



Pennsylvania Federation of Sportsmen & Conservationists

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On the Front Lines – So You Can Be in the Woods, On the Water or At the Range!

Joint Legislative Budget & Finance Committee

06/26/24, 9:00 a.m., Room 8E-B, East Wing

Pennsylvania Legislative Services

The committee held a meeting on Act 1998 – 166 and HR 131.

Chairman Kristin Phillips-Hill (R-York) opened the meeting and announced the release of two reports.

Act 1998-166 - Directing the Legislative Budget and Finance Committee (LBFC) to conduct a **performance audit of the Pennsylvania Game Commission (PGC) and issue a report on the commission's compliance with its strategic plan.** The report was unanimously **reported to be released** to the public.

Anne Witkonis, project manager, LBFC, discussed the ninth performance audit of the PGC, noting a 68 percent overall completion rate of its strategic objectives.

Vice Chairman Jim Brewster (D-Allegheny) asked about the current number of deputy wildlife conservation officers, aiming for a target of 450. Jason DeCoskey, director, Bureau of Wildlife Protection, PGC, responded that there are currently 147 deputies, with a recent class of 13 graduating. He mentioned the challenges of volunteerism and the goal of having about 30 deputies per class.

Chairman Brewster highlighted the safety issues due to insufficient personnel in remote areas and discussed the need for more effective measures to attract people to these roles. He emphasized the importance of addressing staffing challenges.

Rep. Steve Samuelson (D-Northampton) inquired about the current number of vacancies and the budget for the 204 Game Wardens and 147 deputies. Stephen P. Smith, executive director, PGC said he did not have a specific number available. Rep. Samuelson asked how many more they would hire “to get up to full staffing.” Chairman Phillips-Hill requested that the information be provided to the committee staff for distribution.

Sen. Cris Dush (R-Jefferson) talked about PGC's vacancies and vehicles. He requested a review or breakdown be sent to the committee.

Sen. Jarrett Coleman (R-Lehigh) asked about the future of the abandoned Game Commission Wildlife Research and Education Center project in State College. Smith explained the project was abandoned due to funding issues identified in June 2019 and that there were no alternative plans for the project.

Sen. Coleman then inquired about PGC's opinion on reallocating funds, to which Smith responded that efforts were focused on bringing more individuals to their Harrisburg location instead. Sen. Coleman mentioned adjustments to wages, and Smith agreed with the assessment.

Rep. Brian Smith (R-Jefferson) discussed the goal of expanding hunter recruitment and retention to maintain no net loss in licensed sales through 2020, noting an initial increase followed by a decrease in sales. Smith attributed the decline in hunting license sales to societal shifts but noted that Pennsylvania saw stabilizing sales thanks to COVID-19 and legislative changes. When asked about the recent bump in license sales, Smith called it an outlier without specific data to explain it.

Chairman Phillips-Hill raised concerns about customer service and convenience in hunting license sales, comparing the problematic website rollout to issues faced by fans buying Taylor Swift concert tickets. Smith detailed significant changes to the licensing system, including a staggered sales approach to reduce wait times. Chairman Phillips-Hill acknowledged the positive feedback from hunters on the new system.

Rep. Smith sought clarification on the guarantee of a license, to which Smith responded that anyone desiring to license an animal in specific units could do so up until July 8.

Smith reported that Unit 2G in the North Central region sold out, while Unit 3A in the Tioga area did not, leaving two units still available from the three selected for a presale. Rep. Smith expressed confusion about the guarantee of an antlerless license given these sellouts. Smith specified that licenses for the remaining 18 units would be guaranteed, explaining the staggered sales approach to prevent overharvesting. Rep. Smith mentioned receiving a complaint from a hunter confused about the guaranteed license process. Smith acknowledged the challenge in communicating changes to the hunting license sales process and the efforts made to inform hunters.

Chairman Phillips-Hill inquired about PGC's training division and leadership training, then motioned to release the Game Commission Report to the public, which was approved.

HR 131 - (PN 1791) Resolution directing the Legislative Budget and Finance Committee (LBFC) to conduct a study to compare impact fees and severance taxes in the largest natural gas producing states and examine the competitive business climate for the industry in those states. Strikes out certain language. Adds new language providing for the LBFC study. (Prior Printer Number(s): 1402). The report was unanimously **reported to be released** to the public.

Stephen Fickes, deputy executive director, LBFC, presented a study comparing natural gas impact fees and severance taxes among the top five natural gas-producing states, highlighting Pennsylvania's unique impact fee structure that has generated over \$2.5 billion in revenue.

Rep. Torren Ecker (R-Adams) raised concerns about the study not considering the overall tax structure of the compared states. Fickes responded by explaining the complexity of comparing tax rates across states and the impracticality of applying one state's tax rate to another.

Fickes mentioned the challenge of comparing states due to some offering discounts. Rep. Ecker raised concerns about the exclusion of certain environmental permits from a report, questioning why they were not focused on more. Fickes specified that environmental permits were not intentionally excluded, referencing a separate study on DPS permits. Rep. Ecker then asked about the reflection of city gate pricing on producers and its accuracy, with Fickes acknowledging the complexity and suggesting a future discussion. Rep. Ecker also highlighted the inclusion of an exhibit comparing Henry Hub prices with state-specific prices in the report.

Senator Phillips-Hill asked Fickes for clarification on a report related to former senator John Yudichak's resolution and its mention of Pennsylvania's permitting and regulatory challenges, with Fickes confirming the information is in the permitting section of the report. Chairman Brewster shared his support for the industry, referencing a study showing a significant revenue difference between Texas and Pennsylvania from the industry and advocating for a revenue-sharing proposal to benefit all communities in Pennsylvania. He also discussed the complexities of the industry, including steel sourcing for pipelines.

Sen. Dush inquired if laws in Texas and other oil and gas-producing states differentiate fees between oil and gas, with Fickes offering to double-check. Sen. Dush also noted the significant difference in oil and gas production between Texas and Pennsylvania and asked if Louisiana's market adjustments were driven by the market, with Fickes confirming that the value of the gas drives the severance fee in Louisiana.

Rep. Samuelson praised the comprehensive report initiated by House Resolution 131 and agreed with the preference for a severance tax over an impact fee to better support Pennsylvania communities, citing Pennsylvania's low revenue despite high gas production. He advocated for revisiting the topic of severance tax to potentially increase state revenue. Chairman Phillips-Hill then asked Chairman Samuelson if he had a question for Fickes, to which Samuelson acknowledged the clear data showing the revenue and gas production discrepancy.

Sen. Art Haywood (D- Montgomery) highlighted inconsistencies in the report's presentation of financial data across states and suggested a consistent summary format for easier comparison. Fickes acknowledged Sen. Haywood's comment without providing an answer to the earlier question about state income tax payments by Range and Chesapeake.

Chairman Phillips-Hill motioned to release the report and the report was released to the public.