

July 31, 2019



Budget Primer

Conservation Districts

Gueorgui Tochev, Budget Analyst

From the streets of Philadelphia to the Poconos; the Allegheny National Forest to the confluence of the Allegheny, Monongahela, and Ohio rivers; and over to the Laurel Highlands, Pennsylvania is home to vast forest, farm, and valley lands; cities also benefit. The protection and preservation of these resources are critical and our constitutional duty.

The creation of conservation districts statutorily ensured the commonwealth's commitment to preserve and sustain these vital environmental areas. Located in every county but Philadelphia, conservation districts provide a variety of programs that unite farmers, municipal officials, homeowners, teachers, students, and others under the paradigm of rebuilding and conserving Pennsylvania's natural resources.

Conservation districts address a number of environmental issues, including soil erosion, flood control, dam and reservoir maintenance, storm water management, air quality protection, wildlife preservation, and advocating for the health, safety, and welfare if its citizens.

The 1945 law creating conservation districts, Act 217, followed a concerted effort to protect soil, water and related natural resources. In addition to creating the districts, the measure charged the districts with conserving natural resources and developing programs and projects consistent with responsible environmental stewardship.

Act 217 also created the State Conservation Commission to provide oversight for the county conservation districts and administer a variety of conservation programs, including:

- [Nutrient](#) and [Odor Management](#) programs. Act 38 of 2005, which directs phosphorus and nitrogen management practices and year-round setbacks for manure applications, and the implementation of an approved odor management plan;
- [Resource Enhancement and Protection \(REAP\) Program](#), which offers tax credits for farmers implementing best management practices that enhance farm production and protect natural resources. The 2019/20 [Tax Code](#), increased the tax credit cap from \$10 million to \$13 million and extended the field of eligible applicants;
- [Dirt and Gravel Road Maintenance Program](#); and the
- [Conservation District Fund Allocation Program](#), which delivers administrative assistance cost share, technical assistance cost share, and agricultural conservation easement program support.

State Conservation Commission Members	
1	Secretary of Dept. of Agriculture
1	Secretary of Dept. of Environmental Protection
1	Secretary of Dept. of Conservation & Natural Resources
1	Secretary of Dept. of Community & Economic Development
1	Dean of Penn State College of Agricultural Sciences
4	Four farmers, appointed in consultation w/ PA Assoc of Conservation Districts PA State Council of Farm Organizations
2	Non-Farmer members of the public
1	State Conservationalist of the: Natural Resources Cons. Service US Dept. of Agriculture
1	Assoc Director of Penn State Extension
1	President of PA Conservation Districts
14	Total Members

The [State Conservation Commission](#) is an administrative panel under the PA departments of Agriculture and Environmental Protection. The 14-member commission holds a broad mandate to ensure the wise use of Pennsylvania's natural resources, and it maintains a diverse membership.

Pennsylvania's 66 conservation districts are locally managed by citizens from varying backgrounds.

The Conservation District Fund, established by [Act 110 of 2006](#), funds conservation districts with revenue from the General Fund, impact fee ([Act 13 of 2012](#)), Environmental Stewardship Fund, and interest payments.

Act 13 of 2012, which established the impact fee on natural gas drilling, allocates \$7.9 million in 2019/20. Half of the money is divided equally among conservation districts, while the balance is distributed to the State Conservation Commission. Funds allocated to the State Conservation Commission are deposited into the Conservation District Fund to provide further conservation district support.



In addition, the Conservation District Fund traditionally receives General Fund transfers from the Department of Agriculture (AGR) and Department of Environmental Protection (DEP). The Conservation District Fund receives an average of \$3.4 million annually from Agriculture transfers, with the bulk coming from DEP's budget. In contrast to prior years, DEP's fund transfer for 2019/20 comes from the Environmental Stewardship Fund rather than the General Fund. The chart below tracks conservation district funding, and the state agency source of revenue.

Conservation District Funding								
(amounts in Thousands)								
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 ⁽¹⁾
PUC: Act 13 Impact Fee Distribution	\$ 2,500	\$ 5,000	\$ 7,500	\$ 7,545	\$ 7,545	\$ 7,643	\$ 7,750	\$ 7,897
DEP: Transfer to Fund	\$ 2,856	\$ 2,506	\$ 2,506	\$ 2,506	\$ 2,506	\$ 2,506	\$ 2,506	\$ 2,506
AGR: Transfer to Fund	\$ 1,019	\$ 869	\$ 869	\$ 869	\$ 869	\$ 869	\$ 869	\$ 869
Total Conservation Funding	\$ 6,375	\$ 8,375	\$10,875	\$10,920	\$10,920	\$11,018	\$ 11,125	\$ 11,272

Notes:

(1) DEP's Transfer to Conservation District Fund comes from Environmental Stewardship Fund, rather than the General Fund

Conservation district grants support services, projects and activities that benefit the agricultural community, promote training and development of professional staff to carry out their collective mission, and implement DEP programs at the local level.

Conservation districts closely work with state environmental agencies to meet Pennsylvania's obligations under the Chesapeake Bay program. Pennsylvania holds 35 percent of the Chesapeake Bay watershed, and roughly 33,000 farms are situated along the Potomac and Susquehanna river basins, the latter being the largest bay tributary.

As Gov. Tom Wolf's administration implements its Chesapeake Bay "reboot" strategy of investing more time and resources to address pollution and runoff hurting the bay, conservation districts are working to help the commonwealth win agricultural community compliance.

As part of a multi-state, multi-agency effort, Pennsylvania has been involved in the **Chesapeake Bay Water Implementation Plan (WIP)** since 2010. The plan, headed by the U.S. Environmental Protection Agency (EPA), covers river basins that are bay tributaries. The EPA has assigned pollution reduction goals to each state to meet by 2025. Each state's water implementation plan outlines the pollution reduction goals for phosphorus and nitrogen.

The commonwealth has completed [Phase I](#) and [Phase II of its](#) Chesapeake Bay WIP and is scheduled to finalize [Phase III](#) in August.

If Pennsylvania does not meet its WIP goals, EPA would increase federal enforcement and compliance. Additional consequences include:

- o New phosphorus/nitrogen water quality standards,
- o More agricultural, industrial, and municipal operations would need to obtain clean water permits,
- o Stricter nutrient/sediment reductions for current clean water permit holders, and
- o Direct federal grant funding away from state priorities to EPA priorities.

Phosphorous/Nitrogen Pollution			
(amounts in millions of pounds)			
Type	1985	Current	2025 Target
Phosphorous	6.10	3.80	3.04
Nitrogen	122.40	107.30	73.18

The importance of multi-faceted conservation efforts provide an additional incentive for supporting and enacting Gov. Wolf's Restore PA plan, which calls for the enactment of a severance tax. The plan would support improvements to **flood control and stormwater infrastructure**, which in turn would result in reduced pollution levels downstream within the Chesapeake Bay.

