

6. ENVIRONMENT AND ENERGY

The FY 2017 Executive Budget increases funding for the Environmental Protection Fund (EPF), maintains State funding for core environmental, parks and agricultural programs, expands outdoor recreational opportunities, and provides a new round of capital funding for environmental facilities and wastewater infrastructure. State agency and public authority funding will continue to make New York a leader in the clean tech economy, reduce emissions that contribute to climate change, and allow the transformation of our electric power transmission system to a distributed smart grid network.

Overview

The State's environmental, energy and natural resource agencies support and regulate land use planning and preservation, recreation and tourism, agricultural development, protection of water resources, food safety, and energy programs.

The Department of Environmental Conservation's (DEC) mission is to conserve, improve and protect New York's natural resources and environment and to prevent, abate and control water, land and air pollution in order to enhance the health, safety and welfare of the people of the State and their overall economic and social well-being. DEC is responsible for administration and enforcement of the State's Environmental Conservation Law.

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides enjoyable and safe recreational and interpretive opportunities for New York State residents and visitors and functions as a steward of our valuable natural, historic and cultural resources. OPRHP operates the State park system that is comprised of 180 State parks and 35 historic sites. In 2014, the system welcomed a record 62 million visitors to these sites.

Together, DEC and OPRHP oversee 5.1 million acres of open space statewide, including 2.6 million acres in the Adirondack Park and nearly 300,000 acres in the Catskill Forest Preserve.

The Department of Agriculture and Markets (Ag&Mkts) is charged with wide-ranging

responsibilities including food safety inspection, agricultural economic development, farmland protection, animal and plant health surveillance, and the control of agricultural runoff (nonpoint source pollution) that can lead to the contamination of water.

The Department of Public Service (DPS), the staff arm of the Public Service Commission (PSC), regulates the rates and services of public utilities – an industry with an estimated \$35 billion in annual revenue. DPS oversees the siting of major utility infrastructure, and provides oversight on cable franchise agreements and telecommunications service. Additionally, in conjunction with the New York State Energy Research and Development Authority (NYSERDA), DPS oversees 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.

Protecting the Environment

In Governor Cuomo's first term, more than \$16 billion was committed to environmental and energy programs for infrastructure, resiliency, and clean energy. This investment directly benefits the State's economy and was the boldest commitment to the environment by any first term New York Governor in a generation. In 2015, the Governor continued this commitment by establishing a \$200 million clean water infrastructure grant program, extending the State Superfund program, which funds the cleanup of hazardous waste sites, by \$1 billion, and unveiling the NY Parks 2020 initiative, to invest \$900 million in State parks by 2020.

The Governor's commitment to open space protection and improved access to wildlife-related recreation was reflected in the acquisition of the former Finch Pruyn Lands, the largest addition to the Adirondack Forest Preserve in a century. In addition, the enactment of the NY Open for Fishing and Hunting initiative streamlined and reduced hunting and fishing license fees and provided for dozens of new and improved ways to access the State's natural resources.

The FY 2017 Executive Budget increases support for critical environmental protection and energy programs. Funding for the Environmental Protection Fund (EPF), which provides dedicated funding to communities throughout New York to improve the environment, will be increased by \$123 million, to \$300 million. This represents the highest level of funding since the creation of the EPF, and exceeds the previous high by \$45 million. Since taking office, Governor Cuomo has more than doubled funding for the EPF, increasing annual funding by a total of \$166 million. Reflecting the Governor's commitment to combat climate change and reduce greenhouse gas emissions, the EPF for the first time will include a new climate change mitigation and adaptation account to provide funding for adaptive infrastructure, greenhouse gas management, and resiliency planning programs.

The Budget also includes \$135 million of new capital appropriations for DEC, OPRHP, Ag&Mkts, and the Olympic Regional Development Authority (ORDA). This infusion of capital funds will accelerate capital infrastructure projects statewide, spur the creation of jobs, and leverage private sector and Federal investment. Further, the Budget provides \$100 million

of new funding for clean water infrastructure grants to support drinking water and waste water capital improvements across the State.

Summary of Spending (All Funds)

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollars (millions)	Percent
Total Environment and Energy Spending	1,467	1,534	67	4.6
Department of Agriculture and Markets	120	105	(15)	(12.5)
Department of Environmental Conservation	922	998	76	8.2
Office of Parks, Recreation and Historic Preservation	323	326	3	0.9

The Budget increases capital funding for the environment, and maintains funding at current levels for agricultural, environmental and parks operating programs.

- Department of Agriculture and Markets.** Primarily due to a transfer of agricultural marketing responsibilities (\$12.4 million) to Empire State Development, along with the discontinuation of one-time local assistance program funds and the completion of one-time capital spending, total funding for Ag&Mkts is decreased by \$15 million.

- **Department of Environmental Conservation.** Total spending for DEC is increased by \$76 million, reflecting increases in the EPF and other capital program spending.
- **Office of Parks, Recreation and Historic Preservation.** Total funding for OPRHP is increased by \$3 million, reflecting growth in capital spending.

Proposed FY 2017 Budget Actions

- **Environmental Protection Fund.** The Budget includes appropriations of \$300 million for the EPF, the highest level of funding in the program's history and an increase of \$123 million from FY 2016. Appropriations include \$33.8 million for solid waste programs, \$76.8 million for parks and recreation, \$156.9 million for open space programs, and \$32.5 million for a new climate change mitigation and adaptation program. The increase will provide record funding for critical environmental programs such as land acquisition, farmland protection, invasive species prevention and eradication, water quality improvement, and an aggressive environmental justice agenda. Further, this funding level will allow for the creation of new programs to reduce greenhouse gas emissions and adapt to climate change. Funding to support the increase in FY 2017 will come from monetary settlement funds. No funding from Regional Greenhouse Gas Initiative (RGGI) proceeds will be used to support the EPF.

- **Clean Water Infrastructure.** Recognizing the growing infrastructure needs across the State, the Budget includes an additional \$100 million two-year commitment for municipal drinking water and waste water infrastructure grants, for a total \$250 million commitment including reappropriations. These funds will be used in conjunction with the Environmental Facilities Corporation's (EFC) revolving loan program.
- **Infrastructure Investment.** The Budget provides \$135 million of new capital appropriations that will address a backlog of environmental capital needs and spur job creation and economic development. Specifically:
 - \$90 million is allocated to OPRHP to support health and safety projects and critical infrastructure rehabilitation.
 - \$40 million is allocated to DEC to address a variety of capital needs including public access projects to connect hunters, anglers, bird watchers and other outdoor enthusiasts to un-tapped State owned lands. This funding will also provide for investments in information technology, and in health and safety repairs to State infrastructure, including dams, wetland restoration, State lands and fish hatcheries.
 - \$2.5 million is allocated to the Department of Agriculture and Markets to improve and rehabilitate the State fairgrounds.
 - \$2.5 million is allocated for ORDA infrastructure, supplementing \$7.5 million of

capital appropriations in the Authority's budget.

- **Expand Access to New York Grown Agricultural Products.** Building on last year's success, the Budget includes \$1.1 million for the "Taste NY" program. This program is branding and expanding New York's food and beverage industry by making the wide variety of foods and beverages grown and produced in the State readily available and recognizable to New Yorkers and the public across the globe. In 2015, Taste NY achieved the Governor's goal of tripling gross sales of participating vendors, with sales of New York products jumping to \$4.5 million. Taste NY products are now available in over 30 retail locations statewide, and in 2015 over 1.3 million people attended 43 Taste NY events. The Budget also includes \$350,000 for the FreshConnect farmers' market program, which benefits farmers' and consumers alike, by awarding competitive grants to create and expand farmers markets in underserved communities. To increase the availability of locally grown hops for the State's growing craft brew industry, the Budget continues \$40,000 for a program to evaluate and test hop varieties in New York.
- **Maintain Core Agriculture and Markets Local Assistance Funding.** Funding for core agricultural programs that protect health and safety, provide education, and support the promotion of New York State products will continue. These programs include the Migrant Childcare program, Cornell Veterinary

Diagnostic Laboratory, Cornell Pro-Dairy, the Wine and Grape Foundation, and Farm Family Assistance.

- **Agricultural Marketing Orders.** The Budget includes legislation that will transfer administration of agricultural marketing programs (known as marketing orders) from Ag&Mkts to Empire State Development (ESD). This transfer will enable the State's agricultural associations involved with the marketing programs to utilize ESD's marketing expertise to better increase awareness and promotion of the State's agricultural products.
- **NYS Certified High Quality Initiative.** Utilizing Ag&Mkts, ESD, EPF, and other capital resources, the Budget will support implementation of the NYS Certified High Quality initiative. This program will fund marketing, branding, food safety, environmental management, and economic development initiatives to create the safest food system in the nation. A unique label will be created that identifies food from a New York producer who uses best practices in food safety, food handling, and environmental stewardship.
- **Transfer the Canal Corporation to NYPA.** The Budget includes legislation that transfers the New York State Canal Corporation from the New York State Thruway Authority to the New York Power Authority (NYPA). This transfer will enable the canal system to benefit from NYPA's experience in managing our State's water assets while ensuring the continued efficient operation of the canal system. NYPA operates seven hydro-

electric plants throughout the State, including three located within the canal system. NYPA and the Canal Corporation already share services on the canal system, and this transfer will only strengthen this partnership.

- **Clean Energy Workforce Opportunity Program.** In order to educate the next generation of clean energy workers, this new \$15 million fund will expand clean technology and renewable energy programs offered by SUNY. In partnership with clean energy businesses located on or near SUNY campuses, the fund will allow these schools to offer additional courses, hire new faculty, and purchase or upgrade the advanced machinery and lab equipment necessary to teach students the skills to succeed in the green energy workforce.
- **Department of Public Service Operations.** The Budget includes legislation that will enable the Department of Public Service (DPS) to more effectively utilize its resources by streamlining the review and approval of utility service rates changes requested by municipally owned gas and electric utilities. The Budget also includes legislation that will allow for more comprehensive reviews of highly technical and complex rate cases by extending the length of time the Public Service Commission has to approve utility sought rate increases, from eleven to fifteen months.
- **Make the Waste Tire Fee Permanent.** In order to avoid cuts to essential programs, the Budget permanently extends the Waste Tire Fee, which

is scheduled to expire December 31, 2016. This \$2.50 fee, which has been in place since 2003, funds the abatement of waste tire sites and supports approximately 140 Department of Environmental Conservation employees involved in mission critical solid and hazardous waste cleanup activities.

- **Reduce Navigation Law Reimbursement.** To provide nearly \$1 million in annual savings, the Executive Budget includes legislation which reduces the reimbursement provided to local municipalities for the costs of voluntary patrols of the State's waterways from 50 percent to 25 percent.