

Testimony Regarding the Environmental Provisions of Governor Hochul's Executive Budget Proposal for SFY 2023-2024

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As a steadfast and respected voice on New York State environmental policy issues, Environmental Advocates NY (EANY) thanks the Senate and Assembly for the opportunity to provide our recommendations on proposals contained within the environmental components of Governor Hochul's Executive SFY 2023-24 Budget Proposal.

We are encouraged by many proposals outlined in the SFY 2023-2024 Executive Budget that will provide necessary funding for critical environmental initiatives and are grateful for the commitment to the environment and the recognition that the climate crisis requires an economy-wide funding solution with the proposed emissions cap and invest program. However, if done right, with necessary safeguards for disadvantaged communities, cap and invest will not begin to produce revenue any time in the near future. New York cannot afford another missed opportunity to tackle climate change and fund the implementation of our state's landmark climate law, the Climate Leadership and Community Protection Act (CLCPA).

NYSERDA conducted an integration analysis that was incorporated into the Climate Action Council's Scoping Plan that modeled policy scenarios necessary to meet the emission reduction benchmarks mandated by the climate law. The analysis estimates that we need a minimum of \$10 billion in annual spending to put the state on track to meet its commitments and secure the health and economic benefits. The analysis also demonstrated that these investments to implement the CLCPA would result in net benefits to New York ranging from \$90 - \$120 billion through 2050. In addition to reducing emissions statewide, it will help reduce damage resulting from climate change, saving New York State an estimated \$260 billion.

The Climate Action Council has delivered a comprehensive plan to meet the mandates of the CLCPA. The time is now to provide the funding necessary to put the plan in action. Cap invest has the potential to serve as the backbone for sustained climate funding, but we need to establish a Climate and Community Protection Fund now to build a foundation that will be ready to execute when cap and invest revenues are finally realized. So, today with this year's budget process we call upon the Legislature and the Executive to think boldly

about how to make the investments to tackle climate change and protect the most vulnerable.

We look forward to working with the Legislature and Executive on a budget that aligns with the climate law and moves us towards economic recovery through a green economy without leaving our most vulnerable behind.

Climate Initiatives

Funding the State's Climate Law: Ensuring the State meets the legally binding goals of the CLCPA is a top priority for EANY. The climate crisis presents an existential threat to New York and time is running out to prevent catastrophic warming. The CLCPA must be adequately funded if we are to transition off fossil fuels in a manner that is equitable for workers and disadvantaged communities hit first and worst by climate change. The integration analysis included in the Climate Action Council scoping plan found through a benefit-cost analysis that it will take at least \$10 billion a year to fund the policies and programs needed to reach the goals of the Climate Act. These initial investments will allow programs and actions to attain the pollution reduction, climate justice and equity mandates established by the CLCPA to happen. New York must lead in this transition with an unprecedented upfront investment in our clean energy future that will result in billions of dollars in climate and health impacts avoided.

A core component of the climate law is the requirement that at least 40-percent of climate and clean energy funds be invested in disadvantaged communities. A dedicated CLCPA implementation fund on top of clean energy programs funded through the Regional Greenhouse Gas Initiative (RGGI), and the Clean Energy Fund will be essential to meeting this mandate and delivering jobs and greenhouse gas and co-pollutant reductions to the communities that have been hit hardest by the climate crisis.

We call on the Legislature to create a Climate and Community Protection Fund (CCPF) to finance the work of implementing the CLCPA. This concept, modeled upon the Environmental Protection Fund (EPF), would serve as an on-budget mechanism to direct funding to the multitude of agencies and authorities needed to successfully execute the climate scoping plan. The CCPF can serve as a vehicle to distribute future cap and invest revenues, should such program be approved.

We urge the Legislature to include dedicated funding for the State Climate Law in the State Budget through the establishment of a Climate and Community Protection Fund in order to build the infrastructure necessary for the clean energy economy and immediately start delivering resources to help communities and the state's workforce transition off

fossil fuels to ensure we are providing the investments needed to truly matches the urgency of the climate crisis.

Cap and Invest: A successful emissions cap-and-invest structure must include equity and environmental justice provisions, including the following: safeguards to avoid hotspots in disadvantaged communities, additional source-specific caps that prevent increased greenhouse gas emissions and co-pollutant emissions from sources in or proximate to disadvantaged communities, and a prohibition on offsets. In addition to funneling revenues into the previously described CCPF, it should require community investment plans, in consultation with representatives of disadvantaged communities and the Climate Justice Working Group.

EANY opposes the distribution of no coast allowances to the energy intensive industries. If the Governor's proposal to moves forward, parameters for qualifying must be clearly defined and account for existing subsidies already provided by the state, like those offered through the New York Power Authority.

We support programs to offset energy costs for households and small businesses. However, these programs should be means tested. A program targeted towards low to moderate income households will have more of an impact than a dividend distributed to all New Yorkers. The benefit should be designed to ensure that individuals and families that rely on social safety net programs like Medicaid are not put in jeopardy due to any increase in income associated with the cap and invest payments.

We urge the Legislature to ensure a statewide emissions cap and invest program includes critical protections for disadvantaged communities and low to moderate income households, meets the emissions reduction mandates of the CLCPA, and dedicates spending in an equitable and transparent manner through the creation of a Climate and Community Protection Fund.

Public Renewables: Achieving New York's climate and clean energy mandates will require an all-hands-on deck approach. Public authorities will be an essential vehicle for reaching the state's climate mandates as they have a unique purpose to explicitly benefit the public and incentives that are not solely profit-driven. We will depend on these authorities to do everything within their power and within reason to ensure we have strong electric transmission infrastructure to deliver our power, that the power being delivered to our communities meets the Climate Law's definition of renewable energy, and that we are retiring and replacing fossil fuel infrastructure and quickly and efficiently as possible.

The New York Power Authority (NYPA) is an inherent part of the state's renewable energy transition and electrification process. The authority supplies much of the state's power, operates 16 generating facilities and more than 1,400 circuit-miles of transmission lines.

NYPA has shown tremendous success in transmission and with a foundation of renewable power, will continue to play a vital role in our system.

We are supportive of granting NYPA the authority to build and operate renewable generation where appropriate, provided they have the resources and capacity to do so successfully. We understand NYPA's exceptional bond rating enables them not only to fund their projects, but also to keep energy costs low. The new direct pay option included in the Inflation Reduction Act creates a significant opportunity for NYPA to take advantage of federal clean energy tax incentives. The build out of renewables should be planned out and measured in a manner that preserves the authority's solvency while addressing needs unmet by the private sector, particularly as it pertains to disadvantaged communities. This will require access to adequate cost recovery mechanisms.

Any expansion of NYPA's customer base should require a comprehensive plan to successfully manage the transition. This includes but is not limited to building the capacity to expand to serve new customers; identifying rate and cost recovery mechanisms for power supply, energy efficiency and other services; establishing strong labor standards and local hire provisions; managing interactions with incumbent utilities and energy suppliers; and accounting for and offsetting any potential lost tax revenue for local governments and school districts.

Section five of Part XX establishes a plan for the phase out of NYPA's small natural gas power plants by 2035, with limited exemptions related to reliability. We are concerned that the exemptions appear to violate section seven of the CLCPA that requires the Authority to factor impacts on disadvantaged communities. The proposed exemption that would allow for continued operation of these facilities if there is a potential for a net increase in carbon emissions within or outside of New York State does not account for the co-pollutants that will continue to be emitted in the communities where these facilities are located. We are also concerned that the provision allowing for the repurposing of these facilities on bars the combustion of fossil fuels instead of the combustion of all fuels like bio-methane or hydrogen.

We urge the Legislature to work with the Executive to ensure NYPA has the tools and resources to help New York reach its renewable energy mandates in a manner that prioritizes delivering clean energy to disadvantaged communities across the state.

Sustainable Buildings: The buildings sector is the largest source of emissions, responsible for 32-percent of emissions statewide. The Climate Action Council Scoping Plan calls for the state building code to require all low-rise new construction be zero-emission by 2025 and all construction by 2028. The Executive Budget includes provisions that will direct that State Building Codes Council to to adopt a zero emission building code by the end of 2025 and 2028 respectfully.

Modernizing the energy code and electrifying new construction is essential to meeting the emissions reduction goals for the building sector by fast tracking the transition off fossil fuels for heating and other uses and facilitating the integration of electric vehicle charging infrastructure.

This legislation will help households and businesses save money, cut back on wasted energy and water, and improve air quality indoors and out. Electrifying all new construction, updated energy building codes, and appliance standards are critical tools for the successful implementation of the CLCPA.

We urge the Legislature to adopt a more expedited timeline that at least adheres to the Climate Action Council's recommendation, but preferably aligns with the timelines established in the All Electric Buildings Act (A920a / S562a). Additionally, the Governor's proposal only is limited to a prohibition of fossil fuels, keeping the door open to the combustion of alternative fuels, like bio-methane or hydrogen and their associated harmful health impacts. This is a loophole that should be closed. Finally, the adoption of a zero-emission building code should be accompanied by a comprehensive and equitable plan to transition of natural gas. We urge the Legislature to include the NY HEAT Act (S2016) in the budget to direct the PSC to work with the utilities to facilitate that transition.

We urge the Legislature to support requiring the electrification of all new construction on a timeline consistent with the recommendations of the Climate Action Council or more preferably the All-Electric Buildings Act in conjunction with the NY HEAT Act to allow for an equitable transition of natural gas

Eliminate Fossil Fuel Expenditures: The CLCPA establishes the goals of 40-percent emissions reduction by 2030, and 85-percent by 2050. Reaching these goals requires a transition off fossil fuels at all market levels, which will allow the state to focus on investment in clean, sustainable energy sources. Fossil fuel related tax expenditures represent an estimated \$1.5 billion in state spending annually. The legislature should use the budget to begin the process of phasing these subsidies out, enabling immediate cost savings and facilitating our transition away from polluting fuels.

Understanding how we currently subsidize the fossil fuel economy through tax expenditures is an important step in assessing how the State can move away from supporting the fossil fuel industry.

The Legislature should consider eliminating the sales tax cap on motor fuels and examine exemptions for residential and non-residential energy.

Clean Transportation Initiatives

The transportation sector is the largest source of climate pollution in New York, representing 28 percent of the state's greenhouse gas emissions in 2019. Emissions from tailpipes are also responsible for smog, soot, and other toxics that contribute to adverse health outcomes, particularly in children, the elderly, and those suffering from chronic illness. New York's greenhouse gas reduction targets necessitate a transition from vehicles powered by internal combustion engines to a transportation system powered by clean, renewable electricity.

A transportation system powered by electricity requires significant investment in electric vehicles and charging stations, as well as electrification of mass transit systems. There are currently over 80,000 EVs on the road in the State and the number is rapidly growing, with sales in the first half of 2021 (approximately 18,000 EVs) exceeding the full-year sales in any previous year. There are just over 2,700 public charging stations available for use. This is simply not enough. In order to achieve an 85% reduction in greenhouse gas emissions by 2050, as mandated by the CLCPA, more resources must be dedicated to carbon free transportation options.

Electrifying Public Transit: New York is home to North America's largest transportation network, serving over 15 million people each year. The MTA has committed to electrifying its bus fleet by 2040, and the Governor has committed to requiring other large transit agencies to electrify 25% of their fleets by 2025, and 100% by 2035. Meeting and exceeding these mass transit electrification goals will be essential to achieving the 2050 statewide emissions reduction goal. New Yorkers rely heavily on mass transit, and electrification of the transit system assures that New Yorkers have access to transportation systems that are safe, reliable and healthier for all.

This is the fourth year of a five year financial commitment of \$100 million toward electric public transportation. Governor Hochul's budget includes \$20 million to public transit agencies for electric buses and infrastructure. The State of California is already moving in this direction. At the end of 2018, the California Air Resources Board (CARB) adopted the California Innovative Clean Transit Rule. The new CARB standard directs the relevant transit agencies in the state to ensure that by 2040 all public transit vehicles in the state will be zero-emissions.

New York has also made promising strides in this direction, with the MTA's 2018 announcement that they plan to transition to an all-electric bus fleet by 2040. Given New York City's size, the MTA accounts for nearly 10% of bus purchases in North America. The MTA's market share, combined with the purchasing power of New York's other transit agencies, will help jumpstart growth in the nascent electric bus manufacturing industry in the state. New York should not miss this opportunity to expand the MTA's initiative to all fleets across the state.

The Green Transit Green Jobs bill proposes a two-pronged solution for electrifying public transportation while providing well-paying green jobs for workers and a just transition for the workforce moving from fossil fuel powered to electric powered modes of transportation. The bill would require every public transit authority by Jan 1, 2029 to purchase only new zero-emission buses as they replace their buses. It also would encourage job growth in New York State’s transportation manufacturing sector and provide a just transition for diesel-bus-reliant jobs through retraining programs. The Employment Plan would require every public transportation system eligible to receive public funds to use a “best value” contracting framework for purchasing electric buses.

There is no one size fits all approach to upgrading mass transit, as transit options vary by municipality, which is why local leadership is integral to electrifying fleets. Local governments and transit agencies need support and resources to fully electrify.

We urge the Legislature to support the Governor’s commitment to electrify public transit fleets and expand upon it to cover all of New York’s public transit systems while providing local governments and transit agencies the necessary resources to meet these goals. We also urge the Legislature to support policies that help support the build out of electrification and infrastructure in all transportation sectors.

Clean Water Initiatives

Clean Water Infrastructure Act: The need for water infrastructure funding is enormous. In 2008, DEC and DOH estimated that close to \$80 billion in investment was needed to fix New York’s drinking water and wastewater infrastructure. Not only is this figure outdated, but it is also a severe underestimate. It does not take into account costs to replace New York’s estimated 360,000 lead service lines, remove emerging contaminants like PFAS and 1,4-dioxane from drinking water, or rebuild from increasingly devastating flooding caused by the climate crisis.

We were pleased to see the Executive propose \$500 million in new funding for the Clean Water Infrastructure Act (CWIA), but the data we have collected demonstrates that \$500 million will not meet the need from local governments eager to jump-start initiatives to protect their water.

Since 2017, Environmental Advocates NY has tracked and evaluated the largest program funded through the CWIA, the Water Infrastructure Improvement Act (WIIA), through our series of *Untapped Potential* reports. In February 2023, we published the latest edition in our series, [*Untapped Potential: A New Era for New York's Water Infrastructure*](#).

Our report reveals that WIIA has been a remarkable success, and that the State Legislature’s continued support for this program has been paying off. WIIA has awarded 933 grants, totaling \$2.1 billion in financial assistance, to projects in every county in the state. The program awarded \$884 million in 2022 alone, the most grant dollars ever awarded in a single year.

We also found that the amount of grant dollars requested for “shovel-ready” projects is skyrocketing. As seen in Figure 1, requests for WIIA dollars has increased almost every single year of the program’s history.

Local governments asked for nearly double the amount of aid during WIIA’s latest grant cycle in the Fall of 2022 than they had in 2019. This is an important point - 2019 was the year that New York began investing \$500 million annually in the CWIA. With WIIA facing double the demand today, the Legislature must double its clean water appropriation level to continue supporting an adequate number of projects to protect public health. In addition, as inflation has soared over the last several years, \$500 million is worth far less today than in 2019.

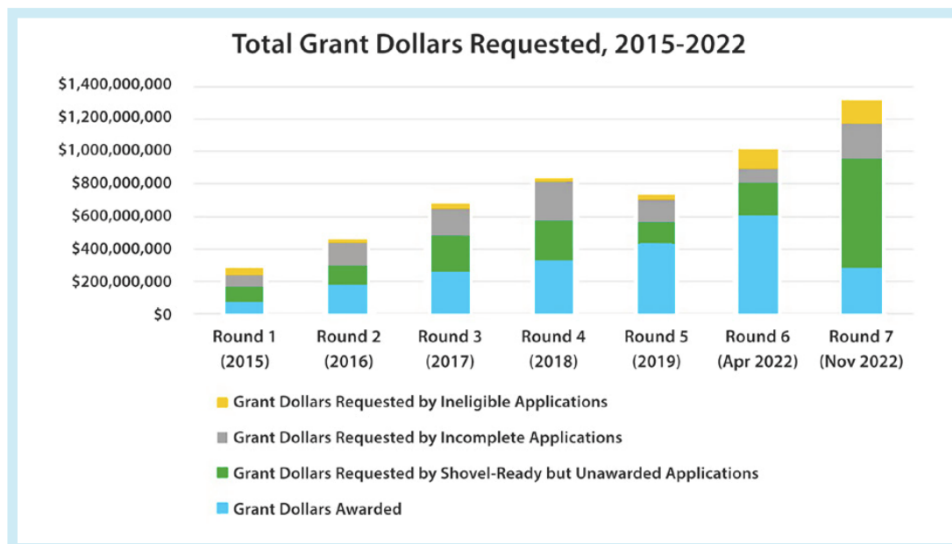


Figure 1

Given the enormous demand, WIIA has been unable to provide grants to 100% of shovel-ready projects submitted for funding. As seen in Figure 1, 246 shovel-ready projects, including 26 projects to remove toxic PFAS and 1,4-dioxane from drinking water, didn’t receive the financial assistance they needed in WIIA’s latest grant cycle, and likely had to stay on the shelf for another year. Every unfunded project is a missed opportunity to protect clean water.

This data makes clear that \$1 billion in funding for the CWIA could be put to use immediately. WIIA alone could have awarded nearly \$1 billion to shovel-ready projects just in its latest grant cycle, far exceeding the \$500 million invested in the entire CWIA in 2022.

Investing in water infrastructure is a win-win for the environment and the economy. DEC has calculated that for every \$10 million that New York has invested in water infrastructure, 160 jobs paying prevailing wage were created. CWIA grants also decrease pressure to raise water rates, helping to ensure every New Yorker can afford their water.

We urge the Legislature to invest at least \$1 billion in the Clean Water Infrastructure Act in the state budget.

Line Items for the Clean Water Infrastructure Act: The CWIA funds 13 different initiatives to protect clean water, including WIIA, the Water Quality Improvement Program (WQIP), and land acquisition. Since 2019, however, the \$500 million annual appropriations for the CWIA have not included line items detailing how much of that money each of the CWIA’s 13 initiatives should receive.

Without line items, the Executive has complete control over how much funding each CWIA program receives, or whether a program receives funding at all. As described below, some programs have not received the funding they needed over the last several years.

In addition, we have recently learned that the Governor’s administration has spent CWIA funds on some programs not specifically listed in the CWIA’s enacting text, including \$63 million in Regional Economic Development Initiative grants for water infrastructure improvements, \$5 million for a water fluoridation study, \$1.2 million for a “Shinnecock Study”, and \$500,000 for a “Nassau Study.”

To ensure that CWIA funds are not diverted for unintended purposes and that each CWIA program receives sufficient support, it is critical for the Legislature to assert a greater authority in detailing how funds must be used in the budget text. We are supportive of each line item in the CWIA, and would support a breakdown of CWIA funding similar to the breakdown in the 2017 CWIA appropriation, though we recommend significantly increasing the proportion of funds provided to the Lead Service Line Replacement Program (LSLRP) by reducing the percentage of funds that are “unallocated.”

We recommend the following breakdown of CWIA funds for the 2023 state budget:

- Water Infrastructure Improvement Act and Intermunicipal Grant Program: 50%
- Lead Service Line Replacement Program: 10%
- Water Quality Improvement Program: 10%

- Remediation of Hazardous Sites: 5%
- Septic System Replacement: 5%
- NYC Water Quality Projects: 5%
- Land Acquisition: 5%
- Green Infrastructure: 2%
- Concentrated Animal Feeding Operations: 2%
- Projects Not Otherwise Qualified: 1%
- Emergency Assistance: 1%
- IT Systems: 1%
- Unallocated: 3%

Lead Service Line Replacement Program: The LSLRP provides grants to local government to conduct full lead service line (LSL) replacements at no cost to homeowners or tenants. Allocating 10% of CWIA funds to the LSLRP will help eliminate lead in drinking water, protect public health, and create good-paying jobs across the state.

Providing a line item allocation for the LSLRP is essential to ensure it receives sufficient funding. We have not seen the Governor adequately fund this program. Of the \$4.5 billion that New York has appropriated for the CWIA since 2017, the Governor has [provided](#) only \$30 million to the LSLRP. Just as concerning, the LSLRP has not awarded any new grants since 2019.

The need across the state to protect communities from lead in drinking water is enormous. LSLRP funds have replaced 2,300 LSLs in 28 municipalities as of July 2022, but there is the potential to do so much more. There are at least [360,000 LSLs](#) still delivering drinking water to New Yorkers, predominately in low-income communities and communities of color. New York City alone is [estimated](#) to have at least 130,000 LSLs.

New York will be receiving over \$500 million from the federal Infrastructure Investment and Jobs Act (IIJA) to replace LSLs over the next five years, but this will only cover approximately a third of New York’s need, given an average cost per LSL replaced of \$5,000. Significant state funding is needed to complement the federal investment to put New York on a path towards 100% lead pipe replacement.

Part QQ: Clean Up Forever Chemicals: Part QQ of TED would amend DEC’s existing Environmental Restoration Program to allow for funds to be used to aid municipalities in investigating and remediating sites contaminated with emerging contaminants, including PFAS. The intent is to incentivize a local response to protect the public's drinking water from “forever chemicals” and support cleanup efforts where there is no identifiable responsible party.

The Executive's budget briefing book indicates that \$60 million would be allocated for this initiative. Part QQ makes \$20 million available for the program through the 1996 Clean Water/Clean Air Bond Act, but the budget does not specify where the other \$40 million would be drawn from. The Executive has confirmed that their intention is for the \$40 million to come from funding appropriated for other programs in the budget, such as the CWIA.

We are supportive of the intent of Part QQ, though we believe a rigorous legal review of the proposed programmatic changes to DEC's Environmental Restoration Program is necessary. Ultimately, if Part QQ is included in the state budget, the CWIA's budget text should make clear whether and how much CWIA funding can be used to implement Part QQ. We recommend that language referencing Part QQ be included in the CWIA's Remediation of Hazardous Sites line.

We urge the Legislature to include line item allocations for each of the programs funded through the Clean Water Infrastructure Act, and provide at least 10% of CWIA funds for the Lead Service Line Replacement Program.

Part UU: Lead Service Lines: We support Part UU of TED to provide municipalities with the authority to access loans and to bond to conduct LSL replacements. New York will be receiving over \$500 million in federal IIJA funding over the next five years to conduct LSL replacements, 51% of which will be available as loans. This provision is essential to ensure communities can access this historic funding, as well as undertake additional local initiatives to get the lead out.

The language makes clear that full lead service line replacements are authorized regardless of whether the LSL is owned by the utility, the customer or both. This is critical to preventing partial LSL replacements, which is a dangerous procedure that leaves half an LSL in place and has been shown to cause lead levels in drinking water to spike rather than diminish.

The language also makes clear that municipalities have the authority to replace lead goosenecks, pigtails, and connectors as well as galvanized service lines. Lead goosenecks, pigtails, and connectors are short pieces of lead plumbing which often attach service lines to water mains. Galvanized service lines are lined with zinc, which contain lead and which can leach into drinking water. Both of these types of piping can be removed with IIJA funding due to the threat they pose to human health.

Finally, the language makes clear that municipalities have the authority to use loan dollars and to bond to create LSL inventories. Many communities still do not know which service lines in their system are made of lead and which are not. The US Environmental Protection Agency is requiring all public water systems to develop full service line inventories by

October 2024, to provide greater transparency to the public on where lead hazards are located and to accelerate a system's ability to plan for full LSL replacement, and IIJA funding can be used for inventory development.

We urge the Legislature to include Part UU in the state budget in furtherance of New York's efforts to get the lead out.

Water Affordability Data Collection: Every New Yorker needs clean water to survive. But when New Yorkers can't afford to pay their water bills, their water may either be shut-off or a lien may be put on their home that could result in foreclosure. Both practices cause immense harm to New Yorkers' health, finances, and human dignity as well as the wellbeing of their communities, which are disproportionately low-income communities and communities of color.

Shockingly, we do not know how many New Yorkers have lost or are at risk of losing access to water. Water utilities are not regularly required to provide data on the affordability of their service, such as the number of customers in arrears and how much they owe in total, or the number of shut-offs and liens for non-payment. Some utilities have been slow or failed to release this data when requested by the public. Only four of the state's ten largest utilities [responded](#) to a fall 2021 FOIL request from advocates, and there was no reporting consistency from the utilities that did respond.

Last session, the Senate and Assembly passed A7554-B/S5451-C to solve this problem. Under the bill, each water, gas, and electric utility would be required to submit data on thirteen affordability indicators to the Public Service Commission (PSC). PSC would then produce two reports making findings and recommendations based on the data, and hold public hearings so New Yorkers can provide input on how to guarantee affordable utility service to all. In September 2022, New Jersey [enacted](#) almost identical legislation to A7554-B/S5451-C; in fact, their new law is even more ambitious, by requiring permanent reporting, reporting by zip code, and reporting by wastewater utilities.

The Governor vetoed the bill in November 2022, with the Division of Budget claiming that PSC needed between \$600,000 and \$1.2 million to implement it. The Legislature should include this bill, which has been reintroduced as S1293, and funding to implement it in the budget. This issue is too important to fall by the wayside, and is essential to further efforts to guarantee affordable water to all New Yorkers. We can't fix what we don't measure.

We urge the Legislature to include S1293 in the budget, as well as between \$600,000 to \$1.2 million for implementation, as recommended by the Division of the Budget.

Water Bill Assistance: The final protections from New York's utility shut off moratorium expired in June 2022, exposing struggling New Yorkers to the immediate risk of having their

water shut off or liens placed on their homes if they're unable to afford their water bills. New York's utility affordability crisis, however, has not subsided since that time. It is imperative that the Legislature take action to prevent loss of access to water by providing financial support to economically-struggling households.

Despite a lack of statewide data, there is important information available that suggests the enormity of the water affordability crisis in New York and the need for state funding to address water bill debt. As of January 2023, about [200,000 bill payers](#) in New York City – or nearly one out of four water customers – are currently behind on their water bills, owing a total of approximately \$1.2 billion, 85% of which is from residential properties. New York City has recently instituted policies to forgive late fees and interest on past-due water bills due to the scale of the problem.

In addition, water shut-offs have resumed across the state. Between May 2021 and July 2022, for example, the [Elmira Water Board](#) conducted 1,099 residential shut-offs, depriving water to an estimated 4-5% of Elmira residents. During that same time period, the [Jamestown Board of Public Utilities](#) conducted 2,019 residential shut-offs, affecting an estimated 4% of Jamestown residents. Other utilities across the state have likely begun shut-offs or sale of water liens as well.

Fortunately, New York has a program in place to help New Yorkers reduce their water bill debt: the Low Income Household Water Assistance Program (LIHWAP). Created in 2021 with \$69 million from the federal American Rescue Plan, LIHWAP has proved highly popular and worthy of further investment. According to the Office of Temporary and Disability Assistance (OTDA), as of November 2022, over 14,000 households have [received](#) or been allocated approximately \$40 million of LIHWAP assistance as well as protections against shut-offs for 90 days while they get back on their feet financially.

However, LIHWAP is not established as a permanent federal program and the available federal funding expires in September 2023. OTDA estimates that current LIHWAP resources will be fully committed by that time, if not sooner. Without additional state aid, LIHWAP will then cease to exist. We urge you to prevent this from occurring; hundreds of thousands of New Yorkers stand to benefit from this program if funding is provided, helping to preserve these families' access to essential water service. This can be an important first step towards the creation of a permanent assistance program that is a part of a comprehensive approach to guaranteeing water affordability across the state.

We urge the Legislature to include \$100 million for the Low-Income Household Water Assistance Program in the state budget.

Emerging Contaminants: We appreciate the inclusion of \$2 million to expand testing capacity for emerging contaminants in drinking water, the first installment of a \$10 million, five year commitment.

New York has led the nation in protecting drinking water from toxic PFAS, 1,4-dioxane, and other emerging contaminants in drinking water. In August 2020, New York established new Maximum Contaminant Levels (MCLs) for PFOA, PFOS, and 1,4-dioxane. Public water systems across the state are required to test for those chemicals, and take action to remediate their drinking water if the MCLs are exceeded.

The new MCLs have dramatically increased the number of water samples submitted to laboratories for analysis. It is critical that these laboratories have sufficient capacity to quickly analyze samples and provide results about potential threats to a community's drinking water.

The demand on laboratories will only grow as DOH prepares to enact drinking water standards on 23 additional PFAS chemicals later this year, and as the Drinking Water Quality Council and DOH enact subsequent lists of emerging contaminants for statewide testing, as required by Public Health Law Section 1112. New York's efforts to protect drinking water from additional toxic threats should not be slowed by concerns about testing capabilities.

We support the Executive's inclusion of \$2 million for expanded testing capacity for emerging contaminants in the state budget.

Solid Waste Initiatives

Waste Reduction and Recycling Infrastructure: Developing solutions for tackling the solid waste crisis requires innovative thinking, holding producers responsible for their waste impacts, and refocusing our policies on the waste hierarchy, starting with reduction and reuse. We are drowning in trash and plastics that wreak havoc on our environment, communities, and municipal curbside recycling programs, while also perpetuating the climate crisis.

In fact, the Climate Action Council's Final Scoping Plan identifies the waste sector as a significant contributor to greenhouse gas emissions – making up 12% of the state's total emissions. The Final Scoping Plan identifies that some of the greatest GHG emissions impacts aren't from disposal, but instead come from the production of the products and packaging that eventually become waste. This reality highlights the imperative need for waste reduction policies.

We strongly support waste reduction and recycling policy proposals that emphasize reducing our waste while also relieving the waste burden on local governments. Further, we support policies that move New York towards a circular economy in which products are used for as long as possible through reuse and refilling practices. We believe that an effective waste reduction and recycling program ensures that all New Yorkers have convenient access to recycling, that recycling is clear and not confusing for households, that meaningful waste reduction targets and goals are established through legislation, that neither burning plastics nor creating fuels out of burned materials is considered recycling, and that toxics are eliminated from packaging so we can build a safer and more circular economy.

Additionally, the Legislature should consider expanding the state's successful bottle bill as a complementary policy to the extended producer responsibility (EPR) program for packaging and paper waste. The state's bottle deposit program is the most effective EPR policy that New York has on the books. With some modernization, the expansion of New York's bottle deposit program to include more kinds of beverage containers and an increase in the deposit from 5 cents to 10 cents would be both the quickest and the easiest way to effectively remove and recover more materials from the waste stream.

This a critical policy matter that deserve independent consideration outside of the budget process.

We strongly urge the Legislature to work with the Executive to implement a Waste Reduction and Recycling Infrastructure program for packaging and paper waste that achieves the goals outlined above.

Responses to other SFY 2022-2023 Budget Proposals

Environmental Protection Fund (EPF): We strongly support the Executive's proposal to appropriate \$400 million for the EPF, which is a landmark increase in funding that remained stagnant for far too long. A \$400 million EPF 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 achieve the environmental community's long-term goal of a \$500 million EPF.

We strongly support the Governor's proposal and urge the Legislature to support an EPF of at least \$400 million.

Department of Environmental Conservation Staffing: Our environmental agencies require increased staff capacity to implement their missions, which include natural resources conservation, public recreation, public health and safety, permitting, pollution reduction,

ensuring we meet the requirements of the state's climate law and more. The Executive budget proposes increases in staff numbers at the Department of Environmental Conservation. These additional staff, along with the recent lifting of the state agency hiring freeze, will begin to restore staff levels so the DEC can more effectively deploy programs and funding. We are hopeful that this is the start of a trend of increasing state agency personnel levels so that they become sufficient to meet the high demand for programs, and that the Administration and Legislature will build further on this progress in the future.

Centers of Excellence in Children's Environmental Health: Children's health has changed for the better. Thanks to public health innovations, infectious diseases are no longer the primary cause of morbidity and mortality. But today's children are afflicted with chronic diseases that start in childhood (and often evolve into adulthood) with debilitating effects on not just the children themselves, but their families and communities. Environmental factors play a dominant role. The cost of environmental disease in New York State is over \$6 billion per year. The Centers of Excellence in Children's Environmental Health are a statewide network of health professionals and institutions whose mission is to provide cost effective interventions to children, families and communities, and offer much-needed expertise on environmental illnesses to physicians across the state who are largely untrained in this area.

This network is an important and invaluable resource for New York. This program is critically important to ensure the health of our children. At a time when the state has the resources, an increase in funding for the centers will ensure that this important work has adequate resources.

Environmental Advocates NY's mission is to protect our climate, air, land, water, and the health of all New Yorkers. Based in Albany, we monitor all levels of state government, evaluate legislative proposals, champion policies and practices that will benefit our shared environment and fight against detrimental ones. We work to build political power and bring the voices of New Yorkers to Albany with a goal of making our state a national environmental leader.