



INDEPENDENT FISCAL OFFICE

June 3, 2021

The Honorable Karl Brown, Executive Secretary
State Conservation Commission
311 Agriculture Office Building
2301 North Cameron Street
Harrisburg, PA 17110

Dear Secretary Brown:

In response to Senator Browne's directive to develop performance measures for the Resource Enhancement and Protection Program (REAP) Tax Credit, the Independent Fiscal Office (IFO) offers the following guidance for your consideration.

Ideally, the State Conservation Commission (SCC) would annually utilize an environmental model to project the pollution reduction that results from actual best management practices (BMPs) funded by the REAP Tax Credit during that year. The model would account for the type and geographic location of each BMP implemented. If the SCC or the Pennsylvania Department of Environmental Protection determines that the deployment of an environmental model in this manner is not feasible (due to lack of staffing, lack of expertise, or some other reason), the IFO suggests these potential alternatives:

1. Annually utilize an environmental model to project pollution reduction using a representative sample of REAP funded BMPs implemented during that year and extrapolate those results to all BMPs funded by the REAP Tax Credit.
2. Develop other performance metrics that do not specifically measure pollution reduction, but could be used to evaluate overall program impact over time. Potential measures might include:
 - Number of projects funded and the associated value of tax credits awarded for BMPs within the Chesapeake Bay watershed.
 - Number of projects funded and associated value of tax credits awarded for BMPs implemented in animal concentration areas.
 - Number of projects funded and the associated value of tax credits awarded for BMPs implemented on small farms as defined by the United States Department of Agriculture.
 - Number of projects funded and the associated value of tax credits awarded for BMPs implemented within a specified radius of a body of water (e.g., 10 miles, 25 miles, etc.).
 - Number of recipients who utilized the REAP Tax Credit to become compliant with the PA Clean Streams Law.

June 3, 2021
Page 2

If you have any questions regarding this information or require additional guidance, please do not hesitate to contact my office (717-230-8293). Per the policy of the IFO, this letter will be posted to the office website after transmittal to your office.

Sincerely,

A handwritten signature in blue ink that reads "Matthew J. Knittel". The signature is written in a cursive style with a large, stylized initial "M".

Matthew J. Knittel
Director, Independent Fiscal Office

cc: Kelly O'Donnell
Josh Phoebus