

The FY 2018 Executive Budget initiates an unprecedented investment in clean water programs, increases capital funding for environmental and recreational facilities, maintains historic funding levels for the Environmental Protection Fund (EPF), and continues State funding for core environmental, parks and agricultural programs. 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 enable the transformation of our electric power transmission system to a distributed smart grid network.

Overview

The State's environmental, energy and natural resource agencies and authorities 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 to enhance the health, safety and welfare of New Yorkers 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 New York's valuable natural, historic and cultural resources. OPRHP operates the State park system, a network of 180 State parks and 35 historic sites. In 2015, the system welcomed a record 65 million visitors.

Together, DEC and OPRHP oversee 5.35 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) has wide-ranging responsibilities, including food safety inspection, agricultural economic development, farmland protection, animal and plant health surveillance, and control of agricultural runoff (nonpoint source pollution) that can lead to water contamination.

Budget Highlights

Invest in Clean Water. Initiate an historic \$2 billion Clean Water Infrastructure Act to support drinking water, wastewater, and source water protection initiatives.

Historic EPF Funding. Continue funding for the EPF at \$300 million, the highest level in history.

State Fair Modernization. Invest an additional \$70 million for the next round of improvements to transform the State Fairgrounds.

Continue \$900 Million NY Parks 2020 Initiative. Invest \$120 million to transform New York's parks, recreation and historic facilities.

Nation's largest multi-use trail network. Invest \$53 million to develop phase one of the nation's largest multi-use trail network.

Cogeneration Plant and Microgrid. Provide \$88 million to construct a cogeneration plant and microgrid to reduce energy costs, capture savings, and power the Empire State Plaza and surrounding municipal buildings.

Performance Profile

Record Parks Attendance.

The Governor's \$900 million investment through the NY Parks 2020 initiative, has so far resulted in capital improvements at 128 parks statewide, spurring a record 65 million visitors in 2015.

Record State Fair Attendance. The initial \$50 million to modernize the State Fair has paid dividends. The 1.1 million visitors at the 2016 State fair exceeded the previous record by 10.5 percent.

Nation's Lowest Per Capita CO2 Emissions. New York has the lowest per capita carbon dioxide emissions of any state in the country, with 8.1 metric tons of carbon dioxide per person.

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 \$32 billion in annual revenue. DPS oversees the siting of major utility infrastructure, and provides oversight of cable franchise agreements and telecommunications service. Additionally, DPS provides oversight of the New York State Energy Research and Development Authority's (NYSERDA) implementation of the PSC-approved Clean Energy Fund.

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 and Investing in Agriculture

Governor Cuomo has made unprecedented investments in the State's environmental and energy programs. These include:

- Establishing a \$400 million clean water infrastructure grant program;
- Extending the State Superfund hazardous waste cleanup program by \$1 billion;
- Unveiling the \$900 million NY Parks 2020 initiative;
- Investing over \$260 million in environmental projects through the New York Works program; and
- Increasing the EPF to an historic \$300 million level.

The Governor has taken major actions to combat climate change and reduce greenhouse gas emissions. New York has the lowest per capita carbon dioxide emissions of any state in the country, with 8.1 metric tons of carbon dioxide per person. These steps include:

- Launching the Clean Energy Standard, which will grow renewable energy to 50 percent of power generation by 2030.

- Establishing the 10-year, \$5 billion Clean Energy Fund, which drives investment in clean energy and energy efficiency. The fund supports the Governor's \$1 billion NY-Sun solar energy program, and the \$1 billion NY Green Bank, which partners with the private sector to increase investment in clean energy projects.

The Governor is committed to protecting open space and improving access to wildlife-related recreation. This is reflected in his acquisition of the former Finch Pruyn Lands, the largest addition to the Adirondack Forest Preserve in a century. The Governor enacted the NY Open for Fishing and Hunting initiative, which streamlined licensing and reduced hunting and fishing fees. He also provided for dozens of new and improved ways to access the State's natural resources.

The State has invested more in agriculture during Governor Cuomo's tenure than at any point in history, including record levels of grant funding through the EPF and the Ag&Mkts local assistance budget. The Governor has also supported strategic investments to modernize the State Fair, grow the agriculture industry in the Southern Tier, and protect farmland in the Hudson Valley. Through the Taste NY and NYS Grown & Certified programs, Governor Cuomo has prioritized the promotion of locally grown and produced foods and products.

The FY 2018 Executive Budget increases support for critical environmental protection programs. To ensure that current and future New Yorkers have access to clean water, the Budget initiates the \$2 billion Clean Water Infrastructure Act. Funded at \$400 million per year over five years, this unparalleled investment will support drinking water, wastewater, and source water protection initiatives.

Support for the EPF, which provides dedicated funding to communities throughout New York to improve the environment, will continue at \$300 million. This is the highest level of annual funding since the creation of the EPF and an increase of \$166 million since the Governor took office.

The Budget also includes \$246 million of new capital appropriations for DEC, OPRHP, Ag&Mkts, and the Olympic Regional Development Authority (ORDA), an increase of \$110 million from FY 2017. The increased resources will be utilized for Phase II of the State Fair modernization plan, and to accelerate improvements to the State's recreational assets. These capital resources will also continue to fund infrastructure projects statewide, spur the creation of jobs, and leverage private sector and Federal investment.

Table 7: Summary of Spending (All Funds)

Category	FY 2017 (millions)	FY 2018 (millions)	Change	
			Dollars (millions)	Percent
Department of Environmental Conservation	1,008	1,236	228	23
Office of Parks, Recreation and Historic Preservation	332	333	1	0
Department of Agriculture and Markets	117	122	5	4
Department of Public Service	74	77	3	4
Hudson River Valley Greenway	0.4	28.4	28	7000
New York Power Authority	2	28	26	1300
Energy Research and Development Authority	14	26	12	86
Adirondack Park Agency	5	5	0	0
Total Environment and Energy Spending	1,552.4	1,855.4	303	19.5

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

- **Department of Environmental Conservation.** Total spending for DEC is increased by \$228 million, reflecting funds from the Clean Water Infrastructure Act and increases in other capital program spending.
- **Office of Parks, Recreation and Historic Preservation.** Total funding for OPRHP is increased by \$1 million, reflecting growth in New York Works spending.
- **Department of Agriculture and Markets.** Total funding for Ag&Mkts is increased by \$5 million, reflecting growth in capital spending for the State Fair modernization.
- **Department of Public Service.** Total funding for DPS increases by \$3 million, reflecting growth in State operating spending associated with General State Charges.
- **Hudson River Valley Greenway.** Total funding for the Greenway is increased by \$28 million, reflecting capital spending for the new Empire State Trail.
- **New York Power Authority.** Total funding for NYPA is increased by \$26 million, reflecting capital spending for the new Empire State Trail.
- **New York Energy and Research Development Authority.** Total funding for NYSERDA is increased by \$12 million, reflecting growth in capital spending.

Proposed FY 2018 Budget Actions

- **\$2 Billion Clean Water Infrastructure Act.** The Budget proposes an historic \$2 billion Clean Water Infrastructure Act to be funded at \$400 million per year over five years. This unparalleled investment in drinking water, wastewater and source water protection will protect public health and the environment, and safeguard our precious water resources. These capital resources will be utilized to improve municipal drinking water distribution and filtration systems, replace lead service lines, improve wastewater treatment infrastructure, make strategic open space and farmland protection investments, expedite the cleanup of hazardous waste that may impact drinking water, and support green infrastructure.
- **Environmental Protection Fund.** The Budget continues EPF funding at \$300 million, the highest level of funding in the program's history. Appropriations include \$41 million for solid waste programs, \$87 million for parks and recreation, \$150 million for open space programs, and \$22 million for the climate change mitigation and adaptation program. This investment will provide funding for critical environmental programs such as land acquisition, farmland protection, invasive species prevention and eradication, enhanced recreational access, water quality improvement, and an aggressive environmental justice agenda.
- **Nation's Largest Multi-Use Trail Network.** The Budget proposes investing \$53 million develop fragmented stretches of the Hudson River Valley Greenway and Erie Canalway. When complete, the trail network will stretch through the Hudson Valley and Adirondacks from New York City to the Canadian border and along the Erie Canal from Albany to Buffalo. This \$53 million, phase one investment will create the largest multi-use trail network in the nation, attracting new tourists to explore New York's diverse landscapes and rich history.
- **State Fair Modernization.** The Budget provides up to \$70 million in additional capital funding to modernize the State Fair, which saw record attendance levels in 2016. This funding will be used to develop a multi-use, hybrid building to host events, build a gondola to transport visitors and concertgoers between the Fairgrounds and Onondaga County's Lakeview Amphitheater, make parking improvements, and construct a new on-ramp to Interstate 690. This investment builds upon the \$50 million included in the FY 2016 budget that has transformed the State Fair by creating a new Empire RV park, expanding the midway, improving Chevy Court, and restoring the main fairground gate.
- **NY Parks 2020 Initiative.** In furtherance of the NY Parks 2020 initiative, which is investing \$900 million in State Parks by 2020, the Budget allocates \$120 million in New York Works capital funding to OPRHP, an increase of \$30 million from FY 2017. This funding will aid the ongoing transformation of the State's flagship parks and support critical infrastructure projects. The additional \$30 million will target projects that can strategically leverage private funding to improve OPRHP's facilities and services.
- **Cogeneration Plant and Microgrid.** The Budget includes \$88 million in new appropriations for the construction of a cogeneration plant and microgrid to power the Empire State Plaza and surrounding municipal buildings in Albany. In furtherance of the Governor's goal to

accelerate energy efficiency in State buildings through the Build Smart NY program, the cogeneration plant will simultaneously produce electricity and provide a heating source for State buildings. Through the development of microgrid installations, an important component of the Governor's Reforming the Energy Vision (REV) strategy, New York State is moving toward decentralizing its power grid, providing enhanced reliability, interconnection with existing utility systems, and optimized energy efficiency. These cogeneration plant and microgrid projects are innovative and transformative energy solutions that will reduce CO2 emissions by 25,600 tons/year, reduce annual utility costs, and provide additional protection against severe weather events and emergencies.

- **Launch the Adventure NY Program.** DEC will launch the Adventure NY program, which will improve access to State lands, rehabilitate campgrounds, and upgrade DEC recreational facilities. This new initiative will build on existing efforts and includes \$70 million in New York Works capital funding, an increase of \$30 million from FY 2017. This funding will also enable DEC to continue to address critical infrastructure needs, including dam safety and flood control projects.
- **Expand Access to New York Grown Agricultural Products.** In 2016, Taste NY sales doubled to more than \$10.5 million, Taste NY products became available in more than 60 retail locations statewide, and Taste NY participated in events that drew over 2 million people. Building on this success, the Budget continues funding for initiatives that connect New York's food and beverage producers with consumers, including:
 - \$1.1 million for the Taste NY program. This program makes 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;
 - \$35.7 million for the New York State Grown & Certified program. Launched in 2016, this program is designed to strengthen consumer confidence in New York State products, address food product labeling, and assist New York farmers so they can take advantage of the growing demand for local, high quality food;
 - \$625,000 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; and
 - \$40,000 to evaluate and test hop varieties in New York to increase the availability of locally grown hops for the State's growing craft brew industry.
- **Improve Access to Healthy, Locally Sourced Food in Schools.** The Budget seeks to increase the number of students eating healthy foods in schools by making \$750,000 available to the Farm-to-School Grant Program, an increase of \$500,000 from FY 2017. These additional resources will fund up to 15 new projects that enhance a school district's

ability to buy local produce or a producer's ability to sell to school districts. To further this commitment, the Budget also proposes increasing funding for the New York Agriculture in the Classroom program from \$116,000 to \$416,000, in order to expand in-school programs that teach young children about eating healthy, fresh foods.

- **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.
- **Achieve Consistency Across Environmental Clean-up Activities.** Consistent with the State Superfund, which also supports cleanup, containment and remediation activities, legislation supporting the Budget will classify a portion of the Oil Spill Fund spending related to response, remediation, and cleanup of petroleum spills as capital.
- **End the Temporary Utility Assessment.** Under the Governor's direction, the Temporary Utility Assessment, which was authorized in 2009, began a three year phase out in 2014 that has resulted in ratepayer savings through the current year of \$775 million. Effective March 31, 2017, and consistent with the Governor's commitment, the assessment will expire as scheduled, and will result in immediate ratepayer savings of \$122 million in FY 2018 from current year levels.
- **Fund Utility Oversight Expenses from Utility Assessment Revenues.** Legislation supporting the Budget will allow eligible utility oversight expenses from Ag&Mkts, DEC, the Department of State, and OPRHP to be funded from an existing assessment on utilities. These eligible costs, totaling less than \$3 million, include oversight of transmission and generation projects, and consumer protection activities.