



**Testimony of Richard Schrader, Director, New York Government Affairs,
Natural Resources Defense Council**

Joint Legislative Budget Hearing, Environmental Conservation and Energy Committees,
January 28, 2025.

Thank you for the opportunity to submit this testimony on behalf of the Natural Resources Defense Council (NRDC) to provide our recommendations on proposals contained (or not contained) within Governor Hochul's Executive SFY 2025-26 Budget proposal. NRDC is a nonprofit organization dedicated to protecting public health and the environment and committed to tackling the climate crisis. Since its founding in 1970, NRDC has advocated for ambitious and pragmatic policies that address pressing environmental challenges.

Importantly considering the freeze on the Inflation Reduction Act and Infrastructure Investment and Jobs Act and other threats to funding cuts to environmental programs and priorities at the Federal level, New York must boldly step in to ensure environmental and climate programs are fully funded.

\$600 Million for the Clean Water Infrastructure Act

We urge the State Legislature to include \$600 million in the Clean Water Infrastructure Act in the one house budget proposals. We also urge the inclusion of line-item allocations for each CWIA program funded through this total, including \$100 million for lead service line replacement. Finally, we request that state agencies be required to provide at least 35% of CWIA funds to DEC-designated Disadvantaged Communities (DACs).

The Governor's proposed budget includes \$500 million for the CWIA, which maintains an annual level of investment to CWIA since 2019. While we are pleased to see the Governor's commitment to continuing investments in clean water this year, more funding for the CWIA is needed to protect water quality and public health. The US Environmental Protection Agency (EPA) has estimated that a \$59 billion investment is needed in New York's

wastewater infrastructure and a \$35 billion investment is needed in our drinking water infrastructure, for a total need of \$94 billion.

In addition, US EPA finalized two landmark regulations in 2024 that will deliver vast improvements in drinking water quality while increasing the resources needed by water utilities to implement them. EPA's Lead and Copper Rule Improvements (LCRI) require the replacement of 100% of New York's estimated 500,000 lead service lines by 2037, which may cost upwards of \$5 billion. EPA's new Maximum Contaminant Levels (MCLs) for PFOA, PFOS, and other PFAS chemicals will also require an estimated 296 water utilities across the state to install new treatment technology or find a new water source to eliminate these "forever chemicals" in drinking water. Without state investment to implement both EPA's LCRI and PFAS MCLs, significant costs will fall on water utilities, resulting in rising water rates that strain the affordability of communities across the state.

If the State Legislature increases the CWIA's annual appropriation to \$600 million, every penny of that funding could be put to good use immediately. With the Trump administration introducing new threats to water quality in New York, now is the time to grow our state's investments to protect public health, create thousands of good-paying union jobs, and keep water bills affordable.

\$500 Million for the Environmental Protection Fund

The Environmental Protection Fund (EPF) has provided critical funding for programs that deliver important environmental benefits to residents of communities in every county of New York since 1993. The EPF has conserved family farms and forests, supported ocean and Great Lakes fishing, tourism, and recreation, botanical gardens and aquaria, created municipal parks, advanced environmental justice, prevented pollution, protected clean drinking water, eradicated invasive species and more. EPF programs create new access to nature for New Yorkers, improve quality of life in communities, and support approximately 350,000 jobs across New York in industries including construction, agriculture, tourism, forestry, fishing and more. The EPF is one of the state's smartest investments.

In particular, the investments to the ocean and Great Lakes programs are essential to New York's economy. Ocean and Great Lakes industries, such as fishing, tourism, and recreation, contribute billions of dollars and hundreds of thousands of jobs to the State annually. In 2021 alone, the most recent year on record, they generated over \$27 billion for the State's gross domestic product and supported more than 280,000 jobs. Funding from the EPF Ocean and Great Lakes Program provides New York State with the tools and data it needs to protect the health of marine resources, and the families and businesses who rely

on them, including nearly 4,000 new marine businesses that opened between 2011 and 2021. In particular, tourism and recreation—which account for 86% of marine industry jobs in New York—rely on clean water and thriving wildlife populations including fishes, birds, and whales.

While we are happy to see sustained funding support of \$400 million for the Environmental Protection Fund (EPF), we encourage the legislature to fully fund the EPF at \$500 million including at least \$25 million for the Ocean and Great Lakes Program, to meet the growing demand of necessary projects to mitigate the effects of climate change, protect water sources, advance conservation efforts, and more.

PFAS chemicals in private water and firefighting gear

New York must not ignore the ongoing and expanding threats PFAS chemicals pose to our environment and public health. It has been approximately 9 years since the PFAS water contamination crisis in Hoosick Falls was discovered. Since then, countless communities across New York have faced drinking water contaminated with toxic PFAS chemicals. In fact, we know about 50% of New York’s public water systems are tainted with PFAS contamination, and that number is only expected to increase. However, these estimates do not include the approximately 800,000 private wells across the state, which serve an estimated 2 million New Yorkers who are still in the dark of what is in their drinking water. To address this gap in testing for private well owners, we fully support providing financial assistance for private well owners to replace or treat contaminated wells. This is a crucial step to ensure all New Yorkers are protected from dangerous PFAS chemicals and other toxic contaminants in drinking water.

In addition, while it is critically important to address dangerous ‘forever chemicals’ in drinking water throughout the state, it is equally important to address PFAS chemicals in consumer products for the health and safety of New York consumers and to protect further contamination of drinking water. New York took an important action in 2019 to ban the use of PFAS in firefighting foam to respond to increasing water contamination risks and impacts to fire-fighters using and being exposed to these toxic foams. However, fire-fighters are still continually at risk from the dangers of PFAS chemicals used in their protective fire-fighting gear. Our fire fighters who put themselves at risk in the line of duty should also not be put at risk with the equipment that is designed to protect them. In that regard, any policy progressed in the executive budget should ensure firefighters are protected from the dangers of PFAS chemicals and equally or more dangerous chemicals which may be used as regrettable substitutions.

NY Home Energy Affordable Transition Act

We are disappointed not to see the inclusion of the NYHEAT Act in the Governor's executive proposal and urge the legislature to include this proposal in one house budgets .

By passing this legislation, New York can redirect billions of dollars that would otherwise go into fossil gas infrastructure, which burdens all gas customers for generations and disproportionately impacts disadvantaged communities and low-income New Yorkers. Analysis of utilities' infrastructure spending plans shows that gas customers will be on the hook for more than \$150 billion dollars over the coming decades, (and if there are not enough customers to pay in the out years, they'll need a bailout; National Grid's modeling shows customers could have thousand-dollar-per-month gas bills) in just the last two years gas utilities have spent more than \$2 billion on pipes, driving gas bills higher and higher.

Instead of hugely expensive pipes – some pipe projects cost more than \$6 million per mile – these funds can be invested in delivering more economic solutions to entire communities for cleaner, more comfortable zero-emission homes, workplaces, and schools for all New Yorkers.

We cannot keep spending billions on polluting infrastructure, which in turn escalates the billions taxpayers are paying for damages from extreme storms. New York went from 1.4 billion-dollar storms (constant dollars) per year from 1990-2009, to 7 per year for the last three years, and 10 in 2024.¹ Real affordability means making smart choices and investments in better buildings and cleaner air for the immediate and long-term safety, strength, resilience, and health of our communities.

Cap-and-Invest regulations for greenhouse gases and Co-pollutants

We are disappointed not to see the roll out of the required regulations necessary to move forward the much-anticipated cap-and-invest program. While the capital spending proposed by the Governor will help in our transition, it falls substantially short of the necessary sustained sources of funding needed to meet the demands of the climate crisis.

The CLCPA required DEC to issue regulations to limit greenhouse gas and co-pollutants by January 2024. Cap and invest will include those regulations and reduce emissions by requiring purchase of allowances by suppliers of polluting fuels and others responsible for significant emissions. There are very few regulatory options at the state level to reduce

¹ National Oceanic and Atmospheric Administration, National Centers for Environmental Information, Billion-Dollar Weather and Climate Disasters, New York Summary, at <https://www.ncei.noaa.gov/access/billions/state-summary/NY>

emissions from the buildings and transportation sectors, which create the most climate and air pollution in New York; cap-and-invest is the best of those options, reducing emissions the most at the lowest cost and highest benefits for New Yorkers. This policy is already late, and it's all ready to go!

There have been more than 6,000 comments submitted, including from more than 200 businesses, farms, utilities, environmental and housing groups, local governments, (Available here <https://www.commentmanagement.com/comment/list/Cap-and-Invest>) two years of public meetings that thousands have attended and participated in, millions of dollars and hundreds of pages of expert analysis and modeling. Every day we delay means that the promise of cleaner air for disadvantaged communities and investments for more affordable, modern energy infrastructure, homes, and transportation will all take longer to deliver.

We cannot afford to leave money on the table and co-pollution in the air, the legislature should insist that our strongest climate policy moves forward now, and the promise of the CLCPA is delivered for New York.

Increased 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 (58). Increasing staff at the DEC is critically important for necessary enforcement and implementation of many environmental laws. In the past, the lack of financial and human resources has hindered the DEC's ability to carry out these functions. For instance, limitations in staffing have impacted the implementation of critical pieces of legislation such as the Toxic Chemicals in Children's Products law, the Family and Fire Fighter Protection Act, the ban on 1,4-dioxane and are needed to ensure newly implemented laws are enforced, such as the ban on PFAS in Apparel law that came into effect on Jan 1, 2025. These resources will be needed in the future as other laws are expected to pass that will ban on toxics and PFAS in consumer products, menstrual products, cosmetics and personal care products sold in NYS.