

What Paterson's Deficit Proposals Mean For The Adirondacks

Late last week Governor David Paterson announced a two-year, \$5.0 billion deficit reduction plan that he claims would "eliminate the State's current-year budget gap without raising taxes, as well as institute major structural reforms." The plan includes a second raid on the state's Environmental Protection Fund (EPF), which the Governor swept clean of \$50 million at the end of 2008, and a raid on the Regional Greenhouse Gas Initiative's (RGGI) carbon allowance auction proceeds. Those funds, amounting to about \$90 million, had been slated for energy conservation and clean energy development.

"Energy conservation and clean energy development," says Adirondack Council spokesman John Sheehan, "are two areas where the investment would have provided both real savings for the taxpayer and clear benefits to the environment and public health." None of the money collected from the carbon auctions since the New York began participating in January has been spent on energy programs according to Sheehan, who added that "this may be the first time in history that a dedicated fund was actually raided for another purpose before one cent of it was spent on its intended purpose."

The proposed \$10 million dollar raid on the EPF is the second within a year. About \$500 million has been diverted from the fund for non-environmental purposes since 2003. The EPF is supposed to fund major environmental projects and provide local tax relief for landfill closures, municipal recycling facilities, conservation agreements, and expansion of the state Forest Preserve.

"A month or so ago, we wondered aloud why the Governor wasn't spending the Environmental Protection Fund money that had already been collected since April 1," Sheehan wrote in a recent e-mail to the media, "Now we know why."

The governor's announcement comes just a week after he said he would cut ten percent from the budgets of the Department of Environmental Conservation (DEC) and the Adirondack Park Agency (APA). The Governor's plan announced late last year to cut state property tax payments to Adirondack municipalities that host state lands was rejected by the State Legislature this spring.

EXCERPT FROM GOVERNOR'S PRESS RELEASE:

Regional Greenhouse Gas Initiative (RGGI)/EPF Transfers
(2009-10 Savings: \$100 million; 2010-11 Savings: \$0 million)

This proposal would transfer \$90 million in RGGI proceeds and \$10 million from the Environmental Protection Fund (EPF) to the General Fund. It is currently expected that RGGI proceeds through the end of 2009-10 will total \$220 million, allowing the state to meet its \$112 million commitment to the recently passed Green Jobs legislation, as well as this \$90 million

General Fund transfer. Additionally, it is fully expected that after implementation of the DRP, the State would still be able to meet its original 2009-10 EPF cash spending plan of \$180 million, which is equal to record 2008-09 levels.

Posted by John Warren