

Environmental Advocates NY's Fiscal Year 2027 Executive Budget Testimony

*Joint Legislative Budget Hearing, Senate Finance and
Assembly Ways and Means Committees*

January 28, 2026

Thank you Chair Krueger, Chair Pretlow, Chair Harckham, Chair Glick, and members of the Senate Finance and Assembly Ways and Means committees for the opportunity to weigh in on Governor Hochul's FY 2027 Executive Budget.

Testimony Overview

In our testimony, Environmental Advocates NY covers the following calls to action (note: links take you to the relevant section in our testimony):

- Support for **\$425 million for the Environmental Protection Fund**, with no staff offloads and investments in:
 - Climate Resilient Farming Grant Program
 - Farmland Protection Programs
 - Food Scraps Recycling
- Enact a **five year moratorium on sewage sludge spreading** across New York State, with expanded PFAS testing and a support fund for farmers ([S.5759B/A.6192C](#)).
- Support **\$750 million for clean water**, with a call to amend the governor's proposal so that the \$250 million in new funding is divided as \$200 million to the Clean Water Infrastructure Act and \$50 million to rural housing preservation with guardrails for affordability and sustainability.
- Add **at least \$1 Billion for the Sustainable Future Fund**.
- **Amend revisions to the State Environmental Quality Review Act** (SEQRA) to balance the need for affordable housing with solid environmental protections.
- Increase in **at least 45 FTEs for DEC staffing**, with more necessary to staff agencies for successful program implementation.
- Support **\$10 million in the 30% Initiative Farm to School program**, with smart policy changes to improve program access.
- **Strengthen the GreenJobs - Green New York program**, with an opportunity for further improvements.
- Governor Hochul: **advance the overdue Clean Air Initiative**.
- **Defend the Climate Leadership and Community Protection Act** (CLCPA) and resist any attempts to rewrite the law.

Resilient Food Systems, Ecosystems, and Environmental Funding

Investing in land conservation, climate-resilient farming, food scraps recycling, and environmental stewardship is crucial for safeguarding New York's future and economy. Environmental funding makes our communities more resilient while creating green jobs and investing in public health solutions that save consumers money. Proactive investment is necessary to build a resilient New York for generations to come.

Environmental Protection Fund (EPF)

We thank members of both houses for your continued support for the Environmental Protection Fund. The proposed FY27 Executive Budget Capital Projects Bill maintains historic high funding levels at \$425 million. We ask legislators to **maintain this level of funding** in your one house budget proposals. The EPF funds vital programs across the state to fight climate change, process solid waste, invest in our parks and forest reserves, and more.

The EPF is a sound investment for New Yorkers. According to [The Trust for Public Land](#), for every \$1 invested in land conservation through the EPF, New York receives \$7 in goods and services. Outdoor recreation in our reserves and parks supported by the EPF produces \$11.3 billion every year in sales and services, creates \$800 million in annual tax revenue, and underpins 130,000 jobs across the state. It invests in farmland protection and the climate resilience of our agricultural industry, which contributes \$2.7 billion to New York State's GDP and sustains over 163,000 jobs.

It's essential to ensure a **\$425 million Environmental Protection Fund** remains a priority throughout budget negotiations to make certain we continue to invest in our state's important ecosystems, recycling capacity, farms, and the economy.

Climate Resilient Farming (CRF) Grant Program

We'd like to highlight and thank the Governor for her proposed EPF funding investment in the Climate Resilient Farming (CRF) program at \$19.1 million. However, this program has been oversubscribed for years. In 2024, CRF applications from farmers totalled \$49 million. In light of massive demand from New York's farms and increasing pressure on farms from climate change, **we ask the legislature to increase funding to meet the needs of New York's farms.**

This program funds essential on-farm projects that support soil health, carbon sequestration, and pollution abatement. As climate change continues to [impact New York's agricultural industry](#)—through drought, extreme weather that damages crops and infrastructure, heat stress, and

late freezes that harm yields, farmworkers, and livestock—this program helps farms become more resilient to climate disasters while also reducing greenhouse gas emissions.

Farmland Protection

We thank the Governor for maintaining funding \$25 million for Farmland Protection Implementation Grants (FPIG) in her EPF proposal, but are disappointed to see \$700K funding for the Farmland for a New Generation NY (FNG-NY) cut from the Governor’s proposal. We ask legislators to **maintain \$25 million for FPIG and restore historic funding for Farmland for a New Generation-NY at \$700K.**

Working together, these two programs support farmland protection, land succession, and equitable land access in New York State. Between 2012 and 2022, New York State lost [9% of our farmland and 14% of our farms](#). FPIG grants support municipalities, land trusts, and soil water conservation districts to implement farmland protection programming to prevent this. Since 2018, FNG-NY has produced 234 land matches for 11,285 acres of farmland, facilitated technical expertise to thousands of farmers, and built a statewide network of regional navigators in all 62 counties. In New York, where [nearly 2 million acres of farmland](#) are owned by farmers over age 65, programs like FNG-NY ensure that this farmland will stay farmland and its access is more equitable.

PFAS and Sewage Sludge Spreading

We ask legislators to **include a five year moratorium** on sewage sludge spreading, **expand PFAS testing** of sludge and historic spreading sites, and **create a fund to support farmers** and rural communities with historic contamination ([A.6192C/S.5759B](#)).

Sewage sludge (also known as “biosolids”) is contaminated with PFAS “forever chemicals,” [heavy metals, pharmaceuticals, pesticides, and microplastics](#). Once sludge is spread on farmland, these contaminants build up and bioaccumulate in our soil and crops, moving into our food and our drinking water. PFAS chemicals can lead to [myriad health issues](#), including fertility issues, development delays, increased risk of cancer, obesity, and issues with the immune, endocrine, and circulatory systems.

The US Environmental Protection Agency’s [Draft Risk Report](#) for PFAS Chemicals in Sewage Sludge, published January 2025, states that land applying sludge may create human health risks for those “near impacted sites,” or those who “rely primarily on their products,” which includes food crops, animal products, and drinking water. This practice puts all of us at risk. A moratorium, testing, and a support fund are essential to begin to contend with this contamination crisis.

30% Initiative Farm to School Program

The Governor’s budget proposal continues \$10 million for the Farm to School program. We’re thankful for this investment and ask that legislators **maintain this funding level, and improve access to this program.** Farm to School reimburses a portion of costs for locally purchased food at

schools that hit a 30% local food level of procurement, supporting farmers with new markets while reducing emissions from transportation of food and getting fresher food into cafeterias across New York State.

While access to this program has improved over the last seven years, according to an [Office of the State Comptroller 2025 audit](#), only 10% of eligible schools participate and only \$2.9 million of the \$10 million allocation is spent annually. This is due to administrative burdens, the higher cost of New York State food, and a high threshold of 30% local food procurement to gain any level of reimbursement from the state.

This program is a win-win for our farmers and for our schools, so we want to make it more accessible to schools across the state. We urge legislators to include the following programmatic changes to modernize and improve access:

- A **25–29% onboarding threshold** to give schools a chance to receive a smaller reimbursement while they're making progress towards the 30% threshold
- Inclusion of **breakfast and snacks** so all meals will be included, reducing the administrative burden for School Food Administrators
- Increasing reimbursement to **\$0.30 per meal** to account for inflation and rising food costs
- A **three-year hold harmless provision** to ensure a transition to including all meals doesn't negatively impact schools who already participate
- Ensure the **Farm to School 30% Incentive funding is distinct from and in addition to other existing NYS meal reimbursements** in order to preserve transparency and program integrity

Investing in Clean Water

To make significant progress in providing New Yorkers clean, safe water in this state budget, we urge the State Legislature to:

1. Support the Governor's proposed **\$500 million investment in the Clean Water Infrastructure Act (CWIA)**;
2. **Reallocate the \$200 million** proposed for "water infrastructure projects necessary to promote housing preservation and development" **to the CWIA**;
3. Add **guardrails** on the \$50 million proposed for "water infrastructure projects necessary to promote housing preservation in rural communities" to ensure such housing is affordable and sustainable; and

4. Add **line-item allocations for CWIA programs**, especially for lead service line replacement, to provide greater accountability over how funds are spent.

Restructuring Governor Hochul's Clean Water Proposal

In her State of the State address, Governor Hochul committed to a new five-year, \$3.75 billion investment in clean water. We were hopeful at the time that the entirety of this transformative investment, \$750 million per year, would be directed to the CWIA, a program long in need of increased funding and with a strong record of success in upgrading our state's aging and failing water infrastructure.

Instead, the Governor's budget maintains funding for the CWIA at \$500 million, the same appropriation level the program has had since 2019. The other \$250 million is designated for two new programs: \$200 million for "water infrastructure projects necessary to promote housing preservation and development," and \$50 million for "water infrastructure projects necessary to promote housing preservation in rural communities."

Importantly, the Governor's [Capital Plan](#) makes clear that this \$250 million is not a one-time investment; instead the Governor intends to repeat it each year over the course of her five-year commitment, bringing the total proposal for housing-related water infrastructure to \$1.25 billion over five years.

We support the Governor's \$500 million investment in the CWIA, and we can see potential benefits to the \$50 million for water infrastructure for housing preservation in rural communities if appropriate guardrails are built in. However, we have significant concerns about the \$200 million allocated for housing development in this budget and the plans to appropriate an additional \$800 million for this initiative in the future.

The Governor's proposal includes no details about how this brand-new housing development program would operate and no requirements that the housing supported with these funds be affordable and sustainable. This funding is a recipe for sprawl and overdevelopment that would harm water quality and not promote affordable housing. Traditionally, developers have paid the cost for new water and sewer infrastructure; taxpayers should not be forced to pay to facilitate unaffordable developments that potentially bulldoze forests, wetlands, and other open spaces.

New Yorkers deserve to know, in detail, how their hard-earned tax dollars will be spent. While the Governor's proposed budget directs the NYS Environmental Facilities Corporation (EFC) to devise a plan for the use of these funds to be approved by the Division of Budget (DOB), DOB has [stated](#) publicly that this plan would not even be developed until after the state budget is finalized. This is not adequate transparency when hundreds of millions of dollars are at stake. The State Legislature should not give the Governor's administration *carte blanche* with regard to these funds.

Reallocating to the CWIA the \$200 million from the housing development program is essential to ensure New York keeps up with the massive and growing need to upgrade our existing water infrastructure and address the significant oversubscription of current CWIA programs. The vast majority of clean water funds are best spent through the CWIA. In addition, building guardrails into the \$50 million rural housing program will ensure that challenges in these often-disadvantaged communities are addressed, while promoting affordability and environmental protection.

The Scale of New York's Water Infrastructure Crisis

New York's existing water infrastructure is aging and crumbling; this puts public health at risk. Nearly every day, news reports detail [water main breaks](#) causing boil-water orders and school closures, [sewage overflows](#) into our waterways that make swimming and other outdoor recreation dangerous, and [drinking water contamination](#) caused by toxic PFAS and lead.

The scale of our state's water infrastructure crisis is staggering: the US Environmental Protection Agency (EPA) estimates that a [\\$59 billion](#) investment is needed to upgrade New York's existing wastewater infrastructure and a [\\$35 billion](#) investment is needed to upgrade our existing drinking water infrastructure, for a total need of \$94 billion. To put the magnitude of this need into context, the Governor's budget proposal includes \$500 million to upgrade existing water infrastructure.

On top of these challenges, water utilities must now comply with two new federal regulations that are significantly increasing the need for clean water funding. In 2024, EPA finalized the Lead and Copper Rule Improvements, requiring water utilities to replace 100% of New York's estimated [555,000 lead service lines](#) by 2037, an initiative that may cost upwards of \$5 billion. EPA also finalized new, health-protective Maximum Contaminant Levels for PFOA, PFOS, and other PFAS chemicals in 2024 that will require up to [425 water utilities](#) across the state to install new treatment technology or find a new water source to eliminate these "forever chemicals" in drinking water.

NYS Puts CWIA Dollars to Work and Communities Benefit

The CWIA is New York's main vehicle to address New York's clean water challenges. Since 2017, the Governor and State Legislature have invested a historic \$6 billion into the program, a financial commitment to protecting clean water that no other state has matched.

These investments are paying dividends; year after year, the CWIA continues to be an extremely successful and popular program. According to data collected by Senator Krueger and analyzed by EANY, state agencies have awarded over \$5.1 billion in CWIA funds to over 2,600 projects in every county of the state, with over \$700 million awarded in the last year alone.

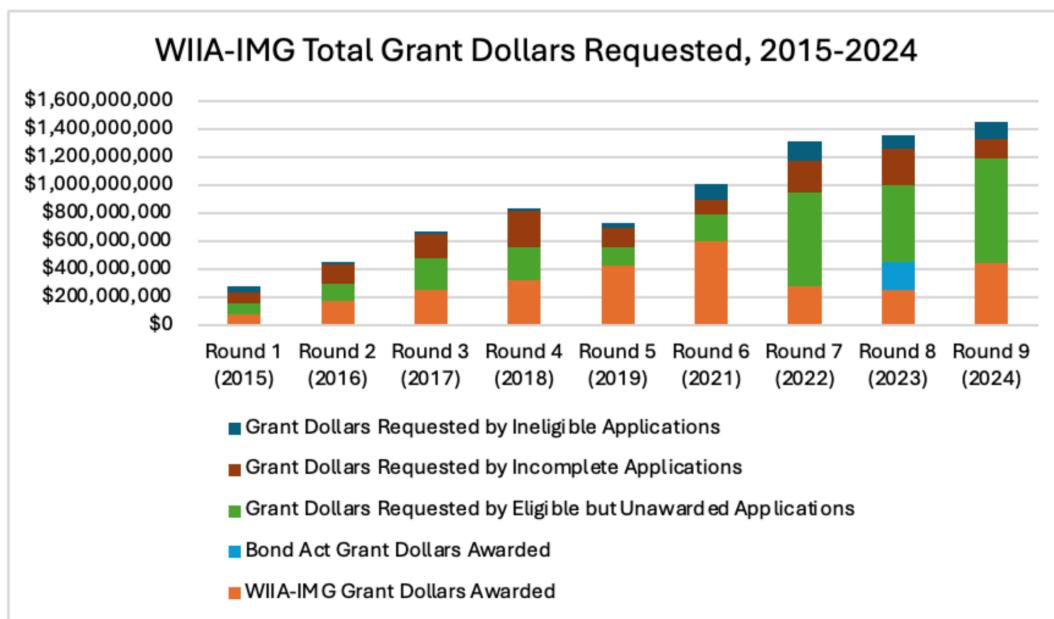
Only 14% of appropriated CWIA funds remain unawarded, a percentage which has dropped significantly over the last several years and will continue dropping as state agencies accelerate their

spending. State agencies are now awarding much more than \$500 million each year, outpacing the CWIA's usual annual appropriation and demonstrating their capacity to move higher volumes of funding out the door. To sustain this strong spending level, the CWIA needs more funding than \$500 million in this year's budget.

Demand for CWIA Funds Outstrips Supply

Even as state agencies have increased their pace of getting CWIA funds out the door, these programs continue to be highly oversubscribed. **The demand for CWIA funding outstrips available resources every year**, demonstrating again the need to reallocate the \$200 million from the Governor's proposed housing development program to the CWIA to ensure that communities aren't left behind or left to fend for themselves when addressing aging and failing existing infrastructure.

No CWIA program is a better example of this trend than EFC's Water Infrastructure Improvement Act-Intermunicipal Grant Program (WIIA-IMG). In 2024, WIIA-IMG saw record-breaking demand from local governments. Municipalities requested \$1.45 billion in grants for 441 projects, the highest amount requested in the program's history to that point. Importantly, 44 local governments submitted a WIIA-IMG application for the first time as part of the 2024 cycle, showing that word about the program continues to reach new communities across the state.



But even as EFC awarded \$435 million in 2024, there were still 271 shovel-ready applications, requesting a total of \$744 million, that unfortunately did not receive the funding they needed. EFC simply did not have enough grant dollars to go around. This forces many local governments to keep drinking water and wastewater upgrades on the shelf for at least another year.

Many of these shovel-ready—but unfunded—applications were a missed opportunity to protect clean water in the most vulnerable communities across the state. One hundred and twenty of these projects would have upgraded critical drinking water and wastewater infrastructure projects in environmental justice communities. Another 29 projects would have filtered toxic PFAS and 1,4-dioxane out of New Yorkers’ drinking water. The lack of investment in these communities had a concrete impact on peoples’ health; too many at-risk New Yorkers remained exposed to harmful contamination when they turned on the tap.

Other clean water programs are highly oversubscribed as well, and **additional CWIA investments could help fill those unmet needs**. The federal Bipartisan Infrastructure Law Lead Service Line Replacement (BIL LSLR) program is in [such demand](#) that only \$1 has been awarded for every \$3 requested for projects to get the lead out of drinking water. Ninety-seven municipalities that have applied for BIL LSLR funding have not received an award after the first three rounds, including Mount Vernon, North Tonawanda, and St. Johnsville.

	BIL LSLR Amount Requested	BIL LSLR Amount Awarded	Percentage of Requests Awarded	Number of BIL LSLR Applications	Number of BIL LSLR Projects Funded	Percentage of Projects Awarded
Round 1	\$315,597,686	\$104,202,900	33%	109	23	21%
Round 2	\$327,276,429	\$111,635,101	34%	138	27	20%
Round 3	\$353,122,497	\$129,179,000	36%	127	15	12%
Round 4	\$474,461,137	N/A	N/A	108	N/A	N/A

BIL LSLR Funding Applications and Awards in New York

Given its long track record of success and proven ability to award high levels of funding each year, it is clear that every dollar reallocated from the Governor’s proposed housing development program to the CWIA could be put to good use immediately. Now is the time to double down on the CWIA’s efforts to protect public health, create thousands of good-paying jobs, and keep water and sewer rates affordable across the state. It is time to finally increase the CWIA’s annual funding level above \$500 million.

Rural Housing Preservation: Guardrails to Promote Affordability and Clean Water

Included in the Governor’s proposal, there can be beneficial uses for the \$50 million of water infrastructure funding for rural housing preservation. Real hurdles do exist to expanding affordable,

sustainable housing in these communities, and we are open to working with the State Legislature to identify how to make this funding for rural housing preservation part of the solution.

However, the proposal currently lacks requirements that the housing subsidized with these funds be affordable and does not include many other details. We therefore urge the State Legislature to establish rigorous guardrails in the state budget text to ensure that any housing supported with these funds be truly affordable, preserves open space, and benefits disadvantaged communities.

Line Items for CWIA Programs, Especially Lead Service Line Replacement

The CWIA funds over a dozen different initiatives to protect clean water, including WIIA-IMG, the Water Quality Improvement Program, toxic Superfund site remediations, lead service line replacement, and more. 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 initiatives should receive.

Without line items, the Governor's administration has complete control over how much funding each CWIA program receives, or whether a program receives funding at all. Some programs have not received their fair share of funding over the last several years, especially lead service line replacement. For example, since 2017, the Executive has dedicated only 3% of CWIA funds (\$197 million out of \$6 billion) to LSL replacement.

To ensure that each CWIA program receives sufficient support, it is critical for the State Legislature to assert greater authority in detailing how these funds must be used by adding line-item allocations for CWIA programs in the budget text.

Healthy Vibrant Communities for All

\$200 Million for the GAP (Green Affordable Pre-Electrification) Fund

Environmental Advocates NY is disappointed that the Executive Budget failed to include funds for the Green Affordable Pre-Electrification (GAP) Fund and **urges the legislature to fully fund the program at \$200 Million**. We acknowledge the action taken by the legislature and Governor last year by including \$2 million for the GAP Fund in the final budget, equating to 1% of the amount proposed by advocates.

Unfortunately, given the costs of operating such a program, it has not been funded in a way that will offer legitimate change for low income New Yorkers who most need this financial support. Recent research notes that there are between 550,000 and 1.1 million low- to moderate- income (LMI)

households in New York that could benefit from necessary critical home remediation to effectively use energy-efficiency programs.

Currently there is no state funding available to New Yorkers who want to electrify their home but require essential home upgrades pre-electrification. The GAP Fund addresses this major obstacle on the road to building electrification: the retrofit funding needed for outdated or structurally unsound buildings. New York State is home to many historical buildings that require upgrades before electrification is possible.

Buildings with 5- 50 units make up approximately 20% of New York's total housing stock, and more than 70% of the residents in these buildings are considered LMI. 1.3 million units in these properties are **heated by non-electric equipment that is over 15 years old and requires replacement**. Now is the time to support homeowners with installing high-efficiency electric systems such as heat pumps, ensuring the millions of renters in these units do not spend decades more exposed to the detrimental environmental and health impacts of gas and oil.

These upgrades are expensive and burdensome on LMI residents, creating a barrier to access electrification technology that creates cost savings in the long run. The GAP Fund solves this problem by funding building upgrades not supported under existing programs. This would close the existing “gap” between outdated historical buildings and energy efficiency, weatherization, and electrification programs.

[Research by the Fiscal Policy Institute](#) estimates that approximately 15% of homes need essential remediations which must be completed before other weatherization or energy efficiency investments can be made. Investing \$200 million per year would make a tangible impact by remediating at least 10,000 homes per year, creating safer and cleaner living environments for generations of New Yorkers.

We urge all parties to include the GAP Fund in the final budget to ensure a just and equitable transition to clean energy. We recommend that state leaders include the following essential policies in the final budget:

1. Include Article VII language that is consistent with the Senate One House Language and the original GAP Fund legislation ([S.3315A/ A2101](#)).
2. Include a minimum of \$200 million in funding to ensure adequate funding is available to New Yorkers.

\$200 Million for EmPower+ Funding

Environmental Advocates NY commends the \$50 million allocated to the EmPower+ Program in the Executive Budget, and **calls for \$200 million for EmPower+.** The EmPower+ program, initially

introduced under Governor Hochul, was a historic commitment to support LMI residents in New York State with no-cost home energy assessments and energy efficiency upgrades. The program helps LMI households save energy and put money toward energy improvements in their primary residence.

[According to NYSERDA](#), since 2023, the program has supported approximately 42,000 LMI households to finance energy improvements, such as free home energy assessments to find shortfalls in energy efficiencies, as well as funding towards energy efficiency improvements, including air sealing, insulation, heat pumps, heat pump water heaters, and electrical service and wiring upgrades. These upgrades average \$600 per year in household savings.

EmPower+ Reduces Energy Bills and Keeps New Yorkers Warm

The need for EmPower+ incentives to LMI households is significant. Nearly half of New York households have LMI levels and are in desperate need of assistance to upgrade their homes to modern energy systems, such as heat pumps and heat pump water heaters. Reducing energy consumption through EmPower+'s electrification, energy efficiency, and weatherization measures will bring down energy costs for these LMI households during a time when energy affordability is top of mind.

High Demand for EmPower+ Support

While EANY is grateful for the continued support for EmPower+ through RGGI, the Sustainable Future Program, and the most recent budget infusion, it is clear that there is demand for a program that directly lowers household energy costs. The program was in such high demand that applications were paused in early 2025—a sign that the state should double down. As the federal government continues to make threats to programs like the Low-Income Home Energy Assistance Program and claw back spending from the Inflation Reduction Act, state funding must ensure it closes the gap.

Green Jobs-Green New York

Offering lower interest financing for energy efficiency upgrades such as heat pumps, insulation, and solar panels could significantly increase program adoption. EANY recommends additional amendments to the Green Jobs-Green New York Program (TED, Part L) to ensure interest rates for energy efficiency financing are as low as practicable. The Executive budget includes modifications to the Green Jobs-Green New York program, with the underlying goal of making the program better utilized and more accessible. We call on the legislature to change the directive to NYSERDA so that the authority is encouraged to further lower interest rates, thereby making it easier for households to take advantage of loans.

While the governor's proposed changes—including opportunities for a higher loan and more flexible payback—are beneficial, improvements to the program are being left on the table. As EANY has cited

throughout this testimony, infusions to the Sustainable Future Fund, EmPower+, and the GAP Fund are critical to advancing affordability, green jobs, and providing efficient homes that are better for homeowners and better for the environment. By lowering interest rates for residential financing programs, NYSERDA could increase its effectiveness and better support LMI households in adopting energy efficiency measures and cleaner, healthier heating and cooling.

Section 1896(2)(b)(iv) of Public Authorities Law requires NYSERDA to set loans at interest rates “no higher than necessary.” Presently, the lowest interest rate for energy efficiency loans, like a conversion from a fuel oil tank to a heat pump, hovers around 4% for those living in disadvantaged communities or are LMI, and 8% for other households.

These relatively high rates, particularly for those in disadvantaged communities, are not enough to support or incentivize borrowers. States like Massachusetts, Connecticut, and New Jersey are already offering loans with 0-1% rates to encourage adoption. As the Governor’s State of the State committed to increasing uptake of energy assistance programs, lowering interest rates is one small way to improve accessibility to affordable conversions and transition our heating systems away from less efficient and more harmful sources.

Food Scrap Recycling

EANY was disappointed to see the Governor’s budget earmark only \$2.5 million for municipalities and not-for-profit food banks to pursue projects that promote food donation and the recycling of food scraps. **We urge the legislature to include \$10 million in their one-houses to adequately fund this program.**

The 2025-2026 budget saw a historic \$5 million earmarked for this program, which came at a critical time given recently signed legislation expanding mandatory participation in the [Food Donation And Food Scraps Recycling Law](#) effective January 1, 2027. The funding offered through the DEC has been proven effective, with “[record volumes of food managed sustainably](#) and diverted away from disposal at the state’s largest food-related businesses;” this includes supermarkets, restaurants, and academic institutions who create more than [250,000 tons](#) of wasted food annually in New York State. By diverting as little as 5% of this food waste to food banks, we could see a [20% increase](#) in the food available to consume by those in need. Diverting these 250,000 tons from landfills could achieve more than [120,000 metric tons of carbon dioxide](#) reduction annually, highlighting the significant impact food waste has on meeting our climate goals and mitigating the impacts of climate change. Rolling back on financial commitments to support effective implementation of this law will create concerns amongst restaurants, academic institutions, and supermarkets who partner with food banks and recyclers to donate food.

At present, wasted food accounts for approximately [24%](#) of solid waste in landfills. Upon implementation of the Food Donation And Food Scraps Recycling Law Expansion, we could see

food waste recycling increase by 180% (meaning less food in landfills) and reduce greenhouse gas emissions by [222,000 – 332,000 MTCO₂e each year](#), assuming recycling capacity expands to meet increased demand. Ensuring the donation of edible food and composting of food waste are easy and impactful ways to reduce landfill overload and drive down greenhouse gas emissions. But, until the state legislature increases funding, expands access, and raises visibility around opportunities for New Yorkers to reduce and recycle food waste, it will not and cannot be widely adopted. Investing \$10 million in food scrap composting projects is a strategic move toward a more sustainable, resilient future for our communities.

Advance the Clean Air Initiative and Defend the CLCPA

The Executive Budget fails to take meaningful steps to advance the State's Climate Leadership and Community Protection Act. At a time when the federal government acts every day to remove environmental protections, put fossil fuel profits over consumer affordability, and deny climate science, state-level leadership is more important than ever. The Trump Administration's assault on clean energy, the environment, and state authority to protect it is not an excuse to wait—it's a call to action.

Yet Governor Hochul's Executive Budget once again fails to meet this historic moment. While the Governor tries to claim the mantle of leadership and professes commitment to tackling the climate crisis, her actions—or lack thereof—speak louder than her words.

The Executive Budget continues the Governor's recent retreat on climate by offering false choices between affordability and climate action, and between energy reliability and clean energy. The long-delayed Clean Air Initiative would advance all of these objectives. **The Governor must finally follow the law**, including a recent court order. Until the Executive actually tries to implement the CLCPA, **the Legislature must resist any efforts to rewrite the law**.

The False Choices Offered by the Governor

We must take action to alleviate our very real affordability crisis. But framing the moment we are in as a choice between addressing affordability and fighting climate change is simply wrong. The Governor presents this false choice as her main reason for delaying implementation of the CLCPA. Yet, her own agencies' analyses show that **we can do both**; taking action to advance clean energy and implement the law would actually increase affordability for consumers. The benefits of action are far greater than the costs of inaction, as the Executive Budget briefing book acknowledges.

Similarly, the State's energy demand is indeed growing rapidly, mostly due to large loads at data centers used to support artificial intelligence. While we are pleased to see some recognition in the Governor's State of the State around the need to address the cost of data centers and their impact on

the State's energy system, the Executive Budget fails to meaningfully follow through. We can't simply allow data centers to be powered by their own fossil fuel generation.

Here again the Governor spins a misleading narrative. Growing electricity demand does not require that we pause our climate progress. **Ensuring electricity reliability does not necessitate an “all of the above” approach.** Instead, increasing investments in wind, solar, and other clean energy can help meet our energy needs while driving down costs *and* protecting our air. These forms of energy generation are cheaper and quicker to build than either fossil fuel generation or nuclear power.

Ensuring Affordability and Investing in Clean Energy - The Clean Air Initiative

Before the Governor abruptly pulled the plug as part of last year's State of the State, the Clean Air Initiative was poised to simultaneously address all of these issues. It is set to generate billions of dollars per year in additional investments.

According to a [recent report](#), over its first decade, the Clean Air Initiative would deliver **\$6.9 billion in net savings**, or an average of **\$1,060 per household** earning up to \$200k per year, **over 300,000 new jobs**, and **\$48 billion in economic growth** supported by program investments across the state. According to another [recent report](#), it would create nearly **10,000 jobs in the first year alone**, in areas like heat pump installation and elective vehicle charger investments,

In other words, rather than just waiting and hoping, advancing the Clean Air Initiative would do far more to solve the Governor's two main stated reasons for delay. It would result in billions of dollars per year in investments in various affordability programs, including the rebate called for in the Climate Action Fund, established in the FY2024 enacted budget. It would provide funding for clean energy and electrification programs to speed the green economy transition. It would unlock billions annually for both climate solutions and energy affordability programs. It would reduce harmful pollution and create jobs. Yet the Governor's inaction delays these benefits for all New Yorkers.

RGGI: A Successful NY Cap-and-Invest Program

The State's own experience with the Regional Greenhouse Gas Initiative (RGGI) program offers an illustration of the incredible benefits that could be realized with the Clean Air Initiative. RGGI is a successful cap-and-invest program for power plants that has **cut emissions nearly in half and generated over \$3 billion for New York**, delivering pollution reductions while expanding clean energy investment, energy efficiency, and consumer savings.

According to NYSERDA, **\$2 billion in RGGI investments will result in \$12 billion in bill savings** for participating customers. That's an impressive **six-to-one return on investment for clean energy and affordability**. The Clean Air Initiative would adopt the same policy approach as RGGI, but would apply to additional sources of harmful pollution beyond power plants. If the Governor is serious about

affordability, she should be advancing the Clean Air Initiative to replicate the accomplishments of RGGI, increase the scale of success, and achieve affordability benefits for more New Yorkers.

Following the Law

Not only would implementing the CLCPA and advancing the Clean Air Initiative lead to a cleaner and more affordable New York—it's also the law. In October, a court correctly ruled that the Hochul Administration violated the CLCPA by failing to promulgate required regulations. The Judge gave until February 6, 2026 to do so—two years beyond the January 1, 2024 date set by the Legislature when it passed the CLCPA in 2019. Sadly, **the Governor has made clear she will not follow the court's order.**

Instead, she has pursued a strategy of continued legal maneuvering and stall tactics. This includes appealing the Judge's decision—even though the law is clear—and suggesting she will seek to simply rewrite the law rather than comply. While the Executive Budget did not include any proposed rollbacks to the CLCPA, the Governor may pursue amendments during the course of budget negotiations. The Legislature must resist any such efforts and tell the Executive: make a serious effort to implement the law before amending it.

Sustainable Future Program

The Sustainable Future Program (SFP), the \$1 billion fund established in the FY 2026 enacted budget, marked a major milestone for New York's climate work. That investment demonstrated a commitment to confronting the climate crisis while delivering practical, on-the-ground benefits for New Yorkers.

Continue Investing in the \$1 Billion Sustainable Future Program

According to [a recent report](#), \$1 billion in programmatic investments aligned with the **Sustainable Future Program** generates **\$1.5 billion in total economic output, 7,400 new jobs, and \$685 million in labor income.**

Despite the strong support for the program and the demonstrated need for these investments, the governor failed to include another \$1 billion in her FY 2027 executive budget. We're calling on the legislature to recommit to the SFP and invest in our communities.

Year One = Establishing the Fund. Year Two = Dollars Hitting Pocketbooks

In the SFP's inaugural year, state agencies focused on program design and building administrative capacity. But to translate this strong foundation into durable, statewide impact, the program now requires sustained and robust funding. An additional \$1 billion appropriation will allow agencies and program partners to move beyond initial setup and begin scaling proven solutions, providing

continuity for participating households and communities, and maintaining momentum toward meeting the state's climate and energy goals.

Sustainable Future Program Reduces Energy Costs

Continued investment is especially important for delivering direct, measurable benefits to New Yorkers. Through initiatives such as EmPower+ and the Green Small Buildings Program, the Sustainable Future Program helps homeowners and tenants lower utility bills, make homes more comfortable, and reduce emissions from the building sector—New York's largest source of climate pollution. As energy costs continue to rise, these programs provide real financial relief for families while advancing the state's climate commitments.

Sustained funding is also essential to ensuring equitable progress across all regions of the state. Continued support for zero-emission school buses is particularly critical as federal funding for electric school bus purchases has declined or disappeared. State investment ensures that school districts—especially those serving disadvantaged communities—can continue transitioning to cleaner transportation that protects children's health and reduces harmful air pollution. The same is true for investments in medium- and heavy-duty vehicle charging infrastructure and public charging, which remain essential to achieving broader transportation electrification goals.

Beyond transportation, the Sustainable Future Program is driving meaningful progress in building decarbonization. Investments in thermal energy networks at SUNY campuses, municipal energy efficiency initiatives, Clean Green Schools, and related programs reduce greenhouse gas emissions, lower operating costs for public institutions, and improve indoor air quality for students, workers, and residents. These investments also support workforce development, helping to create good-paying jobs and build the skilled labor force needed to meet New York's long-term climate goals.

The program's investments in renewable energy generation further advance New York's progress toward meeting the CLCPA's emissions reduction and renewable energy targets. Expanding renewable generation strengthens grid reliability and helps stabilize energy costs for consumers across the state.

At a moment when federal climate funding is increasingly uncertain, New York's leadership is more important than ever. Including an additional \$1 billion appropriation for the Sustainable Future Program in the final budget will ensure continued progress toward CLCPA targets while delivering economic, environmental, and public health benefits to communities statewide.

Adding Robust Public Reporting Requirements

EANY urges the New York State Legislature to strengthen the Sustainable Future Program by adding robust, transparent public reporting on how funds are allocated and the outcomes they achieve. Clear and accessible reporting, such as via a website, will allow New Yorkers to see how these investments advance environmental sustainability, affordability, and directly benefit communities across the state. Transparency is essential to meaningful public engagement, fostering trust and enabling residents,

advocates, and policymakers to learn from what works. By demonstrating the tangible, positive change these funds can make, enhanced reporting will reinforce accountability and build lasting public support for the Sustainable Future Fund's mission.

Balancing Affordability with Environmental Protection

New York State is in the midst of an affordable housing crisis, and it's impacting every facet of our lives. From housing prices to homelessness, the ability for families to put food on the table or pay the bills, New Yorkers are feeling the real and dangerous impacts of inadequate housing. In this context, EANY supports the Governor's efforts to use every available policy tool to address the shortage of safe, affordable homes.

Addressing the Governor's SEQRA Proposal

The proposed revisions to SEQRA included in the Executive Budget (Article VII, TEDE Part R) create a conceptual path forward, but need additional details and clarifications to ensure they are not jeopardizing clean water, community protections, and thoughtful planning. The Governor's State of the State proposal commits to this intent—reforms should focus on affordable housing and certain lower impact activities, must comply with local zoning, and must have no significant impacts to the environment. New York needs smart growth policies and conservation measures that work in tandem to meet our housing goals.

The Legislature must work to balance the urgent need for housing with the equally critical need to protect clean water and open space, and SEQRA serves as an important framework that helps decision-makers identify and address potential risks to air, water, and communities before irreversible harm occurs. The changes must be tailored to address the housing crisis without creating new, long-term problems.

The Governor's proposals need further definition. They risk sacrificing clean water, community protections, and thoughtful planning in the name of expediency—opening the door to poorly planned and potentially harmful development. Protecting our natural environment strengthens local economies, enhances community resilience, and better prepares the state for the impacts of climate change.

If done correctly, SEQRA reform could encourage development in existing communities and on truly previously developed land. However, the proposal's definition of "previously developed" is so broad that it risks encompassing land that currently serves essential functions, such as carbon sequestration, habitat preservation, and water filtration. **"Previously developed" must be more narrowly defined.** Defining land as previously disturbed based on activity occurring a mere two years prior is insufficient and **should be reconsidered and extended**, with appropriate guardrails to avoid loopholes.

The legislature must also exercise care and caution around protecting agricultural lands. These lands are carbon sinks, provide wildlife habitat and increase biodiversity, absorb rainwater and recharge aquifers, increase resilience to floods and wildfires, and grow our food. Once farmland is developed, it can rarely go back to agricultural use.

The proposal lacks clarity about which lands would qualify as agricultural or not and what standards would be used to determine exemption eligibility. At a time when farmland is increasingly threatened, New York should not be incentivizing its conversion into subdivisions. Development on agricultural land should not be exempt from SEQRA review.

While the proposal appropriately requires new developments to connect to sewer and water infrastructure, it fails to require capacity testing to ensure those systems can accommodate additional demand. Without such safeguards, municipalities and taxpayers could be left to shoulder significant and avoidable costs. This gap must be addressed before moving forward.

As Governor Hochul referenced in her State of the State book, any reform amendment should, where appropriate, differentiate between how the state works to meet the needs of Upstate or Long Island communities and those of New York City. The needs between different areas of the state vary widely and any revisions should be tailored to meet a region's needs.

Finally, the proposal fails to provide any stipulations around affordability. The language touches on the size of a project, but makes no reference to the existing criteria about what constitutes affordable housing. While the State of the State indicated the proposed SEQRA revisions are focused on affordable housing, the proposal applies to housing stock in general. Similarly, there is limited guidance on density, particularly outside of New York City- allowing up to 100 units with no further guardrails around low-density, sprawling development that undermines climate goals, reduces carbon absorption, exacerbates urban heat, and degrades soil and open space.

New York can meet its housing needs without sacrificing environmental protections or community health and Environmental Advocates NY stands ready to support carefully crafted SEQRA revisions that offer an opportunity to align housing production with smart, sustainable development that strengthens communities now and into the future. As the state seeks to revise the State Environmental Quality Review Act (SEQRA) to meet these needs, we call upon the Governor and Legislature to ensure safe drinking water, managing stormwater, and protecting the land's ability to absorb rainfall remain top priorities. These are prerequisites for affordable, economically stable, healthy, livable communities.

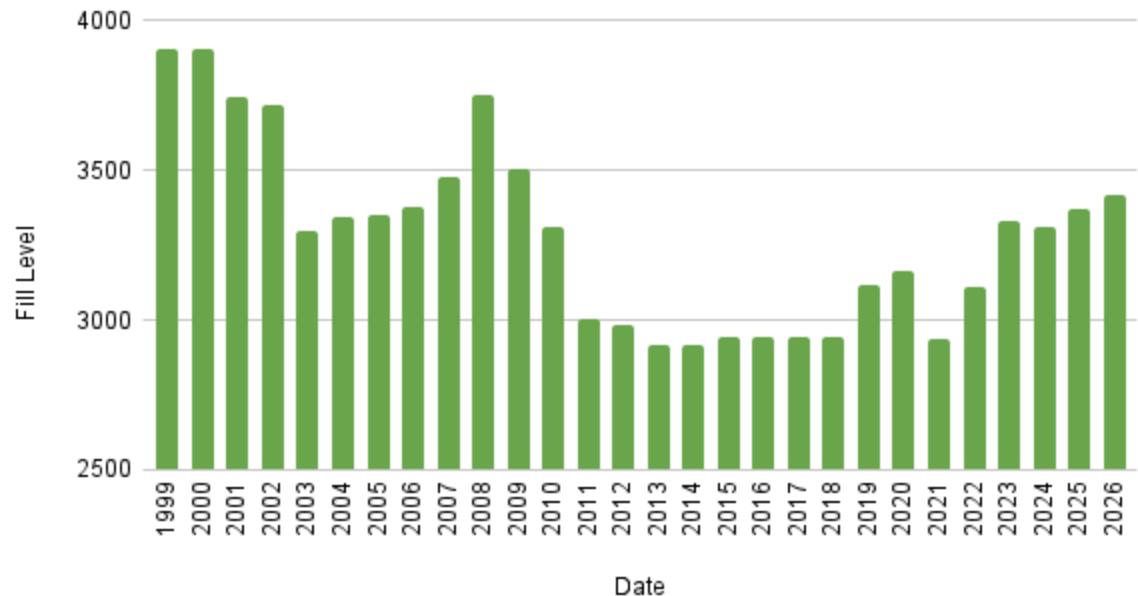
Staffing for Success

In the last six years the demands on both the Department of Environmental Conservation and the Department of Health's Center for Environmental Health have increased dramatically. The Climate Leadership and Community Protection Act, Maximum Contaminant Levels (MCL) for PFAS and other contaminants, Cumulative Impacts, cryptocurrency, wetlands, and the routine ongoing demands of permitting and environmental review have pushed these agencies to their capacity. It is a tremendous challenge to implement new climate and health laws and regulations, while still maintaining the existing workload with the same number of staff. We have not set our agencies up for success.

While DEC has restored its fill level to its 2010 mark, it is inadequate to provide the same staffing level, given their significantly expanded portfolio of the last 15 years. The 45 additional FTEs for DEC included as part of the Executive Budget are a good first step. But it's not enough. As noted, DEC is still in the process of implementing critical new laws like the Environmental Justice Siting Law, and has not fully implemented the CLCPA. Meanwhile, the Trump Administration's constant attacks on the environment and state authority are further taxing the agency's constrained resources. Additional staff across all divisions is needed to help respond to the federal assault, meet the agency's growing demands from the Legislature, and ensure there are no undue delays in the environmental review or permitting process for critical projects.

Likewise, DOH's Center of Environmental Health must receive additional staff. New York continually works to address drinking water impacts caused by legacy contamination, but it is a seemingly endless battle. With new programs, like support for PFAS contamination in private wells, DOH will need additional staff to successfully manage the program and ensure it is maximizing its potential to support New Yorkers. Further, the federal government continues to threaten existing water protections, such as a rollback of the PFAS MCL. Additional staff is critical to advance regulations in a timely manner and supporting the private wells program will be critical to ensuring access to clean drinking water.

NYSDEC Historic Staff Levels



Conclusion

Thank you again for your time and consideration of our testimony. If you have any questions, please don't hesitate to contact Katie McNamara at kmcnamara@eany.org or Katherine Nadeau at knadeau@eany.org.