

# Environmental Funding in New York

## Protecting our clean water, clean air, and communities

### **Environmental Protection Fund**

Created in 1993, the EPF is the state's dedicated source of funding for critical programs including but not limited to open space and farmland protection; support to zoos, botanical gardens and aquaria; waterfront revitalization; creation of municipal parks; land stewardship; management of solid waste and estuaries; abatement of non-point source pollution and invasive species; and ocean and Great Lakes protection. A stable and permanent dedicated fund for the environment was to provide reliable funding that would, over time, empower policy makers to address the state's environmental priorities in a financially responsible manner.

***“The legislature hereby finds, declares, and reaffirms that the preservation, enhancement, restoration, improvement and stewardship of the state’s environment are among the government’s most fundamental obligations; and that appropriate actions to make the state’s invaluable natural and historic resources available for public use and enjoyment are key components of the environmental and social policy of the state.”***

*Preamble to the Environmental Protection Act enacted in 1993*

Over the last 16 years, more than \$2 billion has been appropriated for these important programs, benefitting every county in New York State<sup>1</sup> by protecting clean air and water, revitalizing communities, and boosting our agriculture and tourism-based economies.<sup>2</sup> EPF programs create jobs and protect businesses. For example, the reuse and recycling industries in New York support more than 30,000 jobs with a payroll of \$1.3 billion.<sup>3</sup>

The ancillary benefits of the EPF also resonate throughout communities. The Chambers of Commerce in the Bronx and Brooklyn have recognized the benefits of the EPF Zoos, Botanical Gardens and Aquaria program in their communities. They point out that the program creates jobs, supports local businesses and generates tax revenue, saying, “New York State government has made a wise investment and the payoff is measurable.”<sup>4</sup>

EPF programs also prevent significant costs to the state and municipalities. For example, in the Catskills and on Long Island, the EPF has supported efforts to protect the water supplies for millions of New Yorkers, preventing the need for expensive filtration plants that would cost taxpayers billions.

### **Backlog and Erratic Funding**

While many great successes have been realized<sup>5</sup>, much work is left to be done. Although billions of dollars of projects exist throughout the state, and there is currently a backlog of not-for-profits, farmers, community groups, municipalities and others committed to partnering with the state awaiting payments for their EPF projects, the EPF has been targeted for disproportionately large reductions in recent budgets. Since 2008, the EPF appropriation has been reduced from \$255M to \$134M, or 47%. Furthermore, since 2003, approximately \$500M, or one-quarter of the total EPF appropriations, has been swept for General Fund relief, even though during the same period of time state spending rose continuously.<sup>6</sup>

<sup>1</sup> See attached map on page 5 showing EPF spending across New York State.

<sup>2</sup> “Three parks stake Shawangunks economic claim.” Mid Hudson News Network. June 23, 2010.

<sup>3</sup> Recycling Economic Information Study Update. DSM Environmental Services, Inc. Oct. 2008.

[http://www.nerc.org/documents/recycling\\_economic\\_information\\_study\\_update\\_2009.pdf](http://www.nerc.org/documents/recycling_economic_information_study_update_2009.pdf)

<sup>4</sup> Joint Statement of Bronx Chamber of Commerce President & CEO Lenny Caro and Brooklyn Chamber of Commerce President & CEO Carl Hum. December 14, 2009

<sup>5</sup> “The Environmental Protection Fund: Preserving New York’s Natural Heritage and Quality of Life.” Friends of New York’s Environment. February, 2009. [http://eany.org/issues/reports/EPF\\_2009.pdf](http://eany.org/issues/reports/EPF_2009.pdf)

<sup>6</sup> See attached charts on page 4.



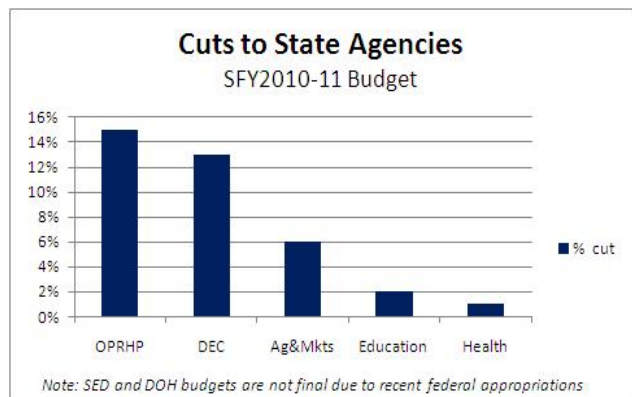
Because of these significant cuts and sweeps, the EPF is currently operating on a month-to-month cash management plan, and can no longer disburse sufficient funding to meet demand in a timely way. For example, the EPF Farmland Protection Program, which is critically important to protecting the viability of New York’s farms, has a backlog in excess of \$70M that would take the state approximately 15 years to pay at the current rate. These long delays put our family farms at risk of being forever lost to sprawl.<sup>7</sup> They also put the long-term viability of the program at risk. Although each year the demand for funding has outpaced

appropriations, the state has not issued new requests for proposals for the program due to the backlog. Backlogs are not unique to this program, and delays exist in many other EPF categories. The current situation puts matching funds leveraged from local and federal governments as well as private sources at risk. This instability and lack of reliability is a new development for the EPF which makes it difficult for stakeholders to plan for incremental and steady project implementation because there is no guarantee that a funding stream for completing a multi-year project will be available in a timely way.

**New York’s Environmental Agencies**

The EPF is just one facet of New York’s environmental spending that has been subjected to disproportionately large cuts in the last several years. The Department of Environmental Conservation (DEC), Office of Parks, Recreation and Historic Preservation (OPRHP), Department of Agriculture and Markets (DAM), Adirondack Park Agency (APA), Division of Coastal Resources (part of the Department of State), and the Hudson River Valley Greenway have all faced significant cuts to their capital and operating budgets, including significant staff losses.

Also similar to the EPF, spending on environmental agencies has benefits for our communities and economy. For example, a recent report by the Political Economy Research Institute shows that New York’s park system supports up to \$1.9 billion in output and sales, \$440 million in employment income, and 20,000 jobs.<sup>8</sup> In 2008, a \$20 million state capital investment in Parks provided an infusion of economic activity to struggling upstate economies, including more than \$4 million in Cattaraugus County; over \$3 million in Erie County; nearly \$4.5 million in Jefferson County; nearly \$5 million in Niagara County; and close to \$4 million in Onondaga and St. Lawrence counties.<sup>9</sup> Environmental agencies also prevent significant costs to taxpayers. DEC protects the air we breathe and the water we drink. By failing to devote resources to managing and preventing pollution now, we risk having to spend much more cleaning it up in the future. Furthermore, inadequate resources for agencies, including DEC, means less enforcement, fewer permits for businesses, and less revenue for the state.



Cuts to our environmental agencies will have serious impacts on their ability to provide services to the public and regulated industries. According to DEC, there are currently more than 14,000 contaminated spills throughout the state. Due to deep cuts to their non-personal service budget (currently funded at just 50% of what it was in SFY2007-08) DEC can now only respond to 150 spills annually, rather than 350 spills, which was

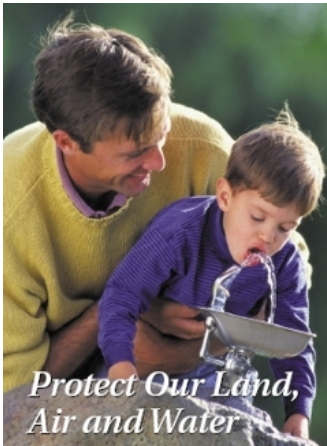
<sup>7</sup> “Farm Preservation Funds Dry Up.” Albany Times Union. August 25, 2010. <http://www.timesunion.com/local/article/Farm-preservation-funds-dry-up-630543.php>

<sup>8</sup> “The NYS Parks System: An Economic Asset to the Empire State.” Parks and Trails NY/PERI. March 2009. [http://www.ptny.org/pdfs/advocacy/peri\\_full\\_report.pdf](http://www.ptny.org/pdfs/advocacy/peri_full_report.pdf)

<sup>9</sup> Testimony of Commissioner Ash before the Division of Budget hearing on the Parks Capital budget. October 22, 2008.

the average annual rate of response prior to the cuts.<sup>10</sup> This means the state has to choose which pollution to cleanup, and which to leave in our communities. These spills can cause fires, explosion hazards and impact drinking water supplies. Like the EPF, environmental agency budgets are not being sustainably funded and the state can no longer provide adequate services and protection for the environment and our communities.

### **New York Needs to Lead**



New York has a rich history of environmental achievements that have put our State at the forefront of the nation, including the creation “Forever Wild” clause of the State Constitution, the battle over Storm King Mountain which became the foundation for national environmental law, the founding of the oldest State Parks system in the nation, the enactment of the historic Great Lakes Compact and the creation of the nation’s first greenhouse gas reduction program. New York’s environmental assets – our rivers, lakes, forests, beaches, farms, wetlands, and mountains – are some of the defining characteristics of our State. These resources are what make people *love* New York. They are, indeed, the “Pride of New York.”

Unfortunately, New York’s waning environmental leadership has left our conservation legacy at risk, and our vision of a sustainable future still unmet. New York is currently 49<sup>th</sup> in the nation for the percentage of the state budget spent on parks and natural resources.<sup>11</sup> While the national average is just above 2%, New York lags below 1%, and the EPF is just one tenth of a percent. While our budget dwarfs those of many states, our commitment to protecting what New Yorkers love about their state pales in comparison.

Now is the time to invest in New York’s environment and ensure our land, air and water is protected. For a relatively small investment of state funds, New York can leverage local, federal and private dollars and protect our clean air, clean water, economic vitality and communities for future generations.

There are a number of ways that the state can meet its fundamental obligations to provide sustainable environmental protection for all New Yorkers. We urge New York to move towards spending the national average (2%) of its state budget on the environment by 2015 by:

- ✓ Restoring the EPF appropriation and increase disbursements to address the backlog of existing projects and move forward with new projects to benefit communities throughout the state.
- ✓ Ensuring funding dedicated to the environment is spent on the environment, and not swept into the General Fund under the pretense of balancing the budget.
- ✓ Restoring state agency operations and capital budgets so that they can sustainably provide services, comply with legal mandates, and continue to generate billions in revenue for the state.
- ✓ Incentivizing and authorizing new conservation funding mechanisms by local governments to maximize return on investments by the state.

***Prepared on behalf of the Friends of New York’s Environment, a broad partnership of over 100 environmental, health, agricultural, recreational and community stakeholder groups committed to working together to secure increases in dedicated funding to protect our land, air and water thereby safeguarding New Yorkers’ health, economy and environment.***

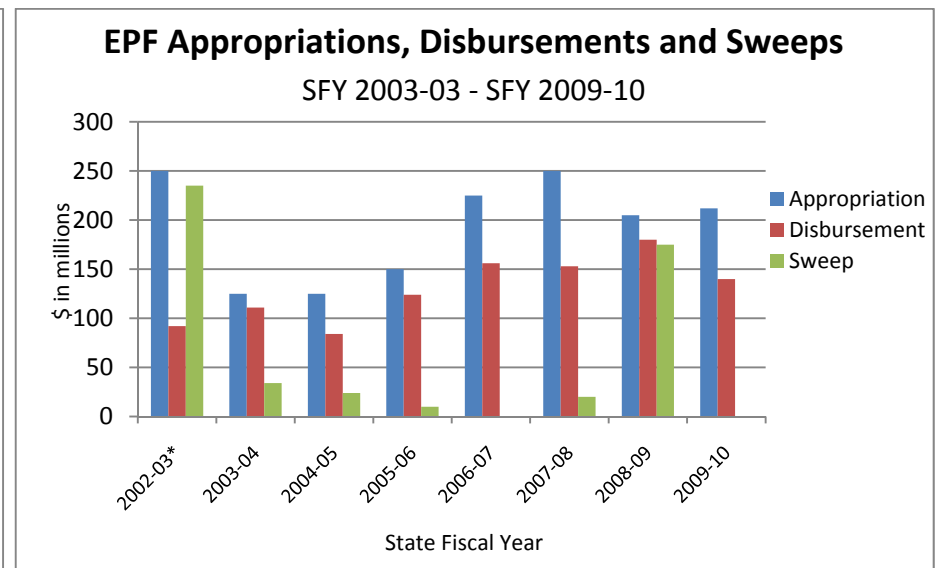
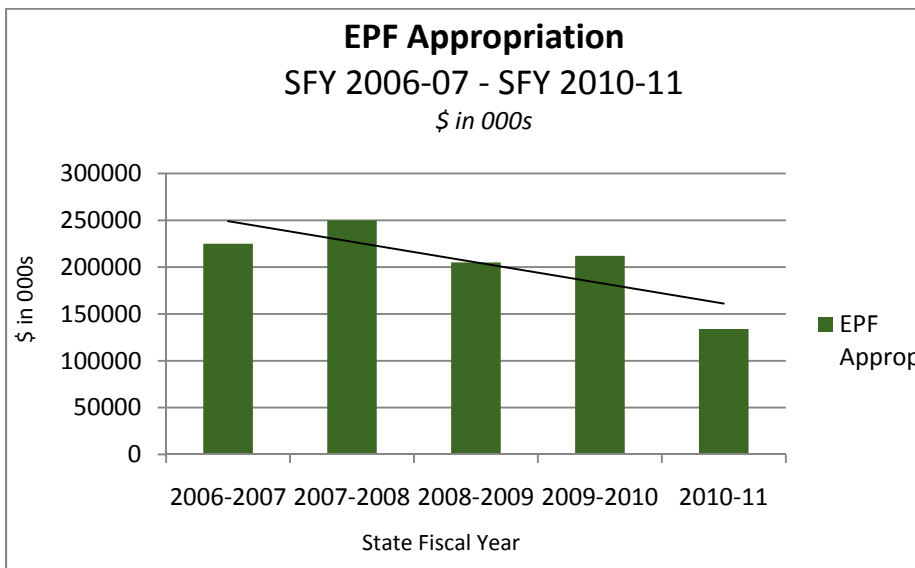
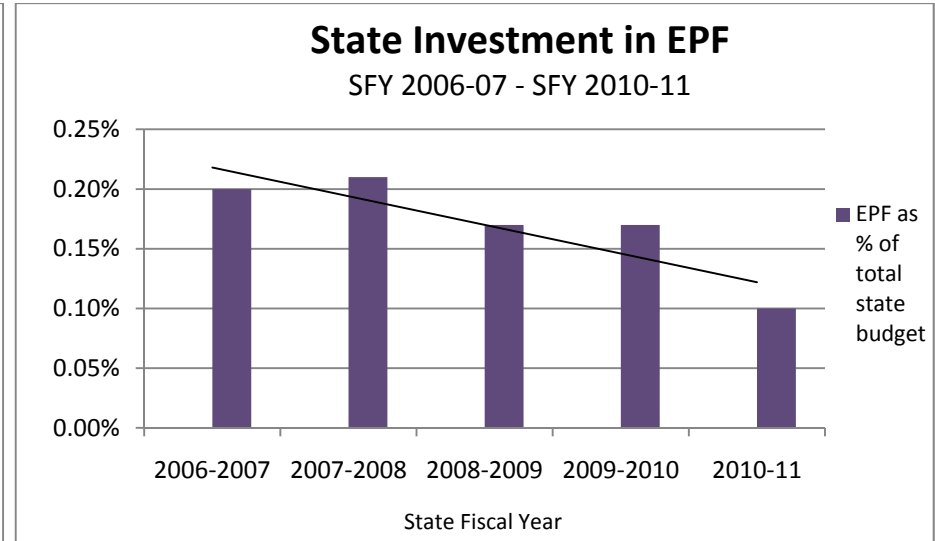
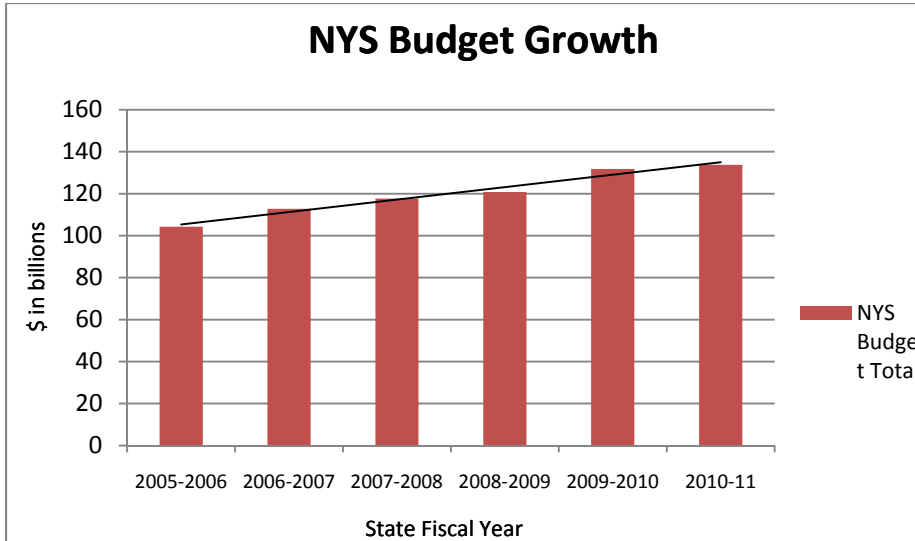
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<sup>10</sup> “Spill Dangers: Agencies in Crisis: New York State Department of Environmental Conservation.” Environmental Advocates of New York. [http://eany.org/issues/reports/DEC\\_ToxicSpill\\_FINAL.pdf](http://eany.org/issues/reports/DEC_ToxicSpill_FINAL.pdf)

<sup>11</sup> Analysis conducted with data from US Census Bureau: <http://www2.census.gov/govs/state/08statess.xls>

# While New York's Budget Grows, Environmental Funding is Disproportionately Cut to Unsustainable Levels



Although the state budget grew more than 2% in SFY 2010-11 the EPF was cut by almost 40%. New York's environmental agencies were also disproportionately cut (ex. DEC by 13%, OPRHP by 15%, Ag&Mkts by 6%.) DEC's non-personal service budget is down 50% from SFY 2007-08. New York currently ranks 49<sup>th</sup> in the nation for the percentage of its budget spent on parks and natural resources. New York must lead by addressing this deficit in environmental funding.

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