

Regarding DEP's policy that all Growing Greener grants have a minimum 15% match.

State Representative William Adolph, Jr, (R), Chairman of the House Environmental Resources and Energy Committee is seeking input from watershed associations on the impact of DEP's 15% match requirement for all Growing Greener grants. A few adequately developed letters stating the positions of watershed association positions could be very valuable.

**Hon. William F. Adolph, Jr.**

Chairman, Environmental Resources and Energy Committee

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*The following is a draft letter that was started, but not completed, originally intended for the Secretary of DEP. The ideas contained within and the notes following may be useful for making the case that the 15% match requirement for all Growing Greener grants may need to be revised.*

We are writing to express serious concerns with the implementation of the upcoming Growing Greener grant round. At issue is the across-the-board departmental requirement of a minimum 15% match for all grant awards. While we can understand the thinking behind this requirement, we believe its one-size-fits-all nature will have serious unintended consequences. Furthermore we believe the policy is exclusionary, which favor the "haves" over the "have nots". Should this policy go unchanged, it will be detrimental to the Department, the environmental movement, and, yes, to the promise made to voters who passed the \$365 million bond initiative in last year's referendum.

Before we go into specifics, we must first applaud your decision to overturn the 5% cash match requirement for grant awards. You obviously saw the unattainably high burden being placed on many watershed groups to provide the one resource - cash - that these groups simply do not have, or realistically have the ability to attain, in significant amounts. The "people power" of these volunteer groups and the passion they have in making things better are the real assets they bring to the table. In this world, where value needs to be quantified in dollars, it's indeed unfortunate there's not a good way to put a dollar figure on this sort of value. Too often the only thing hope, good will, determination, a vision for the future, and 75 cents will buy you is a medium coffee at Sheetz.

To illustrate our concern, we'll use an example. A watershed group submits a \$500,000 grant request for design, permitting, and construction of an AMD passive treatment system, requiring a \$75,000 match. Because of its specialized nature, practically all the resources needed to accomplish such a project require professionals for all phases of execution. Since the match has the further stipulation of being provided during the term of the grant, there exists little opportunity to match in the form of volunteer time, and

certainly nothing on the order of \$75,000 (equivalent to 6,000 volunteer hours @ \$12.50/hr, or 3 full-time person years).

So where does an all-volunteer, part-time group comprised of a limited number of people who have other things in their lives such as jobs and families come up with \$75,000? A possibility is an OSM Watershed Cooperative Agreement Program construction grant for \$100,000 (the typical grant). If so, problem solved. However, the OSM well is only so deep, and cannot be expected as a general rule. Absent that, coming up with a combination of permissible matches totaling \$75,000 may be next to impossible. That would be an extraordinary number of car washes and hoagie sales. For that matter, finding \$25,000 in match may be practically unattainable. The bar has been set so high by virtue of the one-size-fits-all 15% match requirement that watershed groups may effectively be priced out of even applying. That situation cannot serve the best interest of the Department, the watershed group, the local community, and does not appear to be in line with the wishes of the voters last year.

Obviously there are some types of projects, e.g. construction, that are inherently at a disadvantage because of current policy. These projects have high costs and intensive need for professional services, little opportunity for in-kind match, and are often further disadvantaged by being located in impoverished areas where little financial or professional match is to be found.

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Notes / Random Thoughts:

PA has a constitutional responsibility.

**Pennsylvania Constitution, Section 27, Article 1**

"The people have a right to clean air, pure water, and to the preservation of the natural, scenic, historic and aesthetic values of the environment.

Pennsylvania's public natural resources are the common property of all the people, including generations yet to come.

As trustees of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people."

*.... Or at least those who can afford to pay.*

If these match requirements were in place in the past, much of the environmental success we've witnessed would have likely gone undone.

Watershed groups extend the capacity of government, and often do their work at least as efficiently as government, perhaps more so. DEP, in fact, needs the watershed groups

and depends on them to extend the capabilities through grants and will hurt its own efforts if these groups are unable to apply.

Short notice.

No opportunity for comment

Not vetted outside of department.

Very little time, and no fanfare given to these new requirements. For many watershed groups, the realization of the requirement have not yet stuck home.

Policy sprung on watershed groups with little time to even try to respond. No public comment period.

Watershed groups are angry over the requirement. An environmental backlash against the current administration after pushing so hard for Growing Greener, getting it, and under delivering might not be good in an election year.

Citizen involvement as in watershed groups has inherent value.

Taxpayers overwhelmingly approved the referendum, and would likely be surprised to find out grants are now more difficult to get because of match requirement.

Not user friendly

Different regions of PA have inherently different capabilities of raising cash match for environmental projects. Poorer and less populated areas are at a distinct disadvantage.

Impoverished communities will bear the brunt of this policy, the very communities who most need the assistance.

Watershed groups are not businesses and shouldn't be expected to live by business standards. They have NON-PROFIT status because they are inherently in a non-profit making situation. They serve a public good and the law of the land recognizes that relationship.

Non-profits are being pinched to the breaking point. Having to do more with less. Many non-profits are as lean as they can possibly be. When the fat is gone, the body starts consuming the muscle.

The demand for philanthropic giving is at unprecedented levels.

Governmental cutbacks on everything but "essential" programs. The squeeze is already on.

This policy could undo years of work in developing the watershed movement.

PA is now a role model of the watershed movement. And so it should be, as PA has the greatest amount of AMD problems.

Projects should be judged on their environmental merit, not how deep the local community's pockets are. (Which in high probability, are not at all deep.... Isn't that actually the reason for the grants?) Haven't the voters spoken loudly enough with passing GGII?

The rules of the grant program are now based on how applicants can be excluded, it should be user friendly allowing the most environmentally meritorious projects rise to the top.

Coal field communities have been victimized long enough, and have suffered the consequences for decades. With GG there was hope, which ironically is now being snuffed out by the DEP policy and GG2.

As potential applicants come to the realization of the exclusionary rules, the inevitably become angry.

As watershed groups become aware of the ramifications of this policy, they become angry.

We believe they will speak out loudly against the policy.

While we don't believe the intention of the rules was meant to be exclusionary, the de facto result is exactly that. The department's policy is a de facto slap in the face to the voters who said yes to \$635 million bond initiative.

Years of relationship building and trust between DEP and watershed groups may be seriously compromised and undone.

"What's good for the environment is good for the economy"... Gov. Rendell

Watershed groups have been squeezed on the other end: DEP is increasingly partially funding worthy projects (not awarding requested amount). This places watershed groups in impossible situations of having some, but not adequate money, to do their projects. No one wants to return grant money because it's inadequate, but cutting corners to able to do something may not be wise either.

Looking at the situation more broadly, there are several factors coming into play that should be considered when determining the level of required match. Among them are:

- The worthiness of the project.
- The absolute dollar amount requirement of the match.

- The inherent ability of the group and the extended community to provide the match.
- The opportunities within the project to provide in-kind match.
- The likelihood of finding other additional funding sources for the project.

For construction grants for AMD passive treatment system, a future commitment by a watershed group to provide Operations and Maintenance of the system is NOT allowed as part of in-kind match.