



## EXECUTIVE SUMMARY

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# A Green Stimulus and Recovery Platform for Pennsylvania

Putting Pennsylvania Back to Work  
and Investing in a Sustainable Economy



July 2020

## Executive Summary

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The COVID-19 pandemic has deeply impacted Pennsylvania’s public health, social fabric, and economy. While the initial stay-at-home measures implemented by state leaders to control the spread of the virus have loosened, public health concerns continue. The resulting strain on the state economy is without precedent, including historic unemployment rates, millions filing unemployment claims, and businesses shuttering for months or permanently. The pandemic and economic downturn are disproportionately impacting communities of color and regions already beset by pollution. In response, momentum is building to transform our nation’s economy into one that is sustainable, resilient, and equitable.

This green stimulus and recovery platform lays out an agenda to take advantage of Pennsylvania’s homegrown sustainable industries—nature-based, outdoor tourism, agriculture, and renewable energy businesses—to put people back to work as well as rebuild a more equitable economy through the lens of sustainability and clean energy. As Table 1 summarizes, **the stimulus proposals call for \$2.83 billion in annual investments for the duration of the pandemic and other policy reforms, which we estimate will preserve or create over 389,000 jobs. Additional economic benefits would come from the recommendations on growing and transitioning to a clean energy economy.**

The policy recommendations made in this platform fall under five categories and are summarized below:

### Avoid State Budget Cuts that Will Harm Economic Recovery

In times of recession, state policymakers often rely on agency cuts and layoffs to balance the budget against declining revenue, often targeting environmental, conservation, agriculture, and wildlife programs. Turning the budget knife on these programs again will only prolong our current economic decline. State policymakers should reject broad-based austerity measures and instead advance policies that build upon these important agencies to jumpstart the economy.

## Preserve Nature-Based Small Businesses from Collapse

**Safely Reopening and Supporting Nature-Based Small Businesses.** Nature-based small businesses and outdoor recreation are crucial to the Commonwealth's economic recovery, particularly to more rural areas of the state. We recommend state policymakers do the following:

- Create a one-stop shop of recovery guidance for nature-based businesses.
- Develop a *Reopening Pennsylvania Nature Tourism* report on safely reopening during the pandemic.
- Launch an *Explore PA's Natural Beauty Campaign*, targeting in-state residents on how to safely take advantage of Pennsylvania's outdoor amenities during the pandemic.
- Pass legislation allowing small business tax deductions for safety measures and expenses.
- Increase funding for DCNR's *Community Conservation Partnership Program Grants* and temporarily eliminate the matching requirement.
- Provide operating grants of at least \$25 million to state *Community Development Financial Institutions* and other regional economic development entities to support nature-based small businesses in regions impacted the most by the pandemic, including low-income black and brown communities and environmental justice areas.
- Re-capitalize the *COVID-19 Working Capital Access Program* by at least \$100 million to support nature-based businesses in regions that may not be able to reopen during the summer and fall tourism seasons.

**Support Small Farmers and Food Producers.** Pennsylvania's farmers are in crisis. As a key player in the state economy, but also important stewards of our natural spaces looked at to reduce pollution, we recommend policymakers do the following to support them:

- Develop resources to connect job seekers to opportunities on farms during harvesting.
- Expand the *COVID-19 Working Capital Access Program* by \$250 million and increase eligibility to keep small family farms from cutting payroll to avoid bankruptcy during the pandemic.
- Re-capitalize the *Resource Enhancement and Protection* tax credit by \$25 million and allow for more flexible credit trading.
- Expand DCNR's *Riparian Forest Buffer* program to \$1 million.
- Increase PDA's *Farmland Preservation* program to \$76 million to preserve more farmland during the pandemic and offset reductions in county investments.
- Establish an *Agricultural Cost-Share Program* and initially fund it at \$25 million per year to invest in farm pollution reduction projects that also improve land productivity.

## Create a Green Jobs Program to Put Pennsylvania Back to Work

**Create a PA Conservation and Economic Recovery Corps (CERC).** Pennsylvania should implement a modern-day Conservation Corps (CERC) to put people back to work with family-sustaining wages that rebuild our natural infrastructure:

- Set a goal of hiring at least 15,000 unemployed Pennsylvanians in the first 12 months for at least 6-month terms, which could be extended based on their needs and project needs.
- In addition to unemployed skilled workers, CERC should also provide employment opportunities for students, graduates, youth, and black and brown communities which are being disproportionately impacted by the pandemic.
- Projects would focus on state park and forest maintenance, habitat management, green storm-water infrastructure construction, stream buffer implementation, Main Street beautification, agriculture projects, tree planting, and other natural infrastructure needs.

“PENNSYLVANIA SHOULD IMPLEMENT A MODERN-DAY CONSERVATION CORPS TO PUT PEOPLE BACK TO WORK WITH FAMILY-SUSTAINING WAGES THAT REBUILD OUR NATURAL INFRASTRUCTURE.”

- CERC would provide family-sustaining wages of at least \$24/hour, plus health benefits, paid sick leave, and paid time off.
- Counties should submit lists of CERC-based job opportunities, organized by DCNR's nature-based regions, heritage areas, urban communities, and environmental justice areas so that projects are equitably spread across the Commonwealth.

**Address Legacy Drilling and Mining Pollution.** Abandoned mines and orphaned oil and gas wells have created legacy pollution issues scarring Pennsylvania's landscapes, polluting its waters, diminishing outdoor activity experiences and holding back economic development. To create jobs and new development opportunities, policymakers should:

- Invest \$453 million over 4 years in DEP's Abandoned & Orphan Well Program to clear a backlog of 9,000 abandoned wells that are "shovel-ready."
- Invest \$220 million over 4 years in DEP for mine reclamation projects, doubling the number of projects sourced through existing funds.
- By pressuring Pennsylvania's elected federal policymakers, support and pass the RECLAIM Act, which would provide at least \$300 million in mine reclamation funding to the state.

**Modernize Our Homes and Businesses through Energy Efficiency Projects.** Energy efficiency is one of the largest clean energy industries in Pennsylvania and is well situated to implement projects that save homeowners, renters, and businesses money as well as reduce pollution:

- Increase borrowing authority of the *Redevelopment Assistance Capital Program* by \$250 million to issue grants for energy efficiency retrofits in schools.
- Re-capitalize the *Pennsylvania Energy Development Authority* by \$100 million to provide financial vehicles for large efficiency projects.
- Work with the PUC to convene stakeholders to share best energy practices, develop new tools, and build consensus on advance payment provisions.
- Increase funding for DEP's *Small Business Advantage* program to \$10 million and increase project caps for efficiency projects at small businesses.
- Expand the DEP *Small Business Pollution Prevention Assistance Account* to \$20 million and expand loan eligibility to multifamily buildings.
- Expand DCED's *Weatherization Assistance Program* by \$20 million to support grants to low-income housing retrofits.

**Support Shovel-Ready Clean Water Infrastructure Projects.** Pennsylvania has significant clean water infrastructure needs, many of which are shovel-ready, providing good-paying jobs, supporting utilities financially impacted by the pandemic, and providing clean water:

- Appropriate \$360 million over 4 years to PENNVEST for drinking water and wastewater infrastructure projects, including set-asides for designing and implementing green infrastructure projects.
- Amend Act 30 of 2018 to include green stormwater infrastructure in the definition of "water conservation project," so that clean water projects are eligible for Commercial PACE programs.
- Create a *Green Stormwater Infrastructure Grant* program at DEP, initially funded at \$25 million, to support projects in the design phase, including support for municipalities designing local projects.



	Total Investment	Jobs Preserved or Created
<b>Preserve Nature-Based Small Businesses</b>		
<i>Support Nature-Based Tourism Businesses</i>	\$130 million	250,000
<i>Support Small Farmers and Food Producers</i>	\$340 million	102,000
<b>Green Jobs Program</b>		
<i>Conservation and Economic Recovery Corps</i>	\$905 million	15,000 (Minimum)
<i>Legacy Drilling and Mining Pollution</i>	\$673 million	8,480
<i>Shovel-Ready Energy Efficiency Projects</i>	\$397 million	7,940
<i>Shovel-Ready Clean Water Infrastructure</i>	\$385 million	5,775
<b>TOTAL, Jobs and Stimulus Proposals</b>	<b>\$2.83 billion</b>	<b>389,195</b>

**Table 1. Summary of investment and job preservation and creation estimates of the green stimulus portion of the recovery platform.**

## Double Down on Pennsylvania’s Resilient Clean Energy Economy

The following policy proposals are recommended as part of a broader economic recovery package to strengthen and expand Pennsylvania’s rapidly growing clean energy industries.

**Enable Community Solar.** Pass legislation that allows for community solar, increasing by 50 to 75 percent the number of PA residents with access to solar power if they choose to do so. This would create good paying skilled labor jobs as well as reduce pollution. Current bipartisan bills exist to do so, including HB 531 and SB 705.

**Incentivize Grid-Scale Solar.** Amend the state Alternative Energy Portfolio Standards Act to ensure that a certain percentage of energy credits are obtained through competitively-bid long-term contracts as well as increase the share of electricity the state must source from renewable energy. Current bills exist to do so, including SB 600.



**Expand Energy Efficiency Opportunities.** Pennsylvania’s energy efficiency laws have saved ratepayers significant money while reducing energy consumption and pollution. With a few tweaks, these laws could open up additional economic development and job creation opportunities, including:

- Remove the investments caps in Act 129 to allow for more energy efficiency projects at no net cost to consumers.
- Enact legislation to require the PUC to inquire if investment in available energy efficiency measures could achieve the same goals in proposed electric utility rate increases.
- Amend Act 30 of 2018 to include multi-family residential units as eligible to participate in commercial PACE programs so that landlords can retrofit apartment buildings, creating jobs as well as improving the quality of life for renters.



**Invest in Clean Transportation.** The market for electric vehicles is growing and is expected to grow rapidly by 2030. Targeted investments in infrastructure would allow PA to take part in this growth, including:

- Prepare a transportation electrification opportunity assessment and set a statewide goal for vehicle electrification of at least 50 percent above business-as-usual by 2030. Existing bipartisan legislation exists to do so, including SB 596.
- Implement a cap-and-invest program to fund clean vehicles and infrastructure investments. One such initiative is the Transportation Climate Initiative Regional Policy Development Process.

### Convene a Green Recovery Summit for Municipal Officials

Governor Tom Wolf should convene a statewide *Green Recovery Summit* of local and county officials to develop and adopt a sustainable and equitable economic recovery framework. The convening would develop a priority list of clean infrastructure projects so that state agencies can take quick action as well as provide a consensus framework document that will guide future stimulus and recovery investments at the local level.

### Next Steps and Paying for State Stimulus and Recovery Policies

It is widely expected that the federal government will continue to leverage its historically low interest rates and borrow funds to support state and municipal recovery efforts. Pennsylvania’s policy leaders, particularly Governor Wolf, should not be passive in these efforts and should work with state congressional leaders to shape future federal stimulus plans. Federal stimulus investments will provide funds for the types of programs recommended in this agenda as well as fill other state budget holes, freeing up flexibility to invest further in stimulus and recovery efforts. Certainly, federal stimulus dollars will not provide full funding for recovery efforts and state policymakers will have to develop new revenue options. This agenda provides a list of potential revenue options as part of a broader recovery reform platform.



## PennFuture

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PennFuture is leading the transition to a clean energy economy in Pennsylvania and beyond. We are protecting our air, water and land, and empowering citizens to build sustainable communities for future generations.

Citizens for Pennsylvania's Future—PennFuture—was created in 1998 as a statewide environmental advocacy organization. Since our founding, we have achieved significant legal and policy victories that reduce pollution and protect the environment. We have provided millions of dollars in pro bono legal services while setting critical precedents and enforcing environmental laws across the commonwealth.

Our team is working daily to protect public health, restore and protect natural resources, and move Pennsylvania toward a clean energy future. With offices in Harrisburg, Pittsburgh, Philadelphia, Erie, and Mt. Pocono, our team litigates cases before regulatory bodies and in local, state, and federal courts; advances legislative action on a state and federal level; provides public education; assists citizens in public advocacy; engages with grassroots citizenry to support environmental causes; and engages with communities to increase participation in democratic processes.