again, the courts will take a  
20 look, so --

21 REPRESENTATIVE KRUEGER-BRANEKY: Okay.  
22 And so can you talk a little bit more, you know, as  
23 this decision has come down, how DCNR has decided to  
24 carry out the required restrictions on the  
25 Oil and Gas Lease Fund?

1           SECRETARY DUNN:  On the Oil and Gas Lease  
2 Fund, well, since it underpins only a portion of our  
3 budget, there's a good bit more spent on that public  
4 interest mission than just the Oil and Gas Lease  
5 Fund.  In fact, the very existence of that  
6 constitutional amendment requires us to manage that  
7 public trust with the resources that we have.

8           So the Governor's budget allocates  
9 general funds to us.  We have the special funds.  
10 Really, the special funds, particularly, help extend  
11 the public resources to all Pennsylvanians.  They're  
12 critical to providing -- just as you said, that  
13 right that citizens have and also expanding access  
14 to the public trust.

15           So I think our mission embodies the  
16 purpose behind that constitutional amendment.  And  
17 all of the funds that are provided to us, you know,  
18 by the Governor's budget and by the legislature,  
19 help us meet that requirement.  So we feel that it  
20 gives our mission a really strong constitutional  
21 basis.

22           REPRESENTATIVE KRUEGER-BRANEKY:  So your  
23 staff were pleased with the ruling, and at this  
24 point in time, you feel like the budget that's been  
25 proposed is in compliance awaiting to see --

1 SECRETARY DUNN: Yes.

2 REPRESENTATIVE KRUEGER-BRANEKY: -- what  
3 the court does?

4 SECRETARY DUNN: Yes, we do. Thank you.

5 REPRESENTATIVE KRUEGER-BRANEKY: Okay.  
6 Thank you, Madam Secretary.

7 SECRETARY DUNN: Yes.

8 MAJORITY CHAIRMAN SAYLOR: Representative  
9 Quinn.

10 REPRESENTATIVE QUINN: Thanks,  
11 Mr. Chairman.

12 It's always great to have you here.

13 Thank you very much for your testimony --

14 SECRETARY DUNN: Thank you.

15 REPRESENTATIVE QUINN: -- and thanks for  
16 the wonderful work you've been doing down in  
17 Bucks County with the Delaware Canal State Park, one  
18 of your most complicated parks, and also with your,  
19 you know, taking on of the Washington Crossing State  
20 Park.

21 My first question, John, this should be a  
22 quick one. You just spoke about the natural gas  
23 wells and what I understand is the type curve that  
24 reflects their production, high in the beginning and  
25 then it tapers off.

1           Do you have an estimate as to how long  
2 you believe that the wells operating presently for  
3 DCNR or on DCNR property, how long do you expect  
4 them to have life and be producing?

5           I ask because we've called it a  
6 transitional fuel, and I'm just not sure if that's  
7 25, 50, 100 --

8           DEPUTY SECRETARY NORBECK: Sure.

9           REPRESENTATIVE QUINN: Do you have a  
10 crystal ball?

11          DEPUTY SECRETARY NORBECK: No, I don't.

12          REPRESENTATIVE QUINN: Okay.

13          DEPUTY SECRETARY NORBECK: To give you a  
14 straight answer, I think would be, each well is  
15 going to be different in the amount of volume that  
16 it can produce. So some of the richer areas, our  
17 original estimate was they would probably have  
18 viable life for the next 50 years, but frankly,  
19 there are other places that probably would have a  
20 lot less life.

21          REPRESENTATIVE QUINN: Okay. Thanks.

22          SECRETARY DUNN: And then Utica shale  
23 underlies the Marcellus layer in many of the same  
24 areas, so that's something to consider, as well.

25          REPRESENTATIVE QUINN: Are any of the

1 Utica level shale being tapped yet on DCNR property?

2 DEPUTY SECRETARY NORBECK: No. We don't  
3 have any Utica shale wells.

4 REPRESENTATIVE QUINN: Thanks.

5 Okay. Back to the budget questions. I'm  
6 always a big proponent of seeing where we can save  
7 money and, you know, the GO-TIME initiatives that  
8 are under the jurisdiction, so to speak, of DCNR,  
9 reducing energy costs, partnering with DGS to  
10 identify potential projects. Updating the state  
11 parks reservation systems was about 100,000 over a  
12 couple of years. And then reducing database  
13 redundancies through the online portal, that was to  
14 be about 100,000.

15 I'm not yet, though, seeing where those  
16 savings are coming up tangible because you're still  
17 asking for additional manpower, which I would think  
18 some of the reservation system or the portal work  
19 could very well reduce, and also additional dollars  
20 in the budget.

21 SECRETARY DUNN: Sure.

22 REPRESENTATIVE QUINN: Are these in a  
23 tangible spot where we could see them?

24 SECRETARY DUNN: I will explain -- I'll  
25 start this and then I will probably pass to

1 Deputy Secretary Walsh for an explanation and over  
2 to Deputy Secretary Norbeck for the GESA Program and  
3 its impact on State parks.

4 So I think you're seeing the tip of the  
5 iceberg. One, when the Governor pulls the cabinet  
6 together on his efficiency moves and we have created  
7 an Office of Performance Through Excellence, in  
8 which GO-TIME is under and now an initiative called  
9 the Lean Initiative, the first charge of that effort  
10 is to efficiencies to serve the public, in other  
11 words, to free up somebody who might have been,  
12 like, say in a grant program, moving papers around  
13 for signatures, to actually serving the community.

14 And the same with the State park portal,  
15 freeing up a State park person rather than moving a  
16 bunch of lease agreements around for cabins to  
17 actually being out there with the public. So the  
18 efficiency we're looking for isn't just money  
19 savings. It's the public service side of things.

20 Having said that, I think what we're  
21 going to find is that there's some sleeping giants  
22 in our plans and that the GESA Program is one. So I  
23 will have Deputy Secretary Walsh run through the  
24 GO-TIME and Lean Initiatives and then I'll ask John  
25 to follow up with how that might look in a State

1 park and forest system.

2 I am passing the questions on a lot today  
3 because I have a cold and if I talk too much --

4 REPRESENTATIVE QUINN: That's fine.

5 SECRETARY DUNN: -- I'll start coughing.

6 REPRESENTATIVE QUINN: That's fine. And  
7 you can't be the expert on everything.

8 SECRETARY DUNN: Yeah, I'll go to --

9 REPRESENTATIVE QUINN: And NESAs, is that  
10 what you referred to?

11 DEPUTY SECRETARY WALSH: GESAs.

12 So as you mentioned, there are --

13 REPRESENTATIVE QUINN: Okay. I see it.

14 DEPUTY SECRETARY WALSH: Yeah, there are  
15 six projects that you mentioned that are in process.  
16 There are four that have been completed that are  
17 officially on the GO-TIME list. I think the list  
18 that you have reflects data as of October of 2017.  
19 And we've done some additional since then that may  
20 not be reflected in all of the data that's been  
21 provided because the reports are done.

22 REPRESENTATIVE QUINN: For the four  
23 completed, were you able to quantify savings or is  
24 it as the Secretary said, some are efficiencies that  
25 serve the public?







1 creation, because that seems to be a big theme?

2 SECRETARY DUNN: I'll let Deputy  
3 Secretary Lauren Imgrund brag about her program.

4 DEPUTY SECRETARY IMGRUND: Great. I'd be  
5 happy to answer that question.

6 We did bring a map today here to my left  
7 that shows the grant investments over the past 10  
8 years. That map also shows our State parks and  
9 State forests, so you can see the spread across the  
10 Commonwealth of the impact that DCNR has. And over  
11 the last 10 years, we've invested more than  
12 \$350 million into Pennsylvania communities through  
13 2300 projects.

14 And if you add to that the leverage that  
15 those grants do, you will see that that's at least a  
16 \$700 million impact in those communities. And in  
17 fact, a couple -- I think two years ago, the  
18 National Recreation and Parks Association did a  
19 study of the impact of local parks on communities  
20 and on economic impact, in particular, the capital  
21 expenditures of local parks.

22 In Pennsylvania, we have 6,000 local  
23 parks. And again, many of those have received DCNR  
24 grants. That study that the National Recreation and  
25 Park Association did shows that there was a \$1.6

1 billion impact, economic impact, from the capital  
2 expenditures in local parks, and that translated  
3 into 12,500 jobs.

4 In addition, our heritage areas program,  
5 we have 12 heritage areas. They have done numerous  
6 economic impact studies that show \$2.3 billion  
7 dollars in value added efforts from the tourism and  
8 economic development associated with those  
9 activities and about 25,000 jobs.

10 We also know for trail expenditures, we  
11 have about 16,000 miles of trails in Pennsylvania  
12 and trails like the Great Allegheny Passage, the  
13 Delaware and Lehigh National Heritage Corridor, the  
14 circuit trails in Philadelphia, all attract local  
15 businesses to serve those trail users. Things like  
16 bike shops, cafes, ice cream shops spring up along  
17 those long distance trails.

18 They also spring up along areas where  
19 we've invested to build ATV parks. So the  
20 Anthracite Outdoor Adventure Area, we know there  
21 have been a couple of businesses there that have  
22 sprung up because of that. So there's a whole suite  
23 of ways, both from the direct construction,  
24 planning, engineering jobs in the local park to the  
25 businesses that spring up around that project.

1                   REPRESENTATIVE DONATUCCI: Thank you.

2                   And quickly, the DCNR budget proposes  
3 funding the statewide radio upgrade. I know there  
4 are several agencies that are also involved in that.

5                   So can you elaborate how this upgrade  
6 will affect your agency and what kind of  
7 improvements and services will we see with the  
8 upgrade?

9                   SECRETARY DUNN: First of all, people  
10 don't think of us as a law enforcement entity, but  
11 in reality, with, you know, 2.5 million acres of the  
12 Commonwealth's land and with 40 million visits in  
13 the State parks alone, things happen on the public  
14 lands and our ranger force is really called, you  
15 know, for public health and safety.

16                   Additionally, we manage wildfires across  
17 the Commonwealth, including the State lands. And  
18 our forest fighters need contact. So we need a  
19 radio system that connects with county control and  
20 the State Police. And the P-25 system that's been  
21 piloted with State Police is a system that the  
22 Commonwealth is going with.

23                   So our portion that you see in the budget  
24 reflects year one of DCNR's investment in this  
25 program. You'll see when you visit with State

1 Police, you'll see the same -- large part in the  
2 State Police budget, their lead, and you'll see it  
3 probably in some other agencies, but the  
4 Commonwealth system, it serves in remote areas where  
5 we operate and, frankly, where our public health and  
6 safety needs can be critical.

7 REPRESENTATIVE DONATUCCI: Thank you.

8 Thank you, Mr. Chairman.

9 MAJORITY CHAIRMAN SAYLOR: Representative  
10 Keller.

11 REPRESENTATIVE KELLER: Thank you, Mr.  
12 Chairman.

13 Thank you, Madam Secretary, and deputy  
14 secretaries. First, I want to say I appreciate the  
15 relationship we have to be able to work together on  
16 things. I know we just got done working on one  
17 thing that you were helpful with. And I appreciate  
18 the fact that you answered our questions from our  
19 special funds hearings.

20 And actually, I have the letter from that  
21 with me. And that's really, I guess, where my  
22 questions are going to focus.

23 SECRETARY DUNN: Okay.

24 REPRESENTATIVE KELLER: It was example  
25 one at the bottom of the page. You mentioned a

1 performance metric of converting sites from like  
2 tent sites or primitive sites to one that has  
3 electricity.

4 SECRETARY DUNN: Right.

5 REPRESENTATIVE KELLER: And talk about  
6 the additional revenue per site per year.

7 SECRETARY DUNN: Correct.

8 REPRESENTATIVE KELLER: You know, just  
9 trying to figure out, so we're both on the same  
10 page, when I take the cost for each site per day, if  
11 I go out to DCNR's, to book our reservations, it's  
12 about \$6.50-a-day difference between the tent site  
13 and the one that has electricity for your camper or  
14 what I guess they call a modern electric site.

15 And I'm struggling to come up with the  
16 343 percent increase or the \$3,356 per year. I come  
17 up with about additional \$2,300 and a 34 percent  
18 increase.

19 Am I looking at something incorrectly  
20 there?

21 SECRETARY DUNN: Okay. It's going to be  
22 hard for me to answer that on the fly. I'll turn  
23 that over to Deputy Secretary Norbeck. I'll talk a  
24 little bit about the way we approach that.

25 We do surveying of the public users, of

1 State parks and recreational users. And this trend  
2 of people wanting full service hookups and camp  
3 sites is something we've seen. We don't know if  
4 it's the baby boomers getting into --

5 REPRESENTATIVE KELLER: Yeah, I was --  
6 excuse me, if I can.

7 I understand. I'm not saying I  
8 disagree --

9 SECRETARY DUNN: Yeah. Yeah.

10 REPRESENTATIVE KELLER: -- with us trying  
11 to meet the needs of what people want.

12 SECRETARY DUNN: Yeah. So --

13 REPRESENTATIVE KELLER: But just simply  
14 doing the math of the difference in the cost per  
15 site --

16 SECRETARY DUNN: Yeah, we're trying to  
17 get a calculator going here on the iPhone.

18 REPRESENTATIVE KELLER: Maybe I can ask  
19 another question, and this could be for follow-up,  
20 if I could maybe.

21 How much does it cost us to convert a  
22 site, and are we getting the return?

23 In other words, when we look at the  
24 depreciation and maintenance, all of those things --

25 SECRETARY DUNN: Yeah.



1                   REPRESENTATIVE KELLER: Do we factor that  
2 in because I notice it mentions how much more  
3 revenue we generate, but what does it cost us to  
4 generate that revenue?

5                   I don't know if -- you may not have that  
6 with you, but if we could get that, that would be  
7 helpful.

8                   SECRETARY DUNN: Yeah, I'll turn it over  
9 to John in a second here, but I really invite you to  
10 come over to our office. We've got a guy in State  
11 Parks that has charts all over his walls on exactly  
12 the kind of questions you're asking, measuring the  
13 return on investment of different investments we  
14 make, the places where we can turn over to these  
15 full service sites and then up the revenue, but I  
16 think the return on investment on those full service  
17 hookup sites is remarkable, and they fill up as soon  
18 as we make them available.

19                   So can you answer the --

20                   DEPUTY SECRETARY NORBECK: Sure I can  
21 address both of those. Unfortunately, I'm not going  
22 to be able to compare our equation with your  
23 equation sitting right here, but I'd be more than  
24 happy to do that --

25                   REPRESENTATIVE KELLER: But the revenue

1 we would generate would be the difference that it  
2 costs you to rent the fully electric site, the  
3 modern site, minus the tent site, if it's \$6.50 more  
4 for the fully electric site.

5 If we rented that every night and took  
6 \$6.50 times 365, we would generate another \$2,300.

7 DEPUTY SECRETARY NORBECK: So I think  
8 what you're looking at, and again, I can do the math  
9 later, but the electric site is a \$6.00 add-on. The  
10 full service hookup is more than that, and I don't  
11 know what that cost is.

12 REPRESENTATIVE KELLER: I wasn't able to  
13 find those on any of the booking sites when I went  
14 on. I went to Ole Bull State Park, Little Pine.  
15 And the most expensive one I found was \$27.00 --  
16 yeah, it was \$27.50.

17 DEPUTY SECRETARY NORBECK: Yeah, I don't  
18 believe we have full service hookups at those two  
19 parks.

20 REPRESENTATIVE KELLER: Ole Bull?  
21 Do you have one that does, I guess?

22 DEPUTY SECRETARY NORBECK: I'm not sure.

23 REPRESENTATIVE KELLER: Okay.

24 DEPUTY SECRETARY NORBECK: I'm not sure.

25 REPRESENTATIVE KELLER: I'd just like to

1 check. I just want to make sure that we're all on  
2 the same page and we're looking at measuring how  
3 we're performing.

4 DEPUTY SECRETARY NORBECK: Yes.

5 REPRESENTATIVE KELLER: I'm not saying  
6 we're not, it just, when I run the numbers, it just  
7 is sort of a little puzzling to me. And I just want  
8 to do that. I am a numbers guy kind of thing, so  
9 I'm looking at that.

10 DEPUTY SECRETARY NORBECK: Yeah, we can  
11 certainly do that, but I can assure you that these  
12 numbers are good numbers. Like the Secretary said,  
13 you know, we have spreadsheets on every park,  
14 campground in the system. We break that down to  
15 every park --

16 REPRESENTATIVE KELLER: But to have a 343  
17 percent increase, we'd have to charge three times  
18 what we were charging for the other site. And I  
19 don't know that we're three times that. I mean, if  
20 a camp site, a tent site is \$19.00, we would have to  
21 be charging seventy-some dollars a night for a full  
22 hookup.

23 DEPUTY SECRETARY NORBECK: Yes.

24 REPRESENTATIVE KELLER: That's sort of  
25 what I'm thinking. So I'm thinking maybe we're --

1 I'm not sure.

2 But if we could work on that, I would  
3 appreciate it.

4 DEPUTY SECRETARY NORBECK: We could send  
5 you the math on that, and I could come over and go  
6 over it with you.

7 REPRESENTATIVE KELLER: I would  
8 appreciate that.

9 SECRETARY DUNN: We have a guy on our  
10 parks staff I'd love for you to meet because he  
11 could answer all of these questions on the fly and  
12 then some, so --

13 REPRESENTATIVE KELLER: But you know what  
14 I mean, if we're paying three times \$19.00, it says  
15 343 percent increase, it's going to be almost  
16 \$100.00 just to park a camper for one night -- yeah,  
17 for -- excuse me.

18 No, it wouldn't be that. It would be --  
19 well, yeah, it would be. Because if it says it's a  
20 300 percent increase, if we're paying \$19.00 now, it  
21 would be three time \$19.00, so it would be \$60.00 to  
22 park your camper.

23 And I don't know that we're charging that  
24 much. That's, I guess, my point.

25 SECRETARY DUNN: Okay. We get the point.

1 And I think, yeah, we'll follow up for you.

2 REPRESENTATIVE KELLER: Thank you.

3 MAJORITY CHAIRMAN SAYLOR: Representative  
4 Kim.

5 REPRESENTATIVE KIM: Good afternoon.

6 SECRETARY DUNN: Good afternoon.

7 REPRESENTATIVE KIM: Valley Forge was  
8 your first State park --

9 SECRETARY DUNN: Yes.

10 REPRESENTATIVE KIM: -- under DCNR 125  
11 years ago. That was a long time ago. And if my  
12 facts are correct, I think that's when  
13 Chairman Markosek started as a State Representative.

14 SECRETARY DUNN: He missed it.

15 REPRESENTATIVE KIM: We can't let the  
16 Chairman leave without being roasted, we're going to  
17 miss him.

18 So with DCNR, you really need to have a  
19 long view.

20 SECRETARY DUNN: Yes.

21 REPRESENTATIVE KIM: So 100 years out,  
22 and I was really encouraged to see your new program  
23 where you've teamed up with L&I to make sure that  
24 you train the young people. And I love that you're  
25 also taking kids from the inner cities to go out

1       there --

2                       SECRETARY DUNN:  Absolutely.

3                       REPRESENTATIVE KIM:  -- and fall in love  
4 with nature.  So tell us more about that program.

5                       And where do you want to see our parks in  
6 125 years?

7                       SECRETARY DUNN:  Thank you for that.

8 Boy, great for you for recognizing it's 125 years of  
9 our State park system.  We do have to plan.  We  
10 always say we're in the forever business, because we  
11 do have to plan so long term, and because of the  
12 question that Representative Krueger-Braneky  
13 mentioned about the constitutional basis.

14                       So it's incumbent upon us in our mission  
15 and for the Constitution to really think that way.  
16 So we recognize that to engage the next generation,  
17 we need a very proactive program.  So we worked with  
18 Labor & Industry and launched the  
19 Pennsylvania Outdoor Corps.

20                       If you think about the Civilian  
21 Conservation Corps and the Pennsylvania Conservation  
22 Corps, it's the same sort of model, engaging young  
23 people with a well-paying job for either a six-week  
24 summer crew -- our youth crew is age 15 to 18 -- or  
25 the young adult crews that are 10 months and being

1 trained right now. We have nine of them, nine crews  
2 of them, and they're ages 18 to 25.

3 In both cases, not only are we getting a  
4 lot of good work done on State parks and forests, I  
5 mean, they're building trails, they're building  
6 lean-tos. And Representative Keller, there's a  
7 great return on investment there because they're  
8 essentially free and then we rent them.

9 We are building, you know, we are moving  
10 evasive species and giving them like signature  
11 projects. In doing so, they are gaining work skills  
12 and even certifications that they can then take and  
13 get a job. And they're gaining like soft job  
14 skills.

15 Labor & Industry, through their program,  
16 they're training the young people on, you know,  
17 filling out a job application, how to present  
18 yourself, how to write a letter of interest. So in  
19 addition to the real hands-on work that benefits  
20 DCNR so much, they leave that program armed to get a  
21 job and be part of the workforce.

22 I got a chance last summer -- and the  
23 best days of 2017 that I can think of were the days  
24 I spent with the Outdoor Corps. And I invite all of  
25 you to join us out in the field. I know

1 Representative Carroll has joined us. I know many  
2 of you here have joined us for the Outdoor Corps,  
3 and I invite everybody. I really encourage it, in  
4 fact, to get out there and spend a day with them.

5 But we always do a circle with them and  
6 talk about our career path. You know, my first job  
7 in State government was an equipment operator for  
8 the Department of Ag. I talk about my career path.  
9 All of us who are there talk about our career path.

10 Then we ask them to talk about their  
11 interests. We had one young man that said, I don't  
12 want to go to college. I just want to drive a big  
13 piece of equipment in the woods. And it turns out  
14 he actually had good skills for that. He's now  
15 working on a maintenance crew in Delaware State  
16 Forest.

17 So we would love to, you know, hire a lot  
18 of these young people in our system. And of course,  
19 as jobs come up, we are working with OA to erase the  
20 obstacles for employment that people face. You  
21 know, OA is working with the Civil Service System to  
22 transfer over to NEOGOV, so that people can see a  
23 job, apply for it and then get it.

24 We think this is transformative in these  
25 young people's lives. And in the meantime, it



1 really helps us with the park and forest  
2 infrastructure, the trails, the buildings and  
3 everything else. It's one of the most gratifying  
4 things that we have the honor of doing every day.

5 Thank you.

6 MINORITY CHAIRMAN MARKOSEK: Folks, what  
7 Representative Kim left out is, in those 125 years,  
8 I never missed a day.

9 SECRETARY DUNN: Good. Good.

10 MAJORITY CHAIRMAN SAYLOR: I note to  
11 Representative Kim, as well, I think Chairman  
12 Markosek sent a letter to the Secretary, no more  
13 grants for Harrisburg.

14 SECRETARY DUNN: She didn't say I was  
15 around 125, so she's okay.

16 MAJORITY CHAIRMAN SAYLOR: Sorry, Patty.  
17 Representative Helm.

18 REPRESENTATIVE HELM: Thank you.

19 Secretary Dunn and deputy secretaries, I  
20 always wanted a winery in my district. Now I have a  
21 very successful winery, but now there's an insect  
22 out there that's looming that could drastically  
23 affect the grapes. And I'm surprised there's no  
24 information about our funding requested for the  
25 spotted lantern fly in your budget.

1           Why is that, when this pest reportedly  
2 threatens all agricultural and forested areas and  
3 the PA Department of Agriculture requested \$1.6  
4 million for detection and eradication efforts?

5           I just wonder, are you working with the  
6 Department of Ag and other agencies to address the  
7 spotted lantern fly and other invasive species?

8           Shouldn't this also be a priority in your  
9 own budget?

10           SECRETARY DUNN: Thank you,  
11 Representative Helm. Thank you for asking that.

12           It's a very important question and  
13 something we're very involved with. We at DCNR have  
14 one of the best forest pest management units in the  
15 United States and certainly in the northeast. So we  
16 have a lot of Ph.D. entomologists and scientists.

17           And we are deployed to help the  
18 Department of Ag with the spotted lantern fly.  
19 We've used some of our special funds, the  
20 Environmental Stewardship Fund, and diverted  
21 \$340,000 over to spotted lantern fly this year.

22           And then we're expecting to work with Ag,  
23 and you saw the announcement probably, that the U.S.  
24 Department of Agriculture, the Federal government is  
25 coming in and funding through Department of Ag, but

1 I'm sure some of that money will be used across the  
2 system to combat this new threat.

3 There are 13 counties currently  
4 quarantined. Secretary Redding will be the real  
5 expert here, but obviously, it's a threat to not  
6 only wine, you know, grapes, but also hops, also,  
7 you know, economic important tree species to our  
8 forest product industry. Not only that, it's a real  
9 pest potentially on people's private property.

10 We have a lot of expertise on this.  
11 We've had gypsy moths, hemlock woolly adelgid,  
12 emerald ash borer. Sadly, it just seems like every  
13 couple of years, there's a new threat to  
14 Pennsylvania's forests and this is just the newest  
15 one, but we really stand ready to be part of this.

16 The Governor has asked the agencies to  
17 really, you know, Department of Ag, DEP, DCNR and  
18 the other agencies, to really come together and try  
19 to contain this threat in the 13 quarantined  
20 counties and then eventually eradicate. So thank  
21 you for asking that.

22 REPRESENTATIVE HELM: Just so I have this  
23 correct, did you say \$430,000 of your special funds  
24 is where you're planning to take the money from?

25 SECRETARY DUNN: That was in this year's

1 budget. We took it from the Environmental  
2 Stewardship Fund money in this year's budget and  
3 directed it, you know, recently to that project so  
4 we could get started on overflights to identify --  
5 there's a certain type of tree that attracts it,  
6 ailanthus, Tree of Heaven, if you know what it is.

7 REPRESENTATIVE HELM: Okay.

8 SECRETARY DUNN: It's an evasive tree,  
9 too. The benefit of that tree is it attracts a bug.  
10 We want to eradicate that tree except in places  
11 where we want to attract the bugs to it and then  
12 eradicate the bugs when they get to the tree. So  
13 we're laying out a plan.

14 In addition, our Forest Pest Unit is  
15 developing a parasitoid wasp that will become a  
16 parasite on the spotted lantern fly. That's the  
17 kind of approach we used on gypsy moth and emerald  
18 ash borer, developing a parasite to the pest and  
19 then releasing it and hoping it gets established,  
20 but this just -- one more in the wave of forest  
21 pests in Pennsylvania. We're certainly responding.

22 And I think you'll see, just like gypsy  
23 moths, the regular part of our budget now, I think  
24 you'll -- the spotted lantern fly will be something  
25 we'll all be talking about over the next years.

1 Hopefully, we can beat it back.

2 REPRESENTATIVE HELM: We want you to do  
3 that, so thank you for your efforts. Thank you.

4 SECRETARY DUNN: Yeah, we'll do our best.

5 MAJORITY CHAIRMAN SAYLOR: Recognizing  
6 the Democratic Chairman of the Environmental  
7 Resources and Energy Committee,  
8 Representative Carroll.

9 REPRESENTATIVE CARROLL: Thank you,  
10 Mr. Chairman.

11 Madam Secretary, thank you for the fine  
12 work that you and your staff do throughout our great  
13 Commonwealth.

14 SECRETARY DUNN: Thank you.

15 REPRESENTATIVE CARROLL: It was a  
16 pleasure to be with you in Lackawanna County a week  
17 or so ago in Thornhurst, and an opportunity to  
18 highlight the wonderful, wonderful assets that we  
19 have across our State with our State parks and our  
20 State forests. So thank you for all the fine work  
21 that you and your staff do across our State.

22 SECRETARY DUNN: Good. Thank you.

23 REPRESENTATIVE CARROLL: As a commentary  
24 prior to my first question for  
25 Representative Everett in his desire to make sure

1 that these leaseholders have the insulation that the  
2 Commonwealth enjoys because of our fine attorneys,  
3 I'm eager to see HB 557 be advanced by the  
4 General Assembly to ensure that the leaseholders get  
5 a 12-and-a-half-percent minimum royalty.

6 And furthermore, the Commonwealth would  
7 be the beneficiary --

8 SECRETARY DUNN: Right.

9 REPRESENTATIVE CARROLL: -- of \$20  
10 million additional income tax revenue and probably  
11 somewhere between 10 and 20 million in sales tax  
12 revenue. So at the same time that we can protect  
13 our leaseholders, our Commonwealth's bottom line  
14 could do a little better, as well.

15 SECRETARY DUNN: Right.

16 REPRESENTATIVE CARROLL: So I'm eager to  
17 see Representative Everett's bill be considered some  
18 time in the near future.

19 Madam Secretary, you just mentioned a  
20 moment ago gypsy moths.

21 SECRETARY DUNN: Yeah.

22 REPRESENTATIVE CARROLL: I represent an  
23 area in northeastern Pennsylvania that has faced a  
24 scourge of the gypsy moths in the past. Without too  
25 much granularity in your answer, what does the

1 future of this year hold with respect to gypsy  
2 moths?

3 SECRETARY DUNN: Well, I'll turn that --  
4 I think Deputy Secretary Norbeck just got a briefing  
5 from Forests Pests. And what I heard was a little  
6 bit encouraging, but I'll turn it over to him.

7 DEPUTY SECRETARY NORBECK: Sure. So for  
8 this year, we've allocated \$2 million out of our  
9 Environmental Stewardship Fund, money to spray for  
10 gypsy moths. When you think about the budgeting  
11 process, we're budgeting money for a bug that we're  
12 not quite sure what the population is going to be  
13 when we have to spray it.

14 So that could be more; that could be  
15 less. Right now, we believe that the bug is kind of  
16 on a decline. And you'll have population changes on  
17 those. There's a population curve, so they'll grow  
18 really large and then they'll start to decline  
19 again. We believe that we're in that decline  
20 situation right now, but we'll know better this  
21 spring.

22 We're doing egg mass counts right now to  
23 give us an idea of how much is actually out there.

24 REPRESENTATIVE CARROLL: Terrific.  
25 Thanks a lot. I know it's a major problem across

1 the State and our region in particular. And the way  
2 the counties now are strapped financially, there's  
3 less of an ability by many counties to go forward  
4 with the gypsy moth program and it falls on property  
5 owners in a lot of cases with respect to their own  
6 trees. So I'm happy that it's downhill, so to  
7 speak, for gypsy moths. That's good news.

8 Madam Secretary, there's been a lot of  
9 conversation in the building relative to  
10 consolidations and mergers and a streamlining that  
11 the Governor had advanced both last year and this  
12 year in budget proposals that have not enjoyed wild  
13 support, so to speak, in the General Assembly.

14 And I know that in your agency there has  
15 already been a merger with respect to Human  
16 Resources with DEP. And I think it highlights the  
17 ability for us in State government to consider the  
18 positive effects of consolidation and streamlining  
19 and smart sizing State government.

20 Can you share with me, Madam Secretary,  
21 where we stand and how effective the consolidation  
22 has been with respect to HR with the two agencies?

23 SECRETARY DUNN: Yes. So we're part of a  
24 grouping with Department of Ag, Department of  
25 Environmental Protection, DCNR, as well as the Milk



1 Marketing Board and Environmental Hearing Board.  
2 Not only has HR been combined, but of recent, the IT  
3 functions, as well.

4 And so we're part of a shared service  
5 agreement. OA operates it and combines the  
6 resources. And the people, frankly, of the original  
7 host agencies for these teams are under leadership  
8 looking for the same efficiencies, such as if  
9 software is being ordered for a certain kind of  
10 program, can it broadly be used across five agencies  
11 or even across the Commonwealth?

12 Human Resources, as you mentioned,  
13 different agencies have their seasonality of hiring.  
14 For instance, we bring on a large wage staff in the  
15 summer for parks and forests. That's a big push now  
16 through May. Other agencies have a different cycle,  
17 so that allows the government over time to take  
18 advantage of these cycles.

19 So OA is doing a great job at managing  
20 this. And we're early on in the implementation. We  
21 had shared HR with DEP for about three or four  
22 years, so this was a mature relationship. And  
23 that's why our shared service agreement with Ag and  
24 DEP and DCNR was one of the first ones and  
25 considered one of the first pilots.

1                   And I would say it's going well and we're  
2 in the middle. We're transitioning to that system  
3 weekly.

4                   REPRESENTATIVE CARROLL: I appreciate  
5 that. And I think it does highlight the success and  
6 the possibilities that exist. Very often around  
7 here, we fall in to predictable silos in how we  
8 treat agencies -- I applaud the Administration and  
9 the Governor for having the foresight to advance a  
10 conversation relative to the consolidation of some  
11 of the various agencies that he has proposed, both  
12 last year and this year.

13                   And I'm hopeful that the General Assembly  
14 will embrace the possibilities of some of these  
15 consolidations to save taxpayers money and to  
16 provide a more streamlined State government.

17                   So Mr. Chairman, I'll stop there and say  
18 thank you for the opportunity.

19                   Madam Secretary, thank you.

20                   SECRETARY DUNN: Thank you.

21                   MAJORITY CHAIRMAN SAYLOR: With that, we  
22 go to Representative Heffley.

23                   REPRESENTATIVE HEFFLEY: Thank you,  
24 Mr. Chairman.

25                   Thank you, Madam Secretary, for

1     testifying today. We've had several conversations,  
2     and I've just got to kind of just make another  
3     pitch.

4             Obviously, we're blessed in the  
5     122nd District, Carbon County, we've got some great  
6     DCNR state parks here. The D&L Corridor and the  
7     Rails to Trails Program, which is providing a lot of  
8     opportunities for tourism to increase. And we have  
9     the new bridge dedication coming up.

10            But once again, going back to some of the  
11     downsides of having the State parks. And because of  
12     the proximity and where we're located, it's great we  
13     attract a lot of folks from out of State to come to  
14     our area, but with our State parks, sometimes the  
15     issue of overcrowding and just years of putting off  
16     some maintenance projects and stuff like that, due  
17     to lack of funding.

18            And I'd once again like for DCNR to  
19     consider -- and I don't know if you have -- I think  
20     you have the authority now, but if you need the  
21     statutory authority, I also have a proposal to do  
22     that, it would be like for some kind of an entrance  
23     fee or a parking, primarily parking because a lot of  
24     our State parks have many entrances.

25            So if you want to go fishing, you've got

1 to buy a fishing license. If you want to put your  
2 boat out, you have to have your boat registered. So  
3 already, folks that are using those resources are  
4 already paying for it. But if you're driving from  
5 New York, New Jersey or Connecticut to come down to  
6 the lake for the day, you're not really paying  
7 anything.

8 And I think, looking at the possibility  
9 of a minimal fee for parking -- and it's important  
10 to note that we can charge a higher fee for  
11 out-of-state residents. I just don't think that we  
12 can continue to ask the taxpayers of Carbon County  
13 to pay for people from out of state to come here and  
14 vacation.

15 And some of these locations of the parks  
16 don't necessarily parlay into a lot of tourism  
17 dollars for the community because people are coming  
18 in and going right back home and not really staying  
19 overnight or anything. So I would, once again, as  
20 you look at funding sources and the need for  
21 additional resources for those parks, I would like  
22 if you could consider some type of nominal fee, not  
23 to gouge anybody, but just to provide additional  
24 resources for those parks that are being impacted.

25 SECRETARY DUNN: I appreciate that. I

1 know your park is well-loved. Beltzville State Park  
2 is well-loved, especially on the summer holiday  
3 weekends. And we had this discussion many times.

4 The model that Pennsylvania State Parks  
5 embraces is to have no entrance fee, so the park is  
6 not only available to all citizens as per our  
7 mission and our constitutional basis, but also to be  
8 an economic driver for the Commonwealth of  
9 Pennsylvania.

10 The 40 million visits to Pennsylvania  
11 State parks generates \$1.2 billion in the  
12 Commonwealth economy, 13,000 jobs. And we're part  
13 of professional associations with other State park  
14 systems. And where an entrance fee or a parking fee  
15 has been imposed, the visitorship drops off, so  
16 you've lost this attractive element for visitorship  
17 in these States.

18 In Pennsylvania, we get about 20 percent  
19 of our park visits from out-of-Staters. I go to  
20 Pinchot State Park and Pine Grove Furnace State Park  
21 a lot on the weekends to paddle my kayak and you do  
22 see a lot of out-of-state plates, but those people  
23 being attracted into Pennsylvania are spending money  
24 in Pennsylvania and really generating a lot of  
25 economy.

1           And again, 13,000 jobs, so the model in  
2           the culture of Pennsylvania for the residents is  
3           that those parks are free and available to all  
4           citizens, a strong culture in that. And then the  
5           economic model, it returns the value, returns,  
6           really, more than the cost to the Commonwealth  
7           coffers.

8           Additionally, this is more a practical  
9           issue. The parks weren't built around that design  
10          of having an entrance. Perhaps this probably isn't  
11          the best example -- Pymatuning is a good one,  
12          though. Twenty-seven different roads cut through  
13          Pymatuning State Park. And access to the park is  
14          everywhere and --

15          REPRESENTATIVE HEFFLEY: I understand  
16          that, but I guess, I mean, I think sometimes when we  
17          think about it, you think, well, you're going to  
18          have somebody in a booth collecting dollars every  
19          time you go in and out. And I know I go to State  
20          parks in Delaware in the summer and I pay. I think  
21          it's like \$20.00 for a week for a pass to get in or  
22          you can buy a seasonal pass.

23          I think New Jersey parks charge a fee, I  
24          guess, in looking at other opportunities, like  
25          parking at kiosks. So you could have kiosk parking,

1 and you swipe a card and you park for that long in  
2 the parking lot at that park. That money would then  
3 be generated. You wouldn't have to have additional  
4 staff and your park rangers would just have to  
5 ensure that folks -- and it's great, you can  
6 actually get it on your phone like here in  
7 Harrisburg and they'll send you an alert if you're  
8 running out of time or money, and you can put more  
9 on.

10 I'm just looking at -- I don't want it to  
11 be punitive, but I just see it in these areas where  
12 we're having this influx -- that we're limited  
13 resources and it's really burdening the local  
14 communities and costing them additional dollars in  
15 enforcement to keep up with this. But thank you for  
16 your time.

17 SECRETARY DUNN: Thank you.

18 MAJORITY CHAIRMAN SAYLOR: Representative  
19 James.

20 REPRESENTATIVE JAMES: Thank you,  
21 Mr. Chairman.

22 Thank you, Secretary and panelists.

23 I felt the need to stand up.

24 SECRETARY DUNN: Okay.

25 REPRESENTATIVE JAMES: I have a couple

1 issues in mind, looking at the budget. And  
2 remarkably, we have recommendations. And it is a  
3 budget recommendation about a 16 percent  
4 across-the-board recommendation to increase  
5 operations in State parks and forests. And that  
6 sounds just fine.

7           And then the very next line item on there  
8 is Heritage Parks and other parks, and that is a  
9 negative 21 percent. I'm not sure, what does that  
10 say to me?

11           Secretary DUNN: Okay. So the increase  
12 in the General Fund that you're seeing in the State  
13 park line is because there's less Oil and Gas Fund  
14 in the General Fund, in the State park  
15 appropriations. So the Governor's proposal was to  
16 make that up with general funds.

17           So when you look at the bottom line at  
18 the bottom of the sheet, at the total of General  
19 Fund and Oil and Gas Lease Fund line, the total core  
20 operating cost, it's actually essentially level. If  
21 you take away the new radio request, which is  
22 really, essentially, the only new funded item, then  
23 the increase in our budget overall is just about a  
24 half a percent. So it's a very modest increase for  
25 parks, forests, and just general government, just



1 half a percent. On the issue of the Heritage Parks,  
2 so this Governor, Governor Wolf, is the first  
3 Governor actually to fund the Heritage Parks in the  
4 Governor's budget. What was happening in the past  
5 is Governors' budgets of the past wouldn't have it  
6 in and the legislature would add it in.

7 And then there is -- in the past, the  
8 legislature has chosen to add funds to the other  
9 park line for a specific project. We didn't presume  
10 -- the Governor's budget didn't presume to do that,  
11 but we put in money for the core Heritage Parks, the  
12 Heritage Parks that Lauren Imgrund just talked  
13 about.

14 So that's why that looks smaller, because  
15 it's only reflecting the Governor's budget, 12  
16 Heritage Parks, but that's really the legislature's  
17 discussion, you know, with the Governor's Budget  
18 Office, on whether they want to add something to  
19 that or not.

20 REPRESENTATIVE JAMES: Well, thank you  
21 for the response. I guess as you're debating the  
22 issue going forward, I would encourage you to  
23 reflect a little bit upon some of the previous  
24 statistics, the 25,000 jobs and the dollar amounts  
25 that are being brought in and perhaps soften your

1 stance on that.

2 A different topic, if I may -- and by the  
3 way, your chart up there, are the green areas on  
4 that chart publicly-owned land?

5 Is that what that --

6 SECRETARY DUNN: Yeah, there is State  
7 forestland and then the more -- are the parks a  
8 tree?

9 DEPUTY SECRETARY IMGRUND: So there are  
10 both.

11 SECRETARY DUNN: You can --

12 DEPUTY SECRETARY IMGRUND: Sure. The  
13 large green dots are where there were grant  
14 investments.

15 SECRETARY DUNN: The round dots; they're  
16 round.

17 DEPUTY SECRETARY IMGRUND: Yeah. And  
18 there's State forestland and State parkland. I  
19 think the State parks are brown, actually, on there.

20 SECRETARY DUNN: Yeah.

21 REPRESENTATIVE JAMES: Thank you for  
22 that.

23 I've been informed -- and I guess I'm  
24 asking you to confirm this -- that your Department  
25 does not engage in the acquisition of acreage in

1 Pennsylvania; is that a correct statement?

2 SECRETARY DUNN: No, we do. We have a  
3 grant program that serves the 80 land trusts of the  
4 Commonwealth, and there's a lot of action and  
5 interest in adding public lands to municipalities,  
6 counties and held by the land trust.

7 In our case, we're able to add to the  
8 park and forest system occasionally. And we do when  
9 it makes sense and when we have the money.

10 REPRESENTATIVE JAMES: Okay. You do  
11 that.

12 SECRETARY DUNN: Yes.

13 REPRESENTATIVE JAMES: Okay. Do you work  
14 in conjunction with PennVEST at any time?

15 SECRETARY DUNN: Yeah. So PennVEST  
16 recently gave a loan to a company called Lyme Timber  
17 Company. The forest product industry in  
18 Pennsylvania depends on large forested stands, both  
19 public and private.

20 The Governor requested a green ribbon  
21 task force to study the issues affecting the forest  
22 industry. In '08, with the recession, the forest  
23 product industry really declined in Pennsylvania.  
24 We lost a lot of jobs, some industries blinked out.  
25 And certainly, the economy around the forest product

1 industry had declined.

2 And one concern was that the large  
3 private land forest areas of the north central that  
4 are private are held often by timber investment  
5 management companies. So they're large tracts held  
6 for timber purposes and the concern is those were  
7 being sold off. They would get parcelized smaller  
8 and smaller, and then the industry wouldn't be able  
9 to then, you know, have stability in the input of  
10 their market.

11 So a new company, new in Pennsylvania, a  
12 company with a long track record in New York State  
13 and other places, came in and proposed to buy/secure  
14 large tracts of private forestland, keeping it in  
15 private ownership, and secure a PennVEST loan.

16 PennVEST, as you know, requires water  
17 cleanup. So they were cleaning up some water issues  
18 on the sites and then secure these and make them  
19 available for the forest product industry.

20 REPRESENTATIVE JAMES: I think I'm  
21 running out of time. In fact, there's the red  
22 light, but I do want to make a point, if I may,  
23 Mr. Chairman.

24 My concern on that specific issue is that  
25 funds were made available to that TMO at a very

1 preferred rate, and I'm wondering if they were  
2 eligible for private investment by banking and those  
3 concerns.

4 SECRETARY DUNN: Yeah, I don't know the  
5 business side of Lyme Timber, but they probably are.  
6 You know, I could get back to you on the structure.  
7 I think they're a traded company. I think they're  
8 available out on the Internet, as well, but we were  
9 gratified when a big forest product company saw the  
10 value and came in. And we were gratified when  
11 PennVEST saw fit to make a loan to this private  
12 forest company.

13 REPRESENTATIVE JAMES: Thank you.

14 SECRETARY DUNN: Thank you.

15 MAJORITY CHAIRMAN SAYLOR: Representative  
16 Dunbar.

17 REPRESENTATIVE DUNBAR: Thank you,  
18 Mr. Chairman.

19 Welcome, Secretary.

20 If we're cutting funding for grants for  
21 Harrisburg, I think we've got to cut some for  
22 Venango County, too, seeing that he willfully went  
23 past his five minutes and didn't yield. Just  
24 saying.

25 REPRESENTATIVE JAMES: I can't see red.

1                   REPRESENTATIVE DUNBAR: You know,  
2                   although it's nice hearing all about the State parks  
3                   and State forests, unfortunately, it is a budget  
4                   hearing, so I do have to talk a little bit about  
5                   numbers. The Governor's budget proposal,  
6                   specifically on the General, the GGO line, General  
7                   Government Operations line, is showing an 8.6  
8                   percent increase, \$1.7 million.

9                   In looking through the information that  
10                  you have provided us with, that is all coming  
11                  through on the personnel line; is that correct, that  
12                  the additional funding is for personnel?

13                 SECRETARY DUNN: That would be --

14                 REPRESENTATIVE DUNBAR: And before you  
15                 answer, just so you know where I'm going with this  
16                 because I don't like to play gotcha or anything like  
17                 that.

18                 SECRETARY DUNN: Okay.

19                 REPRESENTATIVE DUNBAR: As I look at your  
20                 complement numbers that you had on here, you had  
21                 filled positions of 197 at the end of 2016 and 144  
22                 at the end of 2017, which is a reduction of 52  
23                 spots. Our complement number is only going up by  
24                 two. I'm not seeing it in the budget.

25                 The 2016 personnel numbers were

1 \$20 million, '17-'18 personnel numbers were  
2 \$21 million.

3 Where did the money go that we saved from  
4 all the people that were there?

5 SECRETARY DUNN: Okay. So that relates  
6 to the issue that Representative Carroll brought up.  
7 So IT and HR shifted out of DCNR over to OA, so  
8 those --

9 REPRESENTATIVE DUNBAR: I appreciate  
10 that, but you also told Representative Carroll --

11 SECRETARY DUNN: -- that we paid --

12 REPRESENTATIVE DUNBAR: -- that it's been  
13 going on for several years.

14 SECRETARY DUNN: Well, HR had been  
15 combined in DEP for three or four years, but HR  
16 stayed in DCNR's budget and on DCNR's complement.  
17 So actually, the HR part was on our complement for  
18 both DEP and DCNR, but now it's all shifted over to  
19 OA, but we still pay for that service.

20 So OA will identify the costs. And so  
21 the money is supposed to be there, and then we'll  
22 pay for it, but --

23 REPRESENTATIVE DUNBAR: And in full  
24 disclosure, whenever you testified to that, I turned  
25 to Mr. Donley and I said, well, maybe that helps

1 answer part of it, but I still want to make sure.

2 So now the money is still coming out of  
3 your budget, but why do you still need -- why the  
4 increase of \$1.7 million?

5 I'm still not sure on that.

6 SECRETARY DUNN: Yeah, that's salary and  
7 benefits as driven by --

8 REPRESENTATIVE DUNBAR: An 8 percent  
9 increase?

10 SECRETARY DUNN: I wonder -- there's a  
11 number right in front of me, but I wonder if you're  
12 looking at the total of Oil and Gas --

13 REPRESENTATIVE DUNBAR: No, I'm just  
14 looking at GGO, just strictly the GGO line.

15 SECRETARY DUNN: Yeah. So you're looking  
16 at just General Fund.

17 REPRESENTATIVE DUNBAR: Yeah, which is an  
18 8.6 percent increase, \$1.739 million.

19 SECRETARY DUNN: So to get the full --  
20 because we use Oil and Gas, as has been discussed  
21 here, Oil and Gas in all three appropriations,  
22 General Fund, Park and Forest, the difference -- but  
23 what you really have to look at is the total of the  
24 Oil and Gas in the General Fund and you'll see that  
25 in GGO, Oil and Gas is down by what -- I'm looking



1 for the number here.

2 It's down 25 percent, about \$13 million.  
3 So the total of Oil and Gas and General Fund in GGO  
4 should only reflect a very small increase in the  
5 cost to carry type increase and the General Fund  
6 alone.

7 REPRESENTATIVE DUNBAR: So your  
8 complement of employees that you list in your --  
9 they're all in your GGO line, but that number is  
10 supplemented from the Oil and Gas?

11 Because I thought there was a separate  
12 page for Oil and Gas Operations a little bit back  
13 further.

14 SECRETARY DUNN: Yeah, it's back farther.  
15 I'm trying to think of the best page to show the  
16 totals. In the Governor's budget book, I know it's  
17 page 11.5 in the Governor's budget.

18 REPRESENTATIVE DUNBAR: Yeah.

19 SECRETARY DUNN: And if you look at the  
20 bottom of that SFA, that should show the totals and  
21 each appropriation in fund. And then, again, the  
22 complement has been moved out to OA.

23 REPRESENTATIVE DUNBAR: Okay. So then,  
24 let me try and make it a little bit easier for  
25 myself. So if I would take your GGO and OA's GGO

1 and combine them together and look at the  
2 complements, as well, it should make sense  
3 analytically, then?

4 SECRETARY DUNN: Yes.

5 REPRESENTATIVE DUNBAR: Okay. Well,  
6 then, I'll have to do that.

7 SECRETARY DUNN: Okay.

8 REPRESENTATIVE DUNBAR: All right. Thank  
9 you.

10 SECRETARY DUNN: Thank you.

11 MAJORITY CHAIRMAN SAYLOR: Representative  
12 Grove.

13 REPRESENTATIVE GROVE: Thank you,  
14 Mr. Chairman.

15 Good afternoon. How is everyone?

16 SECRETARY DUNN: Good.

17 REPRESENTATIVE GROVE: Good.

18 Governor Wolf's moratorium on natural gas  
19 drilling in State parks, still effective?

20 SECRETARY DUNN: Correct.

21 REPRESENTATIVE GROVE: All right.

22 Recently, the PA Game Commission in  
23 Greene County, they did a bonus payment of \$1.5  
24 million, 370 acres of State game lands. DCNR did a  
25 lease for submerged lands covering 184 acres,

1 underlying 30 miles of the Shen --

2 SECRETARY DUNN: Shenango.

3 REPRESENTATIVE GROVE: -- Shenango River  
4 in Mercer and Lawrence Counties -- thank you --

5 SECRETARY DUNN: I remember that one.

6 REPRESENTATIVE GROVE: -- which resulted  
7 in the total bonus of \$36,000.00 and DCNR issued  
8 about 25 leases, about 4,347 acres, since 2010. And  
9 that's submerged land.

10 So you still have a submerged land policy  
11 in effect?

12 SECRETARY DUNN: That's correct. That  
13 was not affected by the moratorium. They're not  
14 park and forestland. The Governor's Executive Order  
15 directly refers to State park and forestland, not  
16 the submerged lands.

17 REPRESENTATIVE GROVE: So I guess just  
18 some confusion on my end. In one case, we're  
19 allowing drilling underneath submerged lands, which  
20 would probably greatly increase the risk of  
21 polluting waterways, versus non-submerged lands; is  
22 that correct?

23 SECRETARY DUNN: We don't view it that  
24 way. What the Submerged Land Leasing Program is --  
25 what happens is you have a company that secured

1 mineral rights on both sides of, say, the Shenango.  
2 If the Shenango would act like a curtain, you know,  
3 down, thousands of feet of State ownership, you  
4 know, following the course of that river, that would  
5 prevent them from going under it without  
6 compensating the citizens of Pennsylvania.

7 So if we wouldn't allow that and provide  
8 for that, but recover the money for the citizens,  
9 then they would have to actually have more impact.  
10 They would have to have a well pad on both sides of  
11 the Shenango and the impact would actually be  
12 greater.

13 The requirements of this Submerged Land  
14 Leasing Program is there's no surface disturbance.  
15 So in that corridor owned by the Commonwealth,  
16 there's no surface disturbance, no pad, but way  
17 underground, you know, they're able to connect or  
18 lease holdings.

19 REPRESENTATIVE GROVE: Would it work the  
20 same way if you had a pad outside of a State game  
21 land and instead of drilling underneath State game  
22 lands, you put a pad on this side of the State game  
23 lands to continue over?

24 Wouldn't it be better to open up drilling  
25 in those cases where you're not disturbing State

1 game lands to go underneath?

2 I think that was Governor Corbett's  
3 proposal to bring in \$100 million of revenue prior  
4 to the ban to do non-surface disturbance drilling to  
5 try to connect those and get those because, you  
6 know, you have your pad and then you have your  
7 laterals going out. You can literally shut off a  
8 lateral from this side, but in order to get that  
9 gas, you may have to drill somewhere else on private  
10 land to maybe try to connect the two at some point.

11 Wouldn't it be better to do non-surface  
12 drilling and bring more revenue to the Commonwealth?

13 SECRETARY DUNN: This issue does come up  
14 from time to time. The Commonwealth perspective on  
15 this is that that would involve a new lease. And in  
16 doing so, you would be attracting more drilling, at  
17 least to the perimeter of the State park and State  
18 forest, where it would have impact.

19 There's really no such thing as no impact  
20 leasing and drilling because, I mean, there's always  
21 an impact because there are roads, there are  
22 pipelines, there are water trucks, there are sand  
23 trucks, et cetera. So that is caught up in the  
24 moratorium because it does have an impact, and it  
25 would involve actually leasing, even if the impact

1 would only be peripheral.

2 REPRESENTATIVE GROVE: So let's go back.  
3 If I got a drilling rig right next to a State park,  
4 I can drill in every direction except under the  
5 State park, correct?

6 SECRETARY DUNN: That's correct.

7 REPRESENTATIVE GROVE: If I don't have a  
8 current lease.

9 SECRETARY DUNN: That's correct. And  
10 there's a little asterisk there. The asterisk is  
11 that we actually don't own the mineral rights under  
12 about 80 percent of parkland. So that's a  
13 vulnerability to the State Park System. You know, a  
14 lot of parkland was acquired and became a State  
15 park, you know, maybe donated by, say, Western  
16 Pennsylvania Conservancy, and the mineral rights  
17 weren't achieved.

18 REPRESENTATIVE GROVE: Who owns those,  
19 that 80 percent, a private entity?

20 SECRETARY DUNN: Private entities. In  
21 some cases, unknown private entities. So there's a  
22 lot of -- and even under the State forests --

23 REPRESENTATIVE GROVE: So today, in the  
24 cases of the 80 percent that the State does not own,  
25 could that private entity that owns the mineral

1 rights allow that?

2 SECRETARY DUNN: Yes. And we --

3 REPRESENTATIVE GROVE: And that would not  
4 violate the --

5 SECRETARY DUNN: -- moratorium.

6 REPRESENTATIVE GROVE: -- moratorium?

7 SECRETARY DUNN: We would have no  
8 recourse, just like on forestland where we don't own  
9 the mineral rights, drilling and activities have  
10 continued through 300,000 acres of State forestlands  
11 -- 350,000 acres of State forestland.

12 So under State parkland, there are  
13 mineral activities under the parks.

14 REPRESENTATIVE GROVE: Okay. I still  
15 don't, you know, time is up, but I still don't  
16 understand the difference between risking submerged  
17 streams and regular land, but we'll leave it at  
18 that.

19 Thank you.

20 SECRETARY DUNN: Thank you.

21 MAJORITY CHAIRMAN SAYLOR: Representative  
22 Greiner.

23 REPRESENTATIVE GREINER: Thanks,  
24 Mr. Chairman.

25 Good afternoon, Madam Secretary.

1 I want to talk briefly, like my good  
2 colleague from Westmoreland County, I want to maybe  
3 focus more on the financial aspects of it, although  
4 I think we're all very proud of our park system here  
5 in the State. I want to talk a little bit about  
6 minimum wage.

7 We talk about the increase in costs in  
8 the budget. And I was curious, you know,  
9 Governor Wolf is interested in raising the minimum  
10 wage from \$7.25 an hour to \$12.00 an hour.

11 First question, I believe he had signed  
12 an Executive Order a year or two ago for \$10.15 an  
13 hour.

14 Are you paying some people \$10.15 an hour  
15 inside your Department?

16 SECRETARY DUNN: I'm going to ask  
17 Deputy Secretary Walsh to give the details of that.  
18 We do have our Outdoor Corps, for instance, at that  
19 rate. And I'll let Mike Walsh cover any other staff  
20 and interns and such that may be picked up with  
21 that.

22 DEPUTY SECRETARY WALSH: Representative,  
23 we have 142 interns, summer interns, that are paid  
24 \$13.23 an hour. And we have 21 conservation aides  
25 that are paid \$10.75 an hour.



1                   REPRESENTATIVE GREINER:  Because that  
2                   does -- just kind of following up because, I mean,  
3                   when you look at statewide -- I'm looking at your,  
4                   you know, inside your own budget, the Independent  
5                   Fiscal Office stated this increase in minimum wage  
6                   could impact a million workers here, you know, in  
7                   the Commonwealth.

8                   What I'm wondering is, does your budget  
9                   -- you're already paying people over the \$12.00  
10                  threshold in some of those cases.

11                  Does your budget assume any cost  
12                  assumptions or impacts related to that increase in  
13                  minimum wage?

14                  I mean, is that included?

15                  Are we assuming -- inside your budget,  
16                  are we preparing for that increase or --

17                  DEPUTY SECRETARY WALSH:  Yeah, we've  
18                  taken that into account.  It's a minimal amount.  I  
19                  think when we looked at it, it was just shy of  
20                  \$40,000.00.  And we've made all of those assumptions  
21                  and it's in the budget.

22                  REPRESENTATIVE GREINER:  So it's not -- I  
23                  know, like I said, my colleague before was trying to  
24                  figure out where the differences were.  I just  
25                  wasn't sure what the impact was on that, and I do

1 know we had that Executive Order.

2 I mean, I do think this is an issue  
3 that's not cut and dry. I know yesterday I was  
4 actually shocked at some of the testimony of  
5 particularly one of the secretaries. I was  
6 surprised at his response because I don't think he  
7 knows just what the impact really is going to be on  
8 something like that. But nonetheless, kind of  
9 switching gears.

10 Looking at costs at our parks, is there  
11 any potential -- and I know my colleague here had  
12 asked some questions about how we can deal with  
13 services and park entrance fees, et cetera.

14 Have we attempted to outsource any of our  
15 park maintenance operations, like lawn mowing, trash  
16 collection, anything like that, to reduce costs?

17 SECRETARY DUNN: I'll say one thing and  
18 I'll turn it over to Deputy Secretary Norbeck. We  
19 have private concessionaires, private contracts on  
20 the State park and State forest system to serve the  
21 public. And these are operators of everything from  
22 big snow resorts, big ski resorts, all the way down  
23 to a little concession stand at a pool.

24 These private concessionaires really are  
25 chosen to serve the visiting public. The main

1 screen there is they're serving the core purpose of  
2 the park. But in doing so, though, they are making  
3 money and they are serving an important purpose,  
4 they are providing jobs.

5 On the outsourcing of other services, I  
6 will ask Deputy Secretary --

7 DEPUTY SECRETARY NORBECK: Sure. So we  
8 do outsource some of our labor work. Probably in  
9 every State park, we have some type of trash  
10 collection contract.

11 Now, our employees would -- our wage  
12 employees or seasonal employees mostly would be the  
13 folks picking the trash up off the ground daily or  
14 many times during the day, but we do have trash  
15 collections. We also contract out a lot of our  
16 maintenance work.

17 In the Bureau of Forestry, we have  
18 contracts for fencing. We have contracts for mowing  
19 opportunities, where we're doing habitat enhancement  
20 work. So we do a little bit of all that where it  
21 makes sense.

22 REPRESENTATIVE GREINER: Let me just ask  
23 you, too, because for about two decades, I belonged  
24 to an organization that helps preserve and protect  
25 the environment, Stream Bank Restoration. I'm very

1 involved in this back in my home area.

2 And what I'm wondering is, are there  
3 other not-for-profit organizations or community  
4 groups that you would work with?

5 I mean, because I think people would be  
6 willing to say, hey, I want to clean up the park, I  
7 want to help clean up the litter and do those things  
8 that actually make our parks -- I mean, you know,  
9 like I said, the esthetics -- somebody mentioned it  
10 earlier -- makes it a beautiful place to go.

11 Or can't we because of insurance?

12 DEPUTY SECRETARY NORBECK: No. No.

13 Actually, I'm just looking in the crowd  
14 here and the Executive Director of the Pennsylvania  
15 Park and Forest Foundation probably provides over  
16 \$3 million a year of volunteer service to State  
17 parks and State forests through a very vigorous  
18 volunteer program.

19 We also have a volunteer program within  
20 DCNR, where we have folks from the community come in  
21 and do work in our State parks and our State  
22 forests. We take advantage of that wherever we can.

23 REPRESENTATIVE GREINER: Appreciate the  
24 answers. Thank you, Mr. Chairman.

25 SECRETARY DUNN: If Chairman Saylor would

1       indulge me just for one add-on.

2                       In the lower atrium of the East Wing  
3       Rotunda, there's a great exhibit from the  
4       Pennsylvania Park and Forest Foundation, a photo  
5       contest from around the State and the State parks,  
6       just beautiful scenes.  Additionally, there are  
7       banners about the economic return and value, but I  
8       know we couldn't do what we do without the  
9       volunteerism that surrounds the system from trail  
10      maintenance to raising money for pavilions and  
11      playgrounds and everything.

12                      MAJORITY CHAIRMAN SAYLOR:  Madam  
13      Secretary, I want to thank you for coming today.

14                      But I want to go back to the  
15      volunteerism, because I remember it's been a number  
16      of years, but as members, when we used to send out  
17      our newsletters, when I first came here -- it seems  
18      like maybe about two decades ago, I guess, not quite  
19      as long as Chairman Markosek.  I wasn't here when  
20      they created the State parks, but one of the things  
21      I did -- where's Patty?

22                      I put a flier in with, you know, the  
23      envelope that I mailed my newsletter in out to my  
24      constituents suggesting volunteering.

25                      You have a brochure of some kind?

1                   SECRETARY DUNN:  Yeah.

2                   MAJORITY CHAIRMAN SAYLOR:  Most members  
3   now don't put their newsletters in an envelope, it's  
4   a self-mailer, but if the Department -- and it's not  
5   just your Department -- but if State government,  
6   where they need volunteers, would put together a  
7   sample for all members of the General Assembly that  
8   they could put in their newsletter, an article of  
9   such, where to call, things like that, I think you  
10  would find more volunteerism because, particularly  
11  in the younger generation and even the older  
12  generation that's retiring, they're looking for  
13  things to do and they don't know those  
14  opportunities.

15                  I mean, we all as legislators do all  
16  kinds of things to try and remind people what's out  
17  there today.  And I think a lot of it, as I tell  
18  people, I find people using my office more now than  
19  they did 20 years ago simply because the Internet  
20  has confused the daylights out of a lot of people,  
21  including young people, as to where to go to do  
22  things because there are such multiple sites.

23                  So just a recommendation that getting  
24  that information over to members that they might  
25  want to use in their newsletters to volunteer in the

1 parks would be a great thing.

2 SECRETARY DUNN: Okay. We'll make sure  
3 you get that. We can provide links to the pages to  
4 sign up as a conservation volunteer, to find a  
5 French group in your park, or if somebody liked to  
6 do their own thing and hit a remote trail and do a  
7 trail maintenance project, we really depend on that  
8 network. We'd be gratified for the help.

9 MAJORITY CHAIRMAN SAYLOR: I mean, I  
10 personally think we have -- the Codorus State Park  
11 and Pinchot Park, but York County also has an  
12 outstanding county park system. We rely a lot on  
13 volunteers. In fact, one time, York County, I  
14 think, had the largest county park system in the  
15 country.

16 I don't know if that's still true today,  
17 but we're very fortunate in this State. I think we  
18 are blessed with some of the finest parks in the  
19 country. We don't have Mount Rushmore, but we have  
20 a lot of other beautiful sites.

21 Hyner View is one of those --

22 SECRETARY DUNN: Yes.

23 MAJORITY CHAIRMAN SAYLOR: -- that as a  
24 child, I visited almost once or twice a year. Just  
25 the site there is amazing.

1           I want to thank your employees at DCNR,  
2 as well, for all of the work they do. I know it's  
3 tedious, but it's important to the citizens to  
4 protect our environment.

5           Thank you for coming today, and I  
6 appreciate all of the deputy secretaries, as well,  
7 and all of your workers. Thank you.

8           SECRETARY DUNN: Thank you for the  
9 opportunity. We'd love to come any time.

10          MAJORITY CHAIRMAN SAYLOR: Thank you.

11          (Whereupon, the hearing concluded.)

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C E R T I F I C A T E

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me on the within proceedings and that this is a correct transcript of the same.

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Tiffany L. Mast, Court Reporter  
Notary Public