



A Legislative Perspective on the Chesapeake Bay Tributary Strategy

Financial Assistance Proposals

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One Critical Question

- What is the cost to comply with the discharge limits on point sources?
 - DEP Perspective
 - \$376 million? \$190 million? \$620 million?
 - Municipality Perspective
 - \$1 billion or more

Senate Resolution 224 (Vance)

- Legislative Budget & Finance Committee Study
 - Impartial review of compliance costs
 - Construction / physical upgrades
 - Alternative means of compliance, including nutrient credit trading
 - Review of financial assistance programs



Legislative Proposals Pending or Under Development

- Fair Share for Clean Water Funding Plan
- Senate Bill 1341
- Water Preservation and Safety Act



Pennsylvania Fair Share for Clean Water Funding Plan

- \$170 million first year cost
- \$850 million or more over 5 to 7 years

Pennsylvania Fair Share for Clean Water Funding Plan

- Matching funds for wastewater treatment plant upgrades
 - \$100 million per year for the first 3 years;
 - \$50 million per year for the next 4 years
- \$50 million per year over 5 years for REAP tax credits and grants to be administered by the State Conservation Commission



Pennsylvania Fair Share for Clean Water Funding Plan

- \$10 million per year in new funding for county conservation districts
- \$10 million this year to restore Department of Agriculture funding



Pennsylvania Fair Share for Clean Water Funding Plan

- Ensure a workable nutrient credit trading program
 - Nutrient credit trading bank to guarantee the availability of credits over a 20-30 year time period at a fixed cost.
 - How would such a program be structured and what are the costs?



Pennsylvania Fair Share for Clean Water Funding Plan

- Potential funding sources not specifically identified in the proposal
 - Pay-as-you-go (annual line item funding in the state budget)
 - Issue debt
 - Dedicated taxes or fees

Senate Bill 1341 (Musto)

- Ballot question on the issuance of indebtedness
 - Up to \$300 million per year over 4 years
 - \$1 billion total authorized debt

Senate Bill 1341 (Musto)

- Proceeds would be used by the Pennsylvania Infrastructure Investment Authority for drinking water system and wastewater system projects
 - \$500 million aggregate limit on grants
 - Remainder available for loans

Senate Bill 1341 (Musto)

- Projects not limited to the Chesapeake Bay watershed

Water Preservation and Safety Act

- Allocates unappropriated monies in the Pennsylvania Gaming Economic Development and Tourism Fund to the Commonwealth Financing Authority.
- The CFA would incur debt and the monies transferred to the CFA would be used to pay the debt service.

Water Preservation and Safety Act

- Assistance would be in the form of grants or loans for water and sewer, storm water, flood control and high hazard dam projects.
- Projects not limited to the Chesapeake Bay watershed

Sustainable Infrastructure Task Force

- The task force has been asked to identify the following:
 - The gap between financial need and available resources for drinking water and sewage infrastructure
 - Cost savings available from the implementation of non-structural alternatives

Sustainable Infrastructure Task Force

- The task force has been asked to identify the following:
 - Actual costs for providing services, including recommendations for allocating costs among customers and assistance programs
 - Recommendations for legislative or regulatory changes.

What's Next?

- Negotiations over the FY 2008-09 budget
- Reports
 - Legislative Budget & Finance Committee
 - Sustainable Infrastructure Task Force
- Consideration of legislative proposals