



BOARD OF DIRECTORS

Constantine Sidamon-Eristoff
Chairman

Oakes Ames
Vice Chair

Alexander Zagoreos
Treasurer

Margot Paul Ernst
Secretary

Rick Lazio
Marian Heiskell
Stewardship Chairs

Polly Bruckmann
Robert Dryfoos
Gladys Goldmann
Anne Manice
David Manning
James Melius
Edward Mohlenhoff
Robert Moses

Gerhard J. Neumaier
Ross Pepe
Sarah Jeffords Radcliffe
Norman Shapiro
Peggy Shepard
Virginia K. Stowe
Richard Trepp
Ross Whaley
John Wilkinson

Albert E. Caccese
Executive Director

**Testimony of Sean Mahar
Director of Government Relations, Audubon New York
Before Joint Legislative Hearings on the New York State Budget
January 26, 2010**

Mr. Chairmen, and other distinguished members of the Senate and Assembly, thank you for allowing me the opportunity to address you today. My name is Sean Mahar and I am the Director of Government Relations for Audubon New York, the State program of the National Audubon Society representing 27 local Chapters and 50,000 members across the state. Our mission is to protect birds, other wildlife and the habitats that support them through advocacy and education based on sound science. On behalf of my Executive Director Albert E. Caccese, our Board Chairman Constantine Sidamon-Eristoff, and our members and Chapters, I provide the following testimony on Governor David Paterson’s Fiscal Year 2010-2011 Executive Budget proposal.

In his State of the State address and budget presentations, Governor Paterson has declared this a “winter of reckoning” for the state. However, it is unfortunate that we must note that in this reckoning, his administration has seemingly become one that knows the cost of everything and the value of nothing. If this budget truly reflects the Governor’s priorities, then as it pertains to the environment, the Governor’s priorities are misguided, shortsighted, and lack a basic understanding of environmental trends and concepts.

I want to make it clear that we are not oblivious to the dire economic crisis that is facing our state and, indeed, our nation, and stand ready to work with the State to address these challenges. However, this budget proposal set forth by the Governor lacks leadership in tackling some of the most pressing environmental and economic problems facing our state today. His proposal does little to stimulate the economy and keep people working through investing in environmental protection and restoration initiatives, and in some instances does just the opposite by disproportionately targeting environmental spending and environmental state agencies for cuts.

Economic Recovery through Environmental Restoration

As we testified last year, during these troubling and uncertain economic times facing the state, continued investment in the restoration of the New York’s water, air and open space resources can and should play an important role in the revitalization of the State economy. Numerous economic analyses by the Brookings Institution have proven that the health of the environment will determine the health and prosperity of our communities and the state. When key environmental factors like water quality, parks and open space are degraded, it compounds the economic woes facing localities and means fewer jobs for the economy.

However, when investing in the protection and restoration of these same resources, it can yield significant returns on the state’s investment and make these communities more attractive to businesses and people. Through their specific research on the Great Lakes, the Brookings Institution found that the region will gain at least \$2 in economic benefit for

every \$1 invested in environmental restoration¹. Recent economic analyses by Parks and Trails New York regarding the State Parks System in New York have also found that investing in our Parks yields an even greater return on investments, with more than \$5 in benefits for every \$1 in costs².

Our State Parks are important drivers of local economies, supporting an ever growing state tourism industry by providing important local destinations for the more than 55 million people who visit them each year. Parks also increase surrounding property values and local revenues, while spurring economic development and boost nearby businesses, often providing the catalyst for downtown revitalization. Yet, the longer we wait to invest in the protection and restoration of the environment our parks and open space, the more costly the problems become to fix and the return on the investment decreases.

Economic Importance of “Ecotourism”

When considering the tourism trends of state residents, it should be no surprise that in this economic downturn more residents are traveling locally, and looking for opportunities to recreate closer to home, especially at our State Parks. By providing increased opportunities for these residents to safely enjoy New York’s wildlife and open spaces, the state in turn capitalizes on their spending. An illustration of this concept was highlighted in a 2006 survey undertaken by the United States Fish and Wildlife Service which found that an estimated 3.8 million bird and other wildlife watchers contributed an estimated \$1.6 billion to the state economy, including \$250 million in State sales tax revenue in 2006, supporting thousands of jobs across the state³.

This economic impact is calculated by assessing trip-related expenditures on food, lodging and transportation, as well as factoring in sales of necessary equipment, such as binoculars, bird books, and other such items. It clearly illustrates the important role that “ecotourism” plays in supporting the state economy, and the importance of protecting the environment as a means of restoring the economy. It also highlights the need for the state to do more to promote itself as a bird watching destination, yet Governor Paterson’s proposed budget does not provide any initiatives to capitalize on ecotourism, and by disproportionately cutting State Agencies like the Office of Parks, Recreation and Historic Preservation (OPRHP), and the Department of Environmental Conservation (DEC), his proposal further hinders the state’s ability to promote itself as a tourist destination.

From Montauk to Buffalo, New York is home to a vast array of amazing habitats that support over 300 different bird species, and is host to several globally significant Important Bird Areas. The protection of many of these areas has been achieved through land acquisition funding provided through the Environmental Protection Fund (EPF). Because of these past state investments to protect these special places, some Counties and municipalities across the state are actively working to promote and capitalize on the growing popularity of bird watching in their regions at these natural areas. For example, the Seaway Trail, which runs along the St. Lawrence River, Lake Ontario, the Niagara River and Lake Erie, has recently begun a new campaign to attract even more birders to the amazing opportunities in this area. In addition, for the last several years groups in the Hudson River Valley have promoted the Hudson River Eagle Fest to attract birders to important eagle watching sites throughout the Valley. While much is being done locally, there is no overarching state program to coordinate and build upon these various initiatives.

Capitalizing on “Ecotourism” – Create an “I BIRD NY” Program

We strongly urge the state to explore the creation of an “I BIRD NY” program, similar to other “I Love New York” campaigns, which will greatly enhance the state’s image as a destination for bird and wildlife watching. Such an initiative should provide promotional assistance to local governments in their efforts to promote ecotourism and wildlife watching opportunities. In addition to connecting more New Yorkers and our visitors to nature, The I BIRD NY program could enhance and promote existing environmental education programs focused

¹ http://www.healthylakes.org/site_upload/upload/America's_North_Coast_Report_07.pdf

² http://www.ptny.org/pdfs/advocacy/peri_full_report.pdf

³ <http://www.census.gov/prod/2008pubs/fhw06-ny.pdf>

on getting children outside, promote increased tourism and economic development focused on bird watching across the state, and provide important cross promotion of and collaboration with State and non governmental partners.

Expand and Promote Voluntary Conservation Funding Programs

Not only would localities benefit from increased tourism revenue through this program, but the state could also better capitalize on these bird and wildlife watchers by better promoting important state initiatives to protect birds, other wildlife and their habitats, such as the Habitat Access Stamp and the Return a Gift to Wildlife Program. The Habitat Access Stamp is a voluntary program in which citizens can purchase a stamp wherever hunting and fishing licenses are sold to provide resources for the habitat protection account of the Conservation Fund. The Return and Gift to Wildlife Program, established in 1982, is a voluntary contribution line on the state income tax form to provide every taxpayer with an easy, simple way to support fish and wildlife conservation. Currently, there are no concerted efforts by the state to promote either of these important programs, and many state residents don't even know they exist. We strongly urge the legislature to work with Governor Paterson to develop an initiative to promote and expand the purchase of the Habitat Access Stamp and the Return a Gift To Wildlife program to bring in additional voluntary revenues to the state to help protect and promote access to our important environmental assets.

Audubon New York Opposes the Disproportionate Cuts to Environmental Spending

While the Governor's budget misses many opportunities to capitalize on tourism revenue, his Executive Budget proposal also disproportionately cuts environmental spending in the state. Of particular concern to Audubon New York is the proposal to cut the EPF from \$212 million as enacted in the Deficit Reduction measure passed in December to \$143 million, a 33% cut in funding. This funding cut is also compounded by the cuts to environmental Agency budgets and staffing. In particular, the DEC budget is cut by 34%, and the OPRHP budget is cut by an additional 20%, while other agencies like the State Education Department and Department of Health are only cut by 2% and 1% respectively. Why is the Governor proposing to balance the state budget on the backs of the environment?

Environmental funding is not a luxury item. As stated previously, the longer we wait to make investments in restoring and protecting our water, air and land resources, the problems only get worse and more costly to fix. These draconian cuts to the EPF and environmental Agency budgets are the wrong course of action, and put at risk many projects across the state that help restore the environment and provide for ecotourism opportunities. This not only further compounds the economic woes facing not-for-profit organizations and local governments, but also further cuts vital programs that enhance education opportunities aimed at teaching our children to be proper stewards of the environment, and combats obesity by inspiring children and adults to get outside and be active.

Protect the Integrity of the EPF:

Restore Cuts, Remove Offloads, and Develop a Repayment Plan

Since its creation in 1993, the EPF has been funded through dedicated revenue from the Real Estate Transfer Tax (RETT), which is derived, in part, from suburban sprawl and habitat loss. The EPF was designed to provide a secure source of environmental funding in good economic times and bad, and over the last 15 years has grown successfully to try and keep pace with demand for projects that support critically important programs that not only protect New York's land, air and water, but enhance the State's economy and improve public health.

Therefore, Audubon New York Strongly urges the legislature to restore funding to the EPF to \$222 million, and restore cuts to the following important EPF programs: the Biodiversity Research Institute, Open Space Protection, Farmland Protection, Invasive Species eradication, Ocean and Great Lakes Conservation Initiative, the Finger Lakes Lake Ontario Watershed Protection Alliance, Hudson River Estuary Program and the Water

Quality Improvements program. Of utmost importance to Audubon is funding for the Zoos, Botanical Gardens, and Aquaria (ZBGA) program.

Established in 1978, the ZBGA Program provides critical funding for the unique needs of cultural institutions with living collections such as zoos, botanical gardens, aquaria, arboreta and nature centers. This important program provides funding to organizations like our Audubon Nature Centers for the care of their living collections. These living museums generate millions of dollars each year for the state in tourism revenue and economic development, while helping to connect children and their families to New York's amazing natural resources. The 50% cut in funding proposed by the Governor would seriously threaten the quality of care for these living resources. It is critical for these important funds to be restored to \$9 million in the EPF so that our organizations and institutions can continue to enhance education opportunities through our critical environmental education programs.

In addition to restoring these cuts, Audubon New York strongly urges the legislature to remove the two new programs that the Governor has proposed for funding from the EPF, \$5 million for the State Payments in lieu of Taxes for public lands, and the \$5 million for parks and historic site improvements. These offloads weaken the integrity of the EPF, and go against the Friends of the New York's Environment Coalition position of no new EPF categories without new funding. While we do not support their funding out of the EPF without new funding, we do strongly support funding for these important programs from other portions of the budget.

While some may question how we could ask for such a restoration in these difficult budget times, it is important to note that with passage of the EPF Enhancement Act in 2007, the EPF was scheduled to increase to \$300 million in FY 09-10 backed by RETT revenue. Appropriating \$222 million this year would represent a 26% cut from the \$300 million level the EPF was legally required to increase to. Even in these trying economic times, with rates of home foreclosure increasing across the country, the RETT continues to bring in hundreds of millions of dollars to the State, more than enough to fund the EPF at the \$222 million and \$300 million levels this year.

Additionally, we must remind the legislature that the environment of New York has already given its fair share to help solve the states fiscal problems. Over the past seven years more than \$500 million in funding that had been dedicated for the EPF was transferred for non environmental purposes. Also, last year we fought hard to secure expansion of the Returnable Beverage Container Act, and consented to these environmental funds being used for budget relief. We are happy to report that this proposal has brought in much needed revenue for the State's General Fund.

This year, we stand with the Friends of New York's Environment Coalition in strongly urging that the FY 10-11 budget include a proposal to develop a multi-year repayment plan for the more than half a billion dollars that have been taken from the environment, through an annual increase in the amount of RETT revenue dedicated to the EPF to both support existing programs and fulfill outstanding commitments. As New York State is currently struggling to honor its existing EPF obligations, further delaying these projects will only prolong the economic hardships facing municipalities, compound fiscal woes of the state, and make it even more difficult to meet future environmental challenges.

Oppose Moratorium on Open Space Protection and Restore Land Acquisition and Farmland Protection Funding

One of the most shortsighted and damaging proposals regarding the EPF is the Governor's proposal to place a moratorium on protecting open space, the elimination of land acquisition funding and the steep reduction in farmland protection funding. This proposal would seriously undermine efforts to advance conservation at a time when the opportunities to save the last remaining open spaces could not be greater. This backwards proposal creates a disincentive for willing landowners who may want to sell their land for conservation purposes, and

provides for even greater threats of development to many unique and irreplaceable natural areas across this great state. With habitat loss remaining the leading threat to birds and other wildlife in New York, and with many of the state's bird species in steep declines, this proposal threatens our future ability to protect our State's Important Bird Areas (IBAs) and the species that depend on them.

New York's land acquisition and farmland protection programs are one of the strongest public private partnerships in the state, and have yielded great conservation gains all throughout New York since the creation of the EPF. However, this partnership is threatened not only by this ill-conceived moratorium but by the slow rate of state spending on open space protection. Currently there is a backlog of outstanding state commitments, and our land conservation organizations are left holding the bag with millions of dollars in debt service for land purchases they made on the States behalf with promises to be reimbursed by the State.

The costs to organizations like The Nature Conservancy, The Open Space Institute and the Land Trust Alliance of carrying this land for the state are immense, and now with the Governors proposed moratorium and elimination of funding, these organizations would face very tough decisions on the important habitats they have purchased. We would hate to see the great gains for conservation that have been made by these groups be wasted because the state could not honor its promises. Therefore, since the EPF was created to offset habitat loss from development, and the land acquisition and farmland protection categories are pillars of this important fund, this irresponsible moratorium should be undone, funding to land acquisition and farmland improvements restored in a restored EPF, and the state commitments that have been made to these organizations should be honored.

It is unfortunate that many in this state, the Governor included, do not see the economic value and benefits of protecting open space and farmland. Preserved forests and fields not only provide important habitat for biodiversity and ecotourism to thrive, they provide cost effective solutions to many environmental problems that we struggle to find solutions for. Naturally speaking, protected open spaces and farmlands provide clean water and clean air, and represent natural carbon reserves that keep greenhouse gasses from entering the atmosphere helping to alleviate pressures from climate change. Our states forest products industry is one of the largest contributors to the state economy, and depends on protected forests to harvest trees. Protected open space and farmlands also reduce costs to local governments and the state, as it is cheaper to preserve habitat than it is to build a water filtration plant, and protecting wetlands and floodplains help protect property from flooding and storm surges.

Health Benefits of Parks and Open Space

In addition to all the important benefits listed above, Parkland and Open Space protection are critically important for combating many of the health epidemics Governor Paterson is trying to combat in other portions of the budget. It should be no surprise that children today are facing dwindling access to open spaces and devote less time to interacting and learning outside in nature and more time to inside activities like watching television and playing video games. Numerous studies, including those detailed in best-selling author and 2008 Audubon medal winner Richard Louv's 2005 book Last Child in the Woods, have shown a correlation between this lack of outdoor experiences and the rise in childhood obesity as well as other learning disabilities such as Attention Deficit Hyperactivity Disorder (ADHD).

The "nature-deficit disorder" (a non-medical term coined by Louv) that children face today is compounding many of these learning and behavioral disorders. In fact, more pediatricians recognize the benefits of unstructured time in the outdoors for the health of America's children and are stressing the importance of time outdoors for their patients as well as encouraging parents to take their children outside to State and Local Parks and nature centers that connect people to their local environments, and inspire them to not only explore and learn more about nature, but be active and more fit. Simply stated, the availability of Parks and open space help make people healthier.

As combating this epidemic of obesity is one of Governor Paterson's top initiatives, we would hope that he would take a very broad look at all the factors that are facilitating this crisis and strive to promote those programs that combat this threat. But once again, the Governor's proposed budget cuts EPF programs like the ZBGA and the Municipal Parks programs, and proposes to close the two Visitors Interpretive Centers (VICs) in the Adirondacks, which serve many different roles from promoting tourism to combating childhood obesity. In addition, he proposes deeper cuts to the ORPHP budget which could ultimately lead to the closing of State Parks and elimination of other critically important initiatives at State Parks that seek to inspire children and adults to get outside and be less sedentary, and instill a love of nature in our future environmental stewards.

Utilize 'Obesity Tax' to Offset Cuts to State Parks

In addition to restoring the cuts to the ZBGA and municipal parks programs in the EPF, we strongly urge that a portion of the proposed "obesity tax" revenue be dedicated to OPRHP to offset the cuts to their budgets, keep parks open and develop new initiatives programs with the Department of Health to combat obesity and inspire children and their parents to get outside. Long term, as the economy turns around and the OPRHP budget improves, this portion of funding should be used for a grants program that would promote environmental education initiatives aimed at combating obesity by getting children and students outside and active, and would leverage federal funds that may be made available through the proposed No Child Left Inside Act.

Other Revenue Generating Ideas

To help the state generate much needed revenue for environmental protection and to close budget deficits, Audubon New York would like to propose two different revenue generating ideas. First, a clean water surcharge on the sale of non agricultural, aesthetic lawn care pesticides and fertilizers, which could be used to generate additional funds for water quality improvements and wastewater infrastructure upgrades. As the use of lawn care pesticides and synthetic fertilizer continues to increase across the state, threatening the state's aquatic resources, the state could use this fee to generate important resources to offset their impacts. Secondly, the state should consider instituting application fees for permits to modify freshwater wetlands. Along with decreasing the size threshold for DEC regulation of freshwater wetlands to 1 acre or larger, a modest fee structure should be enacted so that the DEC can recoup losses for this program and create a disincentive for destruction of wetlands. These important ecosystems provide numerous cost savings functions from flood protection and groundwater filtration to providing important wildlife habitat.

Future EPF Funding Programs

As the EPF grows in the future, Audubon New York proposes the addition of a new category of funding to incentivize stewardship of private lands. Last year we reported that grassland bird species are the fastest declining suite of species in New York, a position that was reaffirmed by the release of the Breeding Bird Atlas. As noted in the New York Wildlife Action Plan, their populations are threatened in some areas where agricultural practices have intensified resulting in hayfields and pastures that do not allow grassland birds to breed successfully, in other areas where former agricultural lands have been abandoned and are transitioning into shrublands and forests, and still in other areas where pressures are greatest to abandon farming and to develop these acres for residential and commercial purposes.

In an effort to curb these precipitous declines, Audubon New York has released a comprehensive ***Plan for Conserving Grassland Birds in New York***⁴ under contract with DEC, synthesizing the most recent scientific literature on grassland birds to guide conservation efforts of these species. In addition to identifying key habitat management strategies for grassland birds, the report finds that the continued survival of these species depends on the development of successful partnerships with the private landowners that own the vast majority of habitat upon which the birds rely.

⁴ <http://ny.audubon.org/PDFs/ConservationPlan-GrasslandBirds-NY.pdf>

To ensure we are successful in our partnership efforts with private landowners, new state funding is needed to replace the federal funds for the DEC's Landowner Incentive Program (LIP) for grassland bird conservation. Within an expanded EPF, between \$600,000 and \$1 million should be allocated for the LIP which will provide landowners with much needed property tax relief to help them maintain the rural quality of life in New York, all while conserving at-risk wildlife populations. We strongly urge the legislature to add this category to a fully funded \$300 million EPF, and have provided supporting documentation attached to this testimony.

Other Budget Initiatives

Severance Tax for Expanded Natural Gas Drilling in the Marcellus Shale field

Audubon New York is deeply concerned with the recent rush to expand drilling for natural gas in the Marcellus Shale field and the impacts this increased development could have on birds, other wildlife and their habitats in New York State. Primarily, this expanded energy development could have serious impacts to important forest and wetland habitats that support many Species of Greatest Conservation Need. Many of these issues and concerns were not adequately addressed in the DEC's draft Supplemental Generic Environmental Impact Statement (dSGEIS).

Of the 136 IBAs that have been identified by Audubon in New York, 40 are located within the area that would be potentially impacted by expanded drilling in Marcellus shale region, including some of the best remaining unfragmented forests of the state which are critical for successful reproduction of forest-breeding birds. In order to ensure our important natural resources are properly protected from expanded natural gas drilling, Audubon New York strongly urges the passage of comprehensive legislation, or development of stronger regulations that include the following important provisions: placing priority wildlife habitats off limits to drilling, reducing and mitigating for habitat fragmentation that will cause serious harm to wildlife, containing 'flowback' water in covered tanks, assessing the cumulative impacts of a full development scenario, and protecting all water sources in the state equally.

Most importantly, to offset the many negative and destructive environmental impacts from expanded drilling for natural gas, strong mitigation requirements must be put in place which call for the protection and restoration of surrounding habitats and species that will be impacted. In addition, Audubon New York strongly believes that any severance tax considered by the state must apply not only to expanded drilling, but to existing wells already in production and provide funds for the protection of unfragmented forests, restoration of wetland habitat, and improvement of water quality, in addition to providing increased staff to the DEC and other agencies. The Governor's proposed severance tax does not go far enough to mitigate for the environmental destruction that will occur if this expanded drilling is allowed, and must be amended to ensure this funding is used to protect and restore New York's environment.

Oppose the Elimination of Certain Boards and Commissions (S.6613/A.9713)

The proposals set forth by the Office of Taxpayer Accountability to eliminate certain boards and commissions seem to be an attempt by the Governor to remove accountability of tax payers to Agency programs. This proposal reduces transparency of state government and cuts the public out of a collaborative decision making process. On top of that, most of the programs the Governor targets do not even cost the state money!

Of utmost concern to Audubon is the Governor's proposal to eliminate the Bird Conservation Area Advisory Committee and the Invasive Species Advisory Council. Both of these programs provide organizations like Audubon with an important mechanism to closely collaborate with state agencies on development of strategies to protect and manage important habitat for birds, and reduce emerging threats to these ecosystems from invasive species. Audubon New York strongly urges the legislature to retain these important programs in statute and not eliminate them as proposed by the Governor. Additional information in support of these programs can be provided upon request.

Conclusion

Meeting the demand for environmental improvements and protecting bird species from further decline will take creativity and a commitment from all levels of government. Audubon New York once again wants to thank the Legislature for its leadership in conservation efforts around the state, and we look forward to working with you in the coming months to ensure that the Governor's misguided budget proposal is overturned, and needed environmental investments are made to help stimulate the economy and keep New Yorkers working. Thank you again for allowing me to testify today, and should you need any additional information, please contact me at 518-869-9731 or smahar@audubon.org.