



Buying Environmental Outcomes in Pennsylvania

Pennsylvania just became the second state in the country to use state funding to pay for environmental results after—not before—they are delivered. As part of the state's FY23 budget, the Clean Water Procurement Program will let Pennsylvania directly buy pollution reductions just as easily as the state can buy office supplies

Core elements of the \$22 million Clean Water Procurement Program:

- 1. Clear, quantifiable environmental outcomes:** The program pays for quantified or modeled reductions in nitrogen, phosphorus, and sediment pollution flowing into the Chesapeake Bay
- 2. Agreement on how to measure the outcome:** Outcomes can be directly quantified or be modeled using any model approved or accepted by the PA Department of Environmental Protection or the US Environmental Protection Agency
- 3. Technical assistance flexibility:** Although technical assistance can be crucial, this program is built on the expectation that there are many well-established practices and projects that farmers can install with the assistance of restoration companies or local conservation agencies to avoid the bottleneck of requiring NRCS approval.
- 4. A transparent priority system:** The bill requires the state to share its scoring system so anyone can figure out what gets funded, especially once the program has been run for a few years. Specifically, Pennsylvania would be looking for cost-effective nutrient pollution outcomes, projects that provide co-benefits, and inclusion of small farms.
- 5. Verification:** All applicants must include a verification plan which will be approved and then conducted by the department
- 6. First payment:** The program is set up so it can only pay for environmental outcomes that haven't already been paid for by a government agency. If a portion of costs have been covered by another program, the funding request (and amount of outcomes) just needs to be adjusted accordingly.

Why is it important?

Farmers know their land and operations better than anyone. And experts have spent decades finding and developing the best ways to improve water quality in the Chesapeake Bay and in the third of Pennsylvania's rivers that are impaired. This program is an innovative opportunity to make the best use of tax dollars for safeguarding and restoring precious waterways.

Next Steps

The Pennsylvania Infrastructure Investment Authority (PennVEST) will soon release a request for proposals allowing nonprofits and private restoration companies to submit bids to reduce nitrogen, phosphorus, and sediment pollution. PennVEST, the Department of Environmental Protection, and the State Conservation Commission will award contracts based on publicly-available scoring criteria. The projects are then implemented and verified and finally paid for based on the actual reductions associated with them, no cost overruns *ever*.