

## Report Highlights

### Review of the Commonwealth's Growing Greener II Initiative

House Resolution 2009-17 calls on the LB&FC to conduct a review of the Growing Greener II initiative. In 2005, Pennsylvania voters approved a referendum to borrow \$625 million for the Growing Greener II program “for the maintenance and protection of the environment, open space and farmland preservation, watershed protection, abandoned mine reclamation, acid mine drainage remediation and other environmental initiatives.” Act 2005-45 directs how these funds are to be distributed. We found:

- **The Commonwealth has issued \$384.5 million of the \$625 million in GGII bonds.** These bonds have interest rates of between 3.45% and 5.50%, with varying maturity dates through 2028-29. The remaining \$240.5 million is to be issued by the end of FY 2010-11.
- **Debt service payments are currently about \$30 million annually, but this will increase to about \$50 million annually once all bonds are issued.** The revenue to make the principal and interest payments on the GGII bonds comes from the Environmental Stewardship Fund (ESF). The primary source of revenue for the ESF is the \$4.25/ton solid waste disposal fee, which has ranged from \$65-\$84 million annually (including interest).
- **In recent years, the ESF has also funded \$35-\$54 million annually in non-GGII environmental projects. This will soon decrease to about \$15 million annually.** Once all the GGII bonds are issued, the amount needed from the ESF for debt service will increase by about \$20 million. This will leave much less available in the ESF to be used for future environmental projects.
- **Virtually all of the \$625 million in GGII funds have already been spent or committed:**

**lend themselves to aggregate performance metrics.** But to the extent we were able to quantify outcome measures, we found that as of 6/30/2009 GGII funds had been used to support:

- *Agriculture-* 316 farmland preservation projects, which preserved 33,713 acres of farmland in perpetuity.
- *Community and Economic Development-* 66 projects that created 1,500 jobs, improved 41 buildings, leveraged \$140.4 million in private dollars, remediated 1 site, and constructed 4 new buildings.
- *Conservation and Natural Resources-* 441 projects, including improvements in 234 community parks, 132 state park and forest infrastructure projects, and the purchase of 42,357 acres of open spaces.
- *Environmental Protection-* 685 projects involving abandoned mine reclamation (46), acid mine drainage (16), brownfields (25), drinking/wastewater (104), energy development (72), watershed protection (400), gas and oil well plugging (13), stream improvement and dams (9).
- *Fish and Boat Commission-* 9 projects, primarily to improve state hatcheries.
- *Game Commission-* 29 projects for various purposes.

	Act 45 Allocations	Actual Expenditures (as of 6/30/09)	Actual Plus Estimated (Through 6/30/2011)
Agr. ....	\$ 80.0	\$ 74.5	\$ 80.0
DCED....	50.0	45.0	71.8 <sup>a</sup>
DCNR....	217.5	148.9	216.6
DEP.....	230.0	94.5	212.2
PFBC ....	27.5	10.3	30.1
PGC.....	<u>20.0</u>	<u>10.8</u>	<u>17.4</u>
Total....	\$625.0	\$371.6	\$628.0

<sup>a</sup>Includes DEP funds allocated to DCED for Industrial Sites Reuse.

- **Act 45 also created the \$90 million County Environmental Initiative Program, which has funded 509 projects.** The report lists the CEIP projects, including 36 farmland preservation, 20 community revitalization, 139 community parks and recreation, 90 drinking water/wastewater, and 198 watershed protection projects initiated by the counties. The CEIP monies are exhausted for most project categories.