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Farm Preservation Programs Benefit New York State



Thomas P. DiNapoli

In October 2010, Comptroller DiNapoli released a new report on the effectiveness of the New York State Farmland Protection Program. New figures from the U.S. Department of Agriculture show that New York State lost 300 farms in 2010 and that the acreage of farmland declined as well, making it more important than ever that New York State make farmland protection a priority.

The Comptroller's report found that the New York State Farmland Protection Program—a program that purchases easements on farmland – can help counteract pressures that may drive land out of agricultural production, particularly in combination with other State programs to promote the economic viability of farms. Funds from the purchase of easements allow farmers to pay off debt, modernize and diversify production and make other investments that can increase farm revenues and help make farms more viable.

New York State's farms generate more than \$4.4 billion for the State's economy each year. In 2007, the income generated directly by farms, combined with income generated by agricultural support industries and by industries that process agricultural products, totaled \$31.2 billion.¹

Land sold for residential or commercial development tends to command higher prices than farmland. This price differential has promoted the conversion of productive agricultural land to other land uses. Easements that transfer development rights from the farmer help ensure that the land will stay in agricultural production when a farm is sold.

Volatility in the price of farm commodities and production inputs results in boom-and-bust cycles for farmers. New York State's Farmland Protection Program has provided capital to help farmers make investments to buffer themselves by entering new markets, such as the market for organic foods, or through marketing directly to consumers through farmers' markets and regional markets.

Market volatility, when combined with the effects of an economic downturn, can be disastrous for farmers. In times of economic hardship, infusions of cash from the sale of agricultural conservation easements can offset the need to add to farmers' debt burdens for planned farm investments, or help stressed farmers weather the combination of recessionary pressures and market-related loss of income.

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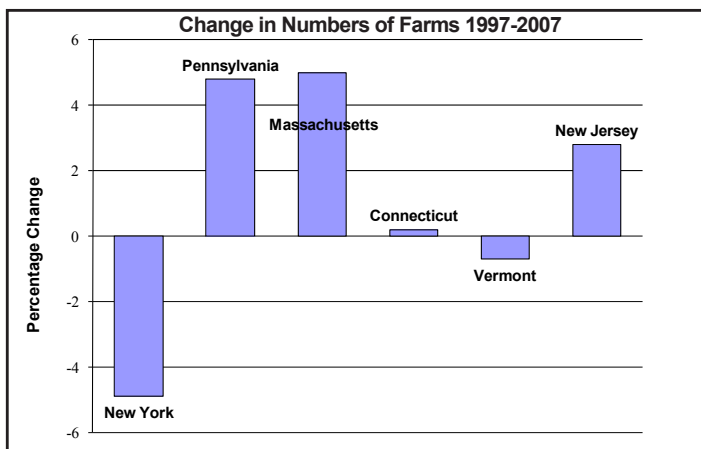
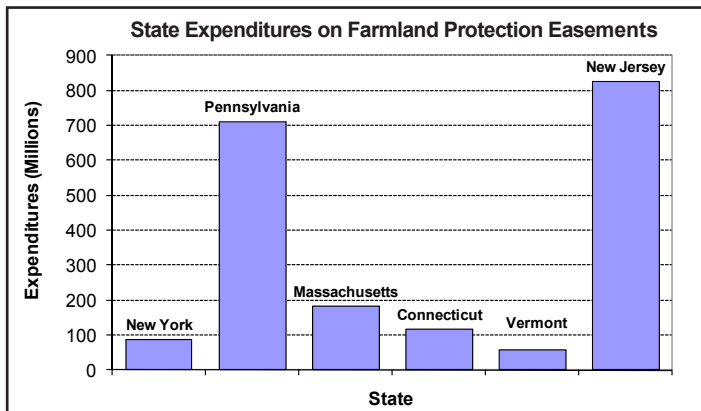
Report Demonstrates the Benefits of Farm Preservation Programs

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The economic benefits from the agriculture industry warrant action by New York State to prevent the unnecessary loss of farms and productive farmland. While substantial funding has been appropriated for the Farmland Protection Program, expenditure delays have limited the program's effectiveness by causing a significant backlog of projects.

Comptroller DiNapoli has stated that "The State has allocated the resources to help save family farms, but those resources are languishing. Our farmers contribute billions of dollars to the State's economy. It's crucial to get this money to where it is needed to ensure that farmers – and all New Yorkers – reap the economic benefits of preserving and protecting the State's farmland."

New York and its neighboring states have all lost farmland over the last ten years, but only New York and Vermont have experienced a net loss of the number of farms. New York has lost a larger percentage of farms than Vermont. The states with the largest historic expenditures on farmland protection – New Jersey, Pennsylvania, Massachusetts and Connecticut – have experienced net growth in numbers of farms.



¹ Bills, Nelson and Gregory Poe. "Agriculture and the Environment: Trends in New York Land Use and Highlights of the 2008 Farm Bill." New York Economic Handbook 2009. Department of Applied Economics and Management, College of Agriculture and Life Sciences. Ithaca: Cornell University, December 2008.

Recent Environmental Audits

Report 2009-S-69 – New York State Department of Environmental Conservation (DEC): Collection of Petroleum Bulk Storage Fees. This audit found that DEC was not collecting all the regulatory fees that were due on bulk oil storage tanks. Audit staff estimated outstanding fees as high as \$3.4 million were due for more than 5,530 facilities. The audit recommends that DEC update its bulk oil storage facility database more frequently, refer all noncompliant facilities to the Office of the Attorney General for prosecution, and consider establishing escalating penalties for facilities that have allowed registrations to expire for a period of longer than one year.

Report 2008-S-141 – New York City Transit Authority Recycling Program. In the course of this audit, OSC staff visited 11 Metropolitan Transit Authority (MTA) facilities to determine if the MTA was implementing a program for recycling that was compliant with State guidance. Of the facilities visited, 9 were in substantial compliance and two were not. Auditors recommended that MTA provide education on the Authority's recycling program and ensure that work sites contain appropriate receptacles for waste and recyclable materials.

Report 2009-S-11 – New York State Office of Parks Recreation and Historic Preservation (OPRHP), Natural Heritage Trust (NHT): Sources of Revenue. In this audit, OSC staff evaluated sources of revenue kept in accounts by the NHT. The NHT is a charitable public benefit corporation. Its charter is to accept gifts and bequests and to administer grants. The NHT is governed by a board of directors comprised of the Commissioners of OPRHP, DEC, the Department of State and the New York State Parks Council. The NHT maintains revenues in custodial accounts associated with specific facilities and programs. The NHT is not subject to State budgetary controls.

Auditors found that in several instances, funds that should have been collected by OPRHP were inappropriately deposited in NHT accounts. These instances included revenues generated through permits for private use of park facilities and fundraising activities that occurred in Bethpage State Park.

Auditors recommended that funds maintained in NHT accounts be returned to the State. Auditors also recommended that better controls be established to distinguish between revenues that should be collected by OPRHP and revenues that can be legitimately managed by NHT. The audit did not find evidence that funds were spent inappropriately.

Corporate Governance Activities Make Advances at Massey Energy

Don Blankenship, Massey Energy's Chairman and CEO until December 2010, was a coal industry leader known for fighting regulations designed to address climate change and other environmental problems related to the combustion of coal. Blankenship also stood out as an opponent of regulations and programs designed to protect worker health and safety. The fruits of Blankenship's leadership were reaped in April 2010 when 29 miners lost their lives in an explosion in Massey's Upper Big Branch Mine in West Virginia.

At the end of 2009, Comptroller DiNapoli, after pressing for improvements at Massey for the previous three years, filed shareholder resolutions calling on Massey to restructure its board to allow shareholders to hold board members more responsible. Prior to the annual meeting, Massey agreed to the Comptroller's restructuring proposal and adopted rules requiring all board members to stand for election every year.

In the wake of the Upper Big Branch mine disaster, Comptroller DiNapoli called for the resignation of Blankenship. In December 2010, Blankenship resigned. Shortly thereafter, Massey Energy was purchased by Alpha Natural Resources. Comptroller DiNapoli will continue to monitor the governance of this company.

DiNapoli Addresses 5th Annual Sustainability Conference



Comptroller DiNapoli with Marge Rogatz, SLI Founding Board Member, Sarah Lansdale, SLI Executive Director, and John Durso, President of the Long Island Federation of Labor.

On March 4, 2011, Comptroller DiNapoli delivered the keynote speech at the annual conference hosted by Sustainable Long Island.

In his speech, the Comptroller discussed the importance of creating a sustainable approach to governing and development, stating: "If we want to build livable, economically vibrant communities that will last generations, we must be smarter now than we were (in the past). In 2011, sustainability is not only a word – it's an imperative – a social, environmental and economic necessity – here on Long Island, across the State and around the world."

Other themes the Comptroller touched on in his speech include:

- ◆ Sustainable budgeting – balancing State expenditures with revenues, eliminating one-shots and gimmicks, ensuring that State borrowing goes before the voters, and prioritizing infrastructure expenditures in keeping with smart growth principles.
- ◆ Sustainable approaches to regulation – balancing the needs of the economy, the environment and social needs, as in the Pine Barrens Protection Act.



Comptroller DiNapoli with DEC Region I Director, Peter A. Scully and Long Island Farm Bureau Executive Director, Joseph M. Gergela III.



Comptroller DiNapoli addressing Sustainable Long Island's 5th Annual Sustainability Conference

OSC Sustainability

Comptroller DiNapoli recently released his second report on the Office of the State Comptroller's Green Initiative. The report outlines OSC's progress in making the agency more environmentally sustainable.

Two notable advances have come in the efficient use of energy and waste reduction. Recently, the Comptroller's Offices at 110 State Street in Albany received Energy Star Certification from the U.S. Environmental Protection Agency (EPA). Buildings that receive this certification use energy more efficiently than 75 percent of other buildings in their class. It is noteworthy that the improvements necessary to qualify for Energy Star were achieved without major capital investments, but through optimizing operations of existing machinery and through building staff taking simple actions like turning off computer monitors and lights that were not in use. By using energy more efficiently, OSC is reducing harmful environmental emissions and saving money on energy expenditures.

On the waste reduction front, OSC has continued to make progress on paper use reduction. In SFY 2009-10, OSC changed default settings on area printers and reduced paper use by 18 percent (approximately 100,000 sheets of paper per month saved) measured against the baseline year of SFY 2007-08. An additional 5.5 percent reduction was accomplished through reuse of paper trimmings from agency printing operations as draft quality paper (saving approximately 40,000 sheets of paper per month), and substituting electronic invoices for paper copies of phone bills (saving approximately 4,000 sheets of paper per month).

