

Environment and Energy

*Adirondack Park Agency
Department of Agriculture & Markets
Department of Environmental Conservation
Department of Public Service
Environmental Facilities Corporation
Hudson River Park Trust
Hudson River Valley Greenway Council and Conservancy
New York State Energy Research and Development Authority
Office of Parks, Recreation and Historic Preservation
New York Power Authority*

I. Overview

This budget maintains services at current levels for parks, environment and agricultural programs, and makes capital investments to strengthen infrastructure and improve energy management.

The State's environmental, energy and natural resource agencies support programs including land use planning and preservation, recreation and tourism, agricultural development, protection of water resources, regulatory oversight of environmental laws and regulations, oversight of food supply and food safety programs, and regulation of the State's utilities and energy programs.

The Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP) oversee nearly 4.9 million acres of open space statewide, including 2.6 million acres in the Adirondack Park and nearly 288,000 acres in the Catskill Forest Preserve. Additionally, the State park system comprises 213 State parks and historic sites.

The Department of Public Service (DPS), the staff arm of the Public Service Commission, regulates the rates and services of public utilities — an industry with an estimated \$32 billion in revenue — oversees the siting of major utility infrastructure, and manages other functions. In conjunction with the New York State Energy Research and Development Authority (NYSERDA), DPS oversees and administers the State's energy efficiency and renewable energy programs. The New York Power Authority (NYPA) supplies power statewide through two large hydroelectric facilities and more than 1,400 miles of transmission lines. NYPA does not receive direct support from the State.

The Department of Agriculture and Markets is charged with wide-ranging responsibilities including food safety inspection, agricultural economic development and farmland protection, animal and plant health surveillance, and control of pollutants that cannot be traced back to their specific agricultural source.

II. History/Context

The State's environmental and energy agencies protect the State's air, land and water; oversee food safety; provide critical support to the agricultural community; manage our energy resources; and offer safe, affordable and accessible recreational opportunities to New Yorkers.

The State has protected more than 750,000 acres of open space since 2003 and more than 37,000 acres of farmland since 1996. Since 1992, the State parks system expanded by more than 25 percent, with 66,000 acres and 28 new parks added. These actions have been financed primarily through the Environmental Protection Fund (EPF).

III. Proposed 2012-13 Budget Actions

The Executive Budget continues to support critical programs including the EPF, which will be maintained at \$134 million, the same level as in 2011-12. In addition, the Budget includes new capital funding under the New York Works program to accelerate capital infrastructure projects Statewide, spur the creation of jobs, and leverage private sector and Federal investment. For the environment, the Budget includes \$102 million in new funding for DEC to advance flood control, coastal erosion and critical dam safety projects, and \$94 million for the large backlog of capital rehabilitation and improvement needs in 48 State parks and historic sites and the ski facilities operated by the Olympic Regional Development Authority.

The Executive Budget makes minimal spending reductions to parks, environment, and agricultural programs that reflect initiatives to improve the efficiency of operations. The Budget maintains services at current levels in all of these agencies, while making capital investments to strengthen infrastructure and improve energy management.

IV. Summary of Spending (All Funds)

Category	2011-12 (\$ in millions)	2012-13 (\$ in millions)	Change	
			Dollar (in millions)	Percent
Total Environment and Energy Spending	1,541.3	1,389.2	(152.1)	(9.9)
Department of Agriculture and Markets	139.2	125	(14.2)	(10.2)
Department of Environmental Conservation	1,040.6	872.9	(167.7)	(16.1)
Office of Parks, Recreation and Historic Preservation	237.8	276.3	38.5	16.2

- DEC reduction is due to the completion of spending in 2011-12 related to the Federal American Recovery and Reinvestment Act (ARRA) program. DEC ARRA spending goes from \$200 million in 2011-12 to \$38 million in 2012-13.
- Parks increase reflects spending related to the New York Works program.
- Ag & Markets reduction reflects one-time diagnostic lab payments made in 2011-12 and reductions in capital spending on the Food Lab reflecting that this project is nearing completion.

V. Major Initiatives

Gap-closing Actions

Proposal	2012-13 (\$ in millions)	2013-14 (\$ in millions)
Utilize Existing OPRHP Revenues for Operating Expenses	5.0	5.0
Reduce Funding for Farm Viability Institute	0.8	0.8
Utilize Existing Balances in the Conservation Fund for Environmental Conservation Officer Fish and Wildlife Activities	2.3	2.3
Total	8.1	8.1

- **Utilize Existing OPRHP Revenues for Operating Expenses.** The Executive Budget proposes to shift \$5 million in General Fund operating expenses to existing revenue streams within the Parks Patron Services Account. (2012-13 Value: \$5 million; 2013-14 Value: \$5 million)
- **Reduce funding for Farm Viability Institute.** Funding for the Farm Viability Institute will be reduced from \$1.2 million to \$400,000. (2012-13 Value: \$800,000; 2013-14 Value: \$800,000)
- **Utilize Existing Balances in the Conservation Fund for Environmental Conservation Officer Fish and Wildlife Activities.** To more appropriately align dedicated revenues with related expenses, the Budget shifts approximately 65 Environmental Conservation Officers from the General Fund to the Conservation Fund for fish and wildlife enforcement activities. In addition, the Budget proposes language streamlining various fish and wildlife licenses, permits and associated fees that will result in reduced administrative effort for DEC and the hunting and fishing community, and more efficient spending of Conservation Fund resources. (2012-13 Value: \$2.3 million; 2013-14 Value: \$2.3 million)

Other Budget Actions

- **Environmental Protection Fund.** The Budget includes \$134 million for the programs supported by the EPF, the same level as in 2011-12. Appropriations include \$10.9 million for solid waste programs, \$52.5 million for parks and recreation, and \$70.6 million for open space programs.
- **Implement the NY-SUN Solar Program.** As part of Governor Cuomo's NY-SUN Solar Program, there will be two tax credits:
 - Expand Sales Tax Exemption For Solar Equipment Purchases. Solar energy equipment purchased by commercial customers (e.g. retailers, hotels) would be exempt from the State sales tax. Local governments would be provided the option to offer the same exemption from their local sales tax. Currently, purchases by residential and industrial customers are exempt.
 - Expand Residential Solar Equipment Credit To Leases. Lessees of residential solar equipment would be eligible for personal income tax credit equal to 12.5 percent of annual leasing costs. Currently, purchasers of such equipment are eligible for a 25percent credit.
- **Agriculture & Markets Consumer Food Program.** In order to maintain existing levels of food safety inspection and oversight, food safety expenses and licensing revenues currently deposited into a special revenue account will be redirected to the General Fund.
- **Belleayre Mountain Ski Center Joining with ORDA.** The Budget authorizes the Department of Environmental Conservation (DEC) and the Olympic Regional Development Authority (ORDA) to enter into an agreement to transfer the operations of the Belleayre Mountain Ski Center to ORDA at the close of the 2011-12 ski season. ORDA will allow for more efficient management of Belleayre operations utilizing their expertise in the ski industry.
- **New York Works Infrastructure Investment.** The Budget proposes the New York Works program which will spur job creation and economic development statewide through the acceleration of capital infrastructure projects. DEC will receive new State funding of \$102 million and, combined with Federal funding of \$102 million, will have a total of \$204 million available for a variety of capital purposes including flood control and critical dam and coastal erosion projects. Additionally, the Budget will include \$94 million in new capital funding for OPRHP to address a significant backlog of repair and rehabilitation needs at 48 State parks and at Olympic Regional Development Authority facilities.
- **Strengthen Energy Infrastructure.** State agencies and public authorities will work together on a master plan for an "Energy Highway" to power the State's energy needs for the next half century. The plan will leverage \$2 billion in private investment to finance and build infrastructure critical to update the system and increase capacity.