

**Budget Testimony for**  
**Secretary Jessica Shirley**  
**PA Department of Environmental Protection**  
**House Appropriations Committee – Monday, March 2, 1:00 p.m.**

Thank you, Chair Harris, Chair Struzzi, and members of the House Appropriations Committee, for inviting us here today. I'm Jessica Shirley, the Secretary of the Department of Environmental Protection (DEP). I appreciate the opportunity to present Governor Shapiro's proposed DEP budget for Fiscal Year 2026-2027.

DEP's mission is to protect Pennsylvania's air, land, and water and provide for the health and safety of its residents and visitors consistent with the rights and duties established under the Environmental Rights Amendment (Article 1, Section 27 of the Pennsylvania Constitution). We work as partners with individuals, organizations, governments, and businesses to conserve and restore our natural resources and to address all current and future environmental challenges including climate change and environmental justice.

We have almost 2,700 dedicated professionals who work every day to serve Pennsylvanians and demonstrate this mission. Our values of public service, environmental stewardship, and commitment to customers drive this agency and its staff. Our overarching duty is to oversee more than 86,000 miles of streams and rivers, more than 217,000 oil and gas wells, almost 2,000 active coal mines and quarries, and nearly 8,000 drinking water facilities that provide clean, safe drinking water for more than 11.6 million Pennsylvanians. This enormous responsibility focuses our energy and gives us a strong sense of purpose to protect the Commonwealth's environment as effectively and efficiently as we can.

But this responsibility also requires capacity and resources. This year's DEP budget request includes an increase of approximately \$2.5 million for environmental program management and \$3.1 million for environmental protection operations. It also includes \$530,000 in additional funds to continue our important work with the Chesapeake Bay agricultural source abatement to reduce nitrogen, phosphorus and sediment runoff from farmland. For our public health efforts, the budget includes an additional \$227,000 for black fly control and research and \$181,000 to help manage the spreading of disease from insects. The Governor's proposal also includes \$20 million for the Hazardous Sites Cleanup Fund to help make former industrial land safe for public use.

This budget request comes with the responsibility to be good stewards of Commonwealth resources. We have shown in previous budget years that we can, and do, use our funding efficiently to improve Pennsylvania's environment and that we have positioned the Commonwealth as a national leader in environmental protection. These are also smart investments: a dollar spent on Chesapeake Bay conservation practices returns as \$1.75 on average, and brownfields cleanups create jobs and can add

[millions](#) back into the tax base by restoring local property values. Our 2025 successes stand as prime examples of innovation and efficiency.

### **Federal funding**

Almost 83% of DEP's annual budget comes from federal sources, so any disruption to those federal dollars can have a dramatic impact on public health and the environment for Pennsylvania.

Governor Shapiro's proposed budget includes the creation of a new Federal Response Fund, an insurance policy to protect Pennsylvanians from disruptions caused by federal government actions. This fund will provide a critical safeguard against unexpected interruptions in federal support.

Last year, for example, funds for well-plugging and abandoned mine reclamation were frozen until Governor Shapiro intervened to restore access. While the impact on DEP was ultimately temporary, similar disruptions in the future could be more severe and prolonged.

The Federal Response Fund will ensure that Pennsylvania can continue essential programs and meet its obligations even if the federal government fails to deliver on its commitments. By establishing this fund, we are taking proactive steps to maintain stability and protect the Commonwealth's residents, environment, and economy from federal uncertainty.

While other federal programs remain in limbo, DEP has taken all of the necessary steps to prepare to launch the Home Efficiency Rebate (HER) and Home Electrification and Appliance Rebate (HEAR) program, including reviewing possible vendors to help administer the programs. However, we await the final green light from the U.S. Department of Energy to open the program and help Pennsylvania families reduce their utility bills.

### **Permitting**

This past budget year saw the culmination of a monumental effort to eliminate the backlog of pending permits and improve predictability for applicants, fulfilling the Governor's promise to make government move *at the speed of business*. The Shapiro Administration and this legislature gave DEP the resources to be successful, and the agency invested those resources into process improvements and our most valuable assets, our people. And we set our focus squarely on eliminating the permit backlog. We identified friction points in the application review process and removed them, which enabled our inspired professional staff to process all 2,402 permits that had been pending since November 1, 2023. This was all while maintaining PAYback timeframes on more than 40,000 permits per year.

The Department also launched the Streamlining Permits for Economic Expansion and Development (SPEED) program in June 2025. The SPEED program gives permit applicants the flexibility to have a DEP-verified and qualified professional conduct the initial review of the application, streamlining the process. DEP staff then reviews the recommendations of the qualified professional and either makes a final permit decision or identifies technical deficiencies to the applicant. DEP retains final authority over all permit decisions.

On November 18, 2025, we issued the first permit through the SPEED program. That permit was part of a significant mixed-use development project in York that will include 62 townhomes units and storefronts for the community. This shows how DEP's efficient permitting initiatives support government-wide priorities including housing and overall economic development.

In addition to specific achievements in SPEED and eliminating the permit backlog, DEP staff have also continued broader permitting work at an incredible pace. DEP staff reviewed and acted on more than 40,000 permit applications in 2025 and conducted more than 116,000 inspections of regulated facilities in this same timeframe.

DEP is also taking a close look at certain types of permits as data centers continue to gain traction in the Commonwealth. Data centers are regulated just like any other economic development or industrial facility. As such they typically require multiple permits from DEP. The agency's regional offices are well-versed in data center requirements and are prepared to provide technical assistance through the permitting process. As the Governor highlighted in his budget address, new data centers that choose to be good neighbors – paying for new energy supply, meeting high standards of environmental protection and water conservation, engaging transparently with the local community, and delivering local jobs and community benefits – are eligible to participate in Pennsylvania's "Fast Track" program. When a project requires authorizations from multiple Commonwealth agencies, Fast Track provides coordination between those agencies.

Governor Shapiro is committed to positioning Pennsylvania as a national leader in the development of data centers and artificial intelligence (AI) while ensuring that growth strengthens communities and puts Pennsylvanians first. To balance innovation with accountability, the Shapiro Administration is advancing GRID — the Governor's Responsible Infrastructure Development standards — built on the core principles described above. Some of the GRID standards speak directly to data center components within DEP's purview.

Making energy more affordable is a key priority of the Shapiro Administration and DEP's Energy Programs Office. Data centers require a large amount of energy, which can come from various sources such as on-site generation or the public power grid. In order to achieve the highest level of support from Commonwealth agencies, the Governor's GRID standards require new data center developers to generate their own power or pay the full cost for the new generation to operate their facilities without expecting homeowners and local business to share that cost.

A key part of making energy more affordable is increasing energy supply to meet rising demand. The Governor's proposed energy plan, known as the Lightning Plan, will create new energy jobs, lower costs for consumers, and protect Pennsylvanians from global instability by building next generation power. These initiatives would save Pennsylvania energy customers \$664 million by 2040 and create 15,000 energy-sector jobs.

Energy use is a concern with new data centers, as residents worry not just about their utility bills but also about any pollution associated with generating electricity. Pennsylvania has long been a leader in energy development and a net exporter of electricity. Under Governor Shapiro's Lightning Plan, communities

would have additional tools to help develop local, clean energy and utilities would be incentivized to increase alternative energy sources to meet our electricity needs.

New technologies allow data centers to use much less water than data centers of just 10 years ago, but another tenet of GRID is that data center developers must commit to the highest standards of environmental protection, especially water conservation. Land use and zoning decisions for data centers are decided at the local level. DEP has no oversight of the siting of data center projects, but does review permit applications for projects when applicable. Currently, developers have applied for DEP permits related to 11 data center projects.

But we know there is still a lot of work to do in this area. As we continuously work to improve our permitting efficiency, we are making strides in modernization. We have been upgrading the technology we use to review and issue permits. The new technology will increase transparency, decrease review times, and provide applicants more streamlined interactions with the Department by helping applicants more easily determine which permits they need for each project.

### **Water Programs**

Next, I will highlight the work we are doing in our Office of Water Programs. Pennsylvania is a national leader in assessing the quality of its surface waters, with 99 percent (85,174 miles) of stream miles and 99 percent (102,359 acres) of lake acres statewide assessed for at least one protected use since Pennsylvania began reporting for the federal Clean Water Act in 1990. Only Alaska has more miles of streams than Pennsylvania.

DEP invests approximately \$3 million per year to assess Pennsylvania surface waters and publishes the Integrated Water Quality Report (IWQR) biennially and submits it to the EPA for approval in accordance with the requirements of the Clean Water Act. Since 2004, DEP has recorded 1,099 miles of restored streams and 35,504 acres of restored lakes. The draft 2026 Integrated Water Quality Report was published on November 29, 2025, for public comment. DEP and our partners continued to assess Pennsylvania's waterways, resulting in 10,324 stream miles and 18,860 public lake acres newly assessed or reassessed.

DEP's regulatory, technical assistance, and funding programs work collaboratively to implement water quality improvement projects and to collect and assess surface water data to track improved water quality.

The Pennsylvania Water Quality Network is a statewide, fixed station water quality sampling system operated by the DEP Bureau of Clean Water. DEP invests approximately \$4 million a year from the DEP Clean Water Fund and DEP's share of the Environmental Stewardship Fund in the statewide water quality network. It is designed to assess both the quality of Pennsylvania's surface waters and the effectiveness of the water quality management program in major streams throughout the Commonwealth of Pennsylvania; selected reference waters; the major tributaries entering the Chesapeake Bay; and selected Pennsylvania lakes.

Pennsylvania also has the fourth largest drinking water program in the nation, behind only California, Texas, and Michigan. DEP ensures the safe and reliable supply of drinking water for more than 11 million Commonwealth residents and visitors through the regulation of approximately 8,000 public water systems. Along with implementing the state and federal Safe Drinking Water Act, DEP also trains and certifies drinking water and wastewater operators for more than 10,000 plants.

## **PFAS**

Pennsylvania is also a national leader in identifying Per- and Polyfluoroalkyl Substances (PFAS) in public drinking water systems. We notify customers sooner and install treatment sooner than most other states. Through DEP's efforts, almost all large public water systems collect samples quarterly for PFAS and accurately report results, which DEP publishes on our website. As of December 2025, the Department has issued public water system permits related to PFAS treatment for approximately 40 public water systems at 103 different treatment plants. Other states nationwide have only just begun to issue permits for PFAS treatment.

As of fall of 2025, Pennsylvania has led the nation in the amount of federal Bipartisan Infrastructure Law (BIL) funding allocated for various drinking water infrastructure projects, including those related to PFAS. This is due to combined efforts of DEP staff to expedite, and issue permits and provide project management support along with PENNVEST staff efforts to award funding.

The Pennsylvania Infrastructure Investment Authority, or PENNVEST, is a vital partner in the fight to continue the Department's work in resolving PFAS contamination in the Commonwealth. PENNVEST is a financing authority that provides low interest loans and grants to help fund municipal, public water systems, and other organizations to invest in infrastructure addressing drinking water, waste water, stormwater, and non-point source pollution issues. PENNVEST in partnership with the Department has provided over \$220 million in assistance to help remediate PFAS issues in the Commonwealth's drinking water systems and over \$153 million in the last year alone.

## **Orphan & Abandoned Well Plugging**

A major emphasis of the Shapiro Administration has been addressing Pennsylvania's orphan and abandoned wells. A significant number of wells were drilled and abandoned prior to Pennsylvania's modern oil and gas statute, established in 1984 (1984 Oil and Gas Act), which introduced specific operator obligations dictating timely plugging. Not all abandoned wells have been plugged or properly decommissioned, and some wells were also plugged long before modern engineering standards were introduced. These wells pose a potential threat to public health, public safety and the environment – impacting both the Commonwealth's water and air quality.

Since Governor Shapiro took office, DEP has plugged more than 350 orphan and abandoned wells, which is more wells than were plugged in the previous 10 years combined (286 wells were plugged from 2012-2022). Combining the current well-plugging contracts awarded with those expected to be awarded in the first quarter of 2026, DEP expects to plug its 500th well under the Shapiro Administration by mid-2026.

Operating costs for Pennsylvania’s abandoned and orphan oil and gas well plugging program come from DEP’s Well Plugging Account, and the permit fee revenue that goes into the fund no longer supports the full cost of running the program. With cash reserves nearly depleted, the account requires an infusion of funding to continue the work. This budget includes a General Fund transfer of \$19 million to the Well Plugging Account so the Commonwealth can continue to plug abandoned oil and gas wells that pose a potential threat to Pennsylvania’s health and the environment.

DEP has documented more than 28,000 potentially unplugged abandoned wells but estimates that there could be 200,000 – 300,000 or more additional orphan and abandoned wells in Pennsylvania that have not yet been located. The projected cost to plug these wells is about \$2.6 billion, which is far more than the federal and state funds available. The agency is prioritizing well plugging in a way that will mitigate climate impacts.

### **Hazardous Sites Cleanup Fund (HSCF)**

I also want to talk about something incredibly important, and one of the biggest issues facing the Department right now: the Hazardous Sites Cleanup Fund (HSCA). Pennsylvania is a national leader in the clean-up of contaminated former industrial and commercial sites to allow them to be re-developed and help turn blighted and contaminated areas into new engines of economic opportunity or residential construction. A key reason for that success is the Hazardous Sites Cleanup Fund (HSCA), established in 1988.

The HSCA Fund supports investigation and cleanup of contaminated soil and groundwater, replacement of polluted drinking water supplies, oversight of hazardous waste facilities, and implementation of Pennsylvania’s Land Recycling Program. It also enables the Commonwealth to meet federal Superfund obligations and respond to emerging threats, including Per- and Polyfluoroalkyl Substances (PFAS or “forever chemicals”) contamination in drinking water.

HSCA tackles serious hazards — from old municipal dump sites and former metal smelting sites to PCE contamination of public water supplies and increasing frequency of PFAS detections in groundwater. It also provides immediate help to residents: sampling private wells, supplying bottled water or treatment systems, and connecting homes to public water. For example, last year DEP provided clean drinking water to 377 households. These were families who otherwise faced unsafe drinking water.

Under the Shapiro Administration in just the past year, the HSCA Program:

- Conducted 94 DEP-led investigations and cleanups;
- Oversaw 50 cleanups by responsible parties and six former federal military sites;
- Assisted U.S. Environmental Protection Agency (EPA) with investigation and remediation at 108 National Priorities List sites; and
- Provided Operations and maintenance of EPA-installed remedies at 24 Superfund sites.

Despite these accomplishments, this critical program is now in jeopardy. The phase-out of the Capital Stock and Franchise Tax, the absence of General Fund support, and a 70 percent decline in fee revenue have destabilized the HSCA Fund. DEP projects a deficit in Fiscal Year 2026. Governor Shapiro proposed transferring \$20 million to the HSCA fund to replace nonrecurring revenue, but without a long-term budget solution from the legislature, DEP will have to halt cleanups, reduce staff, cut grants, and limit its response to PFAS contamination.

Environmental protection and public health should be priorities shared by all Pennsylvanians.

### **Administrative Cost Savings and Customer Experience**

DEP is committed to reducing its physical office footprint and improving operational efficiency as part of our broader modernization efforts. Our goal is to reduce our footprint by at least 40%, and we are actively implementing changes across five of our 23 facilities. These efforts will eliminate more than 187,000 square feet of office space and generate several million dollars in cost savings. A notable success story is the relocation and consolidation of our New Castle District Office, which is projected to deliver nearly 90% in annual lease cost savings. Importantly, all savings generated through space consolidation will be reinvested into DEP's core environmental protection operations.

These initiatives are being carried out in coordination with the Department of General Services under the Space Optimization and Utilization Project (SOUP). During FY 2026–27, DEP's modernization efforts will focus on reducing office space across the Commonwealth, accompanied by renovations that lower lease and energy costs while creating healthier, more cohesive work environments for staff.

Environmental stewardship is central to DEP's mission, and we are leading by example through responsible space utilization and modernization. DEP leadership began this effort by consolidating executive office space in the Rachel Carson State Office Building before expanding across the agency. Additionally, investments in flexible layouts and furniture will allow DEP facilities to adapt and grow more easily in the future.

Part of achieving administrative efficiency is modernizing how we operate to better serve the Commonwealth. To that end, DEP is implementing a comprehensive customer experience strategy designed to make public interactions clearer, easier to navigate, and customer-focused. Our goal is to strengthen accountability, improve service delivery, and build public trust. Key components of this strategy include reviewing forms, instructions, and web content for plain language and clarity; enhancing the efficiency and functionality of our digital systems; conducting customer satisfaction and service surveys; and standardizing messaging and processes to ensure Pennsylvanians receive consistent service regardless of how or where they engage with us.

As part of this modernization effort, we are also launching a single, easy-to-remember “1-800 number” to replace more than 100 published phone numbers for DEP offices. This initiative will provide Pennsylvanians with a clear and consistent way to reach us. By consolidating phone operations and introducing smarter routing and self-service options, DEP will improve efficiency, strengthen accountability, and reinvest savings into environmental protection efforts.

### **Joint Lab Facility**

DEP continues to collaborate closely with the Department of General Services and other partners to ensure a smooth transition of our laboratory staff and equipment to the new Joint Laboratory Facility. The project is currently in the rebidding phase, with construction anticipated to begin in Fall 2026. We are planning for occupancy of the new facility in Fall 2029, which will significantly enhance our operational capabilities and support critical environmental testing functions.

### **Closing**

At DEP, we are wholly committed to fulfilling our responsibilities to protect the Commonwealth’s air, land, and water resources. As I have described in this testimony, we are working within our current capabilities toward success in meeting those responsibilities. Governor Shapiro’s proposed budget supports our efforts to protect Pennsylvania’s environment. But it is also clear that long-term funding is vital to continuing our current pace and adapting our programs and tactics to ever-changing environmental and economic landscapes while navigating federal uncertainty. As the nation celebrates 250 years this summer, DEP is working hard to lay the groundwork for the next 250 years by ensuring our environment is healthy and able to support Pennsylvania’s needs for future generations.