Memo on Environmental Budget Priorities

To: Governor Kathy Hochul; Senate Leader Andrea Stewart-Cousins; Speaker Carl Heastie; NYS Senate; NYS Assembly
From: Environmental Advocates NY
Re: 2022 Final Budget Agreement

This year’s budget is vital to New York State’s progress in protecting our environment, improving public health, creating vibrant communities, and fighting the climate crisis. With only days left until the budget is due, it is imperative for state leaders to prioritize spending for electrification and equity while rejecting climate dead-ends and raids of clean energy funds. Similarly, New York needs to build the next generation of water infrastructure, while helping those who are facing water utility shut offs. We also need to go big with an environmental bond act and lead on solid waste solutions.

The final budget agreement should reflect the following:

**Bigger Bond Act:** The state should go big on the Environmental Bond Act to assist in funding so many key environmental and climate priorities. We are encouraged that the Governor, Assembly, and Senate one house proposals all call for an increase ($4B, $5B, and $6B, respectively,) and to see the Senate allocating $1B to school and public transit bus electrification and $1B for renewable heating and cooling and building weatherization and the Assembly committing over $500M for reducing or eliminating air and water pollution in environmental justice communities.

**Record investment in the EPF:** The state budget proposals lay out historic investments in the Environmental Protection Fund (EPF) at $400M. This funding will advance work to protect our environment and improve quality of life in every county of New York State. This funding marks a huge step forward on the path to achieving the environmental community’s long-term goal of a $500 million EPF.

**Water infrastructure investments:** The need for water infrastructure investments is enormous and growing each year, especially with new mandates to test for emerging contaminants like PFAS. We are encouraged that both houses and the Governor have continued to support investments in the Clean Water Infrastructure Act, and we hope to see $1 billion for this critical program included in the final budget. Line items for this funding are also essential to ensure programs like the Lead Service Line Replacement Program receive adequate financial resources.

**Water utility arrears support:** The Senate and Assembly proposed funding for energy utility arrears, but not water utility arrears. We believe this is a significant oversight as new data suggests there are millions of dollars in water debt across the state and struggling New Yorkers are at risk of water-shuts from past-due bills. We urge the Governor and Legislature to include $400 million for the Low-Income Household Water Assistance Program to ensure customers and public utilities are made whole as New York recovers from the COVID-19 crisis.
Rejecting RGGI raids: Once and for all we call for and expect to see an end to the Cuomo-era practice of transferring $23 million in clean energy funds generated through the Regional Greenhouse Gas Initiative (RGGI) to the general fund. Using these funds to pay for plug holes in the state budget and pay for tax credits, established more than a decade prior to the existence of RGGI, offer little to no direct benefit to the lower income and environmental justice communities that are disproportionately burdened by the impacts of climate change and fossil fuel derived pollution, and is therefore not consistent with the state climate law.

Clean transportation investments: The state budget proposals are chock full of transportation electrification commitments: $17 million to electrify state light duty fleets; $20 million to public transit agencies for electric buses and infrastructure; and commitment to electrify New York’s entire school bus fleet by 2035 and require all new school bus purchases be electric starting in 2027. While state fleet and public transit have dollars attached, school bus electrification does not – something that must be addressed to ensure all school districts have equitable access to the resources to jumpstart the transition.

Off-shore wind infrastructure investments: We are encouraged by the incredible investment to fast-track the development of the offshore wind industry in New York in the budget proposals. The proposed investment of $500 million has the potential to position New York as the hub for the development of offshore wind industry through investments in ports, manufacturing, supply chain, and workforce development.

Wetlands, Advanced building codes, and extended producer responsibility for paper and packaging: We are encouraged to see the Governor and Senate raising these complex policy-oriented proposals and look forward to negotiations between the parties to hammer out the best policies on these matters this legislative session.

Lastly, we aren’t interested in seeing false solutions to the climate crisis: Proposals such as the Low Carbon Fuel Standard (LCFS), contained in the Senate one-house, go counter to the intent of the state’s climate law and have no place in the budget discussion. Specifically, LCFS does not address environmental injustices and allows for pollution to continue overburdening environmental justice communities and perpetuates the usage of oil and gas and fossil fuel infrastructure.