



GOVERNORS' BUDGETS FOR FY2020: ENVIRONMENT, AGRICULTURE AND NATURAL RESOURCE PROPOSALS

March 25, 2019

Overview

As of March 20, 2019, all governors have released their budget recommendations for fiscal 2020. Many of these budgets include proposals addressing some aspect of environmental protection, agriculture or natural resources. The proposals in these issue areas are unlike other program areas in state budgets in that they are funded from a myriad of sources. Special funds are often a primary resource, with the general fund a secondary source used to support environment, agriculture and natural resource program areas. Proposals may also be funded in operating and capital budgets. In NASBO's *State Expenditure Report*, these areas fall under the "All Other" category, which in fiscal 2018 encompassed 28.3 percent of state expenditures. Also unique to these program areas are the regional differences, with budget proposals shaped by geography or other shared interests. Below are some of the most common themes for investment in proposed fiscal 2020 budgets, based on governors' budgets released to date. The state examples are meant to be illustrative but not exhaustive.

Rural and Agricultural Assistance

Several states have focused resources on assisting rural areas, often including distressed communities or struggling agricultural sectors. In the proposed fiscal 2020 budgets, at least 14 states identified specific proposals to aid rural areas. **Arizona's** budget included \$5 million to support infrastructure projects for agriculture, while **Delaware** proposed \$20 million to preserve open space and farmland across the state. Other states proposed agricultural financing investments, such as **Hawaii's** \$7.5 million for

the Agricultural Loan Revolving Fund and **Maryland's** \$2.5 million to help young farmers acquire farmland. Expanding markets was also a focus in some state budgets, including **Pennsylvania's** \$2.6 million to bolster the state's organic industry and **South Carolina's** \$2 million for regional farmers markets. To aid distressed rural areas, states like Tennessee and North Carolina are making investments; **Tennessee's** budget proposes \$13.5 million in grants and services to assist rural communities and distressed counties in addition to continuing to expand broadband access, while **North Carolina** is investing in revitalizing rural neighborhoods and strengthening business development through the new Rural Investments Strengthening Economies (RISE) fund.

Clean/Sustainable Energy

Fourteen states included budget provisions addressing clean and sustainable energy initiatives. **Wisconsin's** governor proposed establishing the Office of Sustainability and Clean Energy by transferring functions from a current state agency, while also creating a \$4 million renewable and clean energy research grant. Similarly, **Oregon** established a new agency, the Oregon Climate Authority, to implement the state's climate strategies. **Washington's** budget included several proposals, including \$57.5 million for the state's Clean Energy Fund for projects related to grid modernization and development of clean energy technology, \$129 million for clean transportation items and \$83 million in investments in clean buildings items. **Colorado** has a commitment to reach 100 percent renewable energy by 2040. **Massachusetts** dedicated \$75 million to the Global Warming Solutions Trust Fund to aid local governments in investing in climate-smart infrastructure. **Ohio** will strive to reduce air pollution through a proposed \$31 million effort to replace aging diesel



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vehicles and **Vermont** directed up to \$1.5 million towards an incentive program for purchases of electric vehicles. At least two states, **Florida** and **Utah**, referenced use of the Volkswagen settlement funds to reduce emissions and **Utah** also proposed piloting a teleworking program to address emissions reductions.

Fire Suppression and Forest Management

As an example of the regional influence on budgetary items in these program areas, several western states included measures in their budget proposals addressing fire suppression and forest management activities. **Idaho** proposed \$20 million to cover costs of fires on state lands and **Nevada** increased funding by \$1.5 million to the annual allotment for fire suppression activity, while **Alaska** increased wildland fire suppression activity to 38 percent of long-term average costs, or \$8.4 million. **California's** budget included \$200 million to support forest improvement, fire prevention, fuel reduction and prescribed burn projects and **Washington's** budget included \$17 million to increase the state's wildland fire response capabilities.

Parks and Land Acquisition

Under the area of natural resources, at least 15 states included measures related to state parks and land acquisition or preserving open space. **Florida** proposed \$1.25 million to promote state parks and funds to support newly acquired and expanded parks. **Florida, Maryland, New Jersey, Utah** and **Virginia** all included proposals to acquire land or preserve open space, including New Jersey's \$164 million for open space preservation. At least eight states included provisions to improve park facilities: **Georgia** proposed \$17.1 million in bond funds to support facility improvements and repairs and Americans with Disabilities Act improvements; **South Dakota** included \$500,000 in one-time funding for a current state park; and **South Carolina** funded new cabins and road repairs at a park that sustained hurricane damage. States also proposed funding for park operations, like **North Carolina's** request for operational funding of parks that were previously expanded and improved through bonds and **Rhode Island's** \$1.5 million for additional maintenance workers, civil engineers and plumbers to help maintain the state's parks and beaches.

Ecological and Environmental Protection

Under this broad category, fifteen states proposed items addressing invasive species, endangered species and species management, as well as protection of resources such as coastlines and beaches. **Michigan** proposed \$2.3 million for research and laboratory costs related to chronic wasting disease while **Montana** included \$300,000 for expanded brucellosis surveillance and testing and **Idaho** proposed \$175,000 for livestock disease control and inspection services. Indiana included \$16.7 million for updated and new fish hatchery facilities and **New Hampshire** made the largest general fund investment in the Department of Fish and Game in state history. One of Washington's top budget priorities was the orca recovery effort, with \$1.1 billion proposed over the next biennium in the combined operating, capital and transportation budgets. Efforts to combat invasive species were funded in **Florida, Hawaii, North Carolina, Ohio** and **Wyoming**. States also funded preservation of resources, like **Delaware's** and **Florida's** beach preservation initiatives and Florida's \$10 million to address algal blooms and red tide and large investments for Everglades restoration. Many states recognized the importance of environmental protection to their economies, as investments were made in **Virginia** to increase support for oyster restoration and replenishment and in **Maryland** to fully fund the Chesapeake Bay Trust Fund.

Water Infrastructure

Water quality and the infrastructure needed to achieve it was a frequent theme in fiscal 2020 budget proposals. Seven states had provisions related to safe and clean drinking water, including **Michigan's** \$120 million for drinking water grants and innovation, \$1.9 million for a drinking water compliance assistance unit and \$60 million for school hydration stations. **New York's** budget includes a green future fund which would include supporting clean water infrastructure and **Maryland** included funds for the Water Quality Revolving Loan Fund and Drinking Water Revolving Loan Fund and water supply assistance to local governments. Four states, **Idaho, Michigan, North Carolina** and **Wisconsin**, referenced pollutant monitoring and reduction in their proposals, including North Carolina's



\$6.3 million for water supply testing and analysis for perfluorinated compounds and other emerging compounds and Idaho's \$757,300 for the continued implementation of the Pollutant Discharge Elimination System. Several states in the east and midwest included proposals for lead abatement, with **Massachusetts**, **Michigan** and **Vermont** addressing lead in schools while **New Hampshire** and **Wisconsin** focused on lead pipe replacement in general. As part of their commitment to water quality, states also funded provisions for monitoring, like **South Carolina's** \$2.5 million to develop regional water quality plans, and permitting like **Oregon's** proposal adding 23 positions to address an ongoing water permitting backlog. **North Dakota** included \$464 million for essential water projects under the State Water Commission and **West Virginia** proposed an additional \$2 million for dam maintenance.

Water Resource and Resiliency Planning

Twelve states had budget proposals to address water resource and resiliency planning. States in the west, which has been more prone to drought, included several provisions. **Utah** proposed nearly \$50 million to stretch existing water resources further by improving water efficiency and **Montana** included \$150,000 to update the state's drought mitigation, response and recovery plan. **California** had several initiatives addressing emergency water supplies, including creating a new fund to assist communities, particularly disadvantaged communities, in paying the costs to obtain access to safe and affordable drinking water. **Nevada's** budget included funding to implement a water planning and drought resiliency program by adding three new positions, while **Colorado** included \$30 million to insulate the state from the risk of drought. Other states focused on protecting water infrastructure or prioritizing planning to ensure against floods or risks to their water supplies. **Georgia** included \$458,800 for statewide water planning initiatives and \$9.5 million in bond funds for water supply projects and **Missouri** proposed \$10 million to support projects including the plan, design, construction or renovation of public water supplies, flood control storage and drought mitigation. Similarly, **Massachusetts** would assist state and local agencies in prioritizing, planning and retrofitting

assets, including dams and flood controls, transportation infrastructure and water resources while **Hawaii** proposed \$125 million in capital spending for flood risk mitigation projects, matching a federal appropriation.

Waste

States also included proposals to manage solid waste and recycling. **Connecticut** proposed a 10-cent surcharge on plastic bags and expanded their bottle deposit, and **Illinois** proposed a 5-cent tax on plastic bags. **New York's** budget expands their bottle bill to include most nonalcoholic drinks and prohibits the use of plastic bags to address the environmental impacts of single-use bags. **Florida** included \$3 million for the closure of six landfills where no responsible party is available to perform the needed closure work and \$3 million for solid waste management grants to counties with smaller populations to support their waste efforts. **Michigan** proposed \$9 million for the state's waste management system and \$15 million for the recycling program.

Environmental Cleanup

States across the country face legacy sites requiring mediation and clean up or are prioritizing these projects to improve water quality and increase economic development. Six states included proposals in their fiscal 2020 budgets addressing hazardous waste, solid waste or other types of clean ups. **California** proposed \$50 million on a one-time basis for additional clean up from a battery facility, **Florida** included \$5.5 million for long-term remedial activities at hazardous waste contaminated sites and \$110 million for the Petroleum Tanks Cleanup Program, while **Montana** requested new spending authority to continue efforts to clean up contaminated sites across the state. Using bonding authority, **Wisconsin** authorized \$25 million to clean up contaminated sediment in areas of concern in the Great Lakes Basin, as **Tennessee** requested \$2 million for remediation of National Priority and Superfund sites. Finally, **Michigan** proposed \$69 million for renewing the state's environment, with \$45 million dedicated to environmental cleanup and redevelopment.

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