

FY 2024

Governor's Recommended

Budget

Vermont Agency of Natural Resources
Julia S. Moore, P.E., Secretary

Agenda

- ANR FY24 Budget Overview
- FY24 Key Budget - Key Changes
- One-Time Investments
- Capital Bill One-time GF to Cash Fund Investments
- Position Changes
- On-Going and Significant Initiatives
- FY24 ANR SO Budget Overview
- FY24 ANR SO Budget - Key Changes
- ANR SO One-Time Investments
- Budget Development Form

FY24 ANR Budget Overview

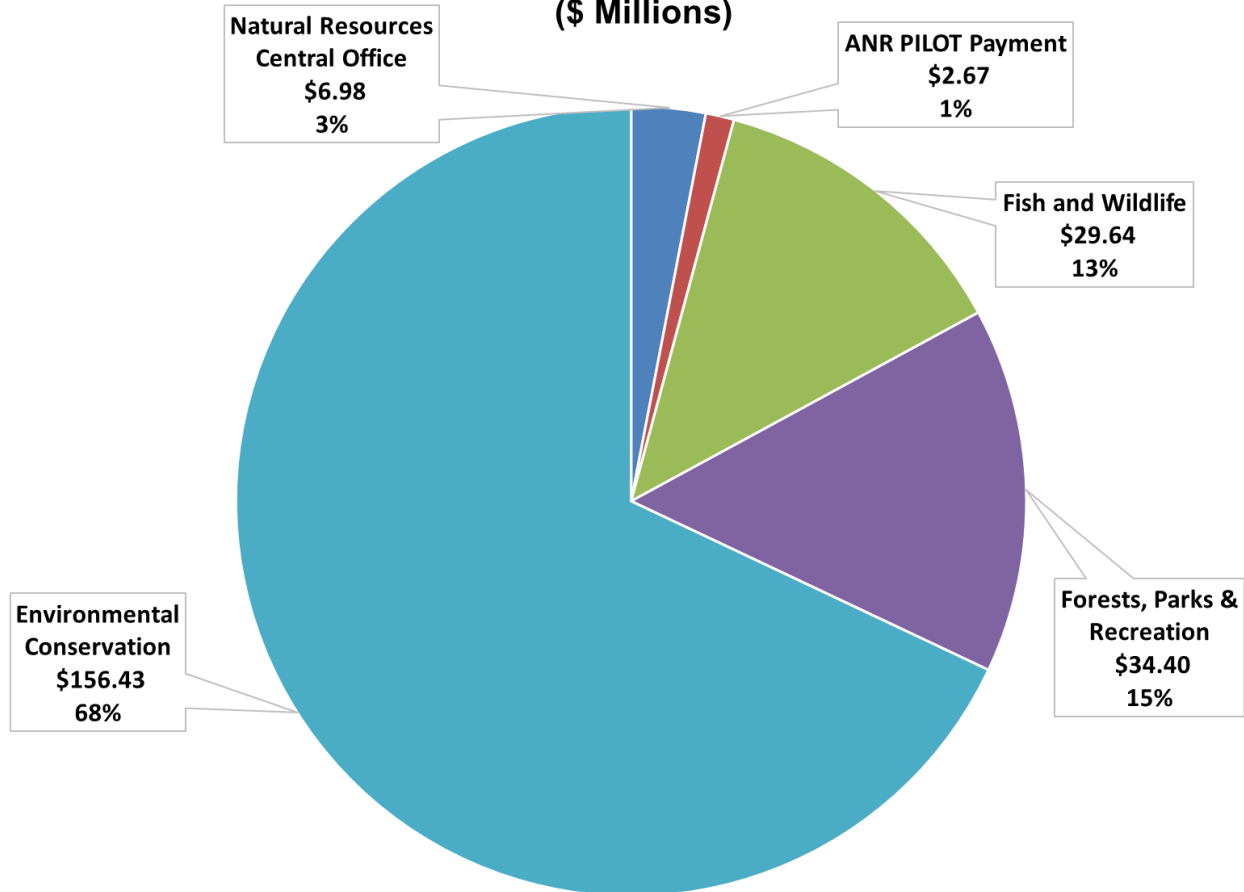
- Governor's FY24 Recommend: \$230.1 million
 - Increase of \$42.5 million (22.64%) above FY23, driven largely by federal Bipartisan Infrastructure Law (BIL) funds
 - Since FY22 ANR has been appropriated over \$160M in ARPA funds which is not reflected in the FY24 budget
- Budget supports 650 full-time employees and ~400 seasonal workers
 - Includes more than 50 limited-service positions to support implementation of BIL and ARPA funds
- Roughly 2/3s of the FY24 budget will be passed thru to municipalities, contractors, and partner organizations

FY24 ANR Budget Overview

- More than 80% (\$193.9 million) of ANR's FY24 budget is special and federal funds
 - Budget fully utilizes projected revenue from special and federal funds, but these sources have not fully kept pace with inflation and growth in expenses
- About 4.5% (\$1.9 million) of the proposed increase in ANR's FY24 budget is General Fund
 - This represents a 5.6% increase in the Agency's GF allocation
 - Funds significant portion of Pay Act and ISF increases

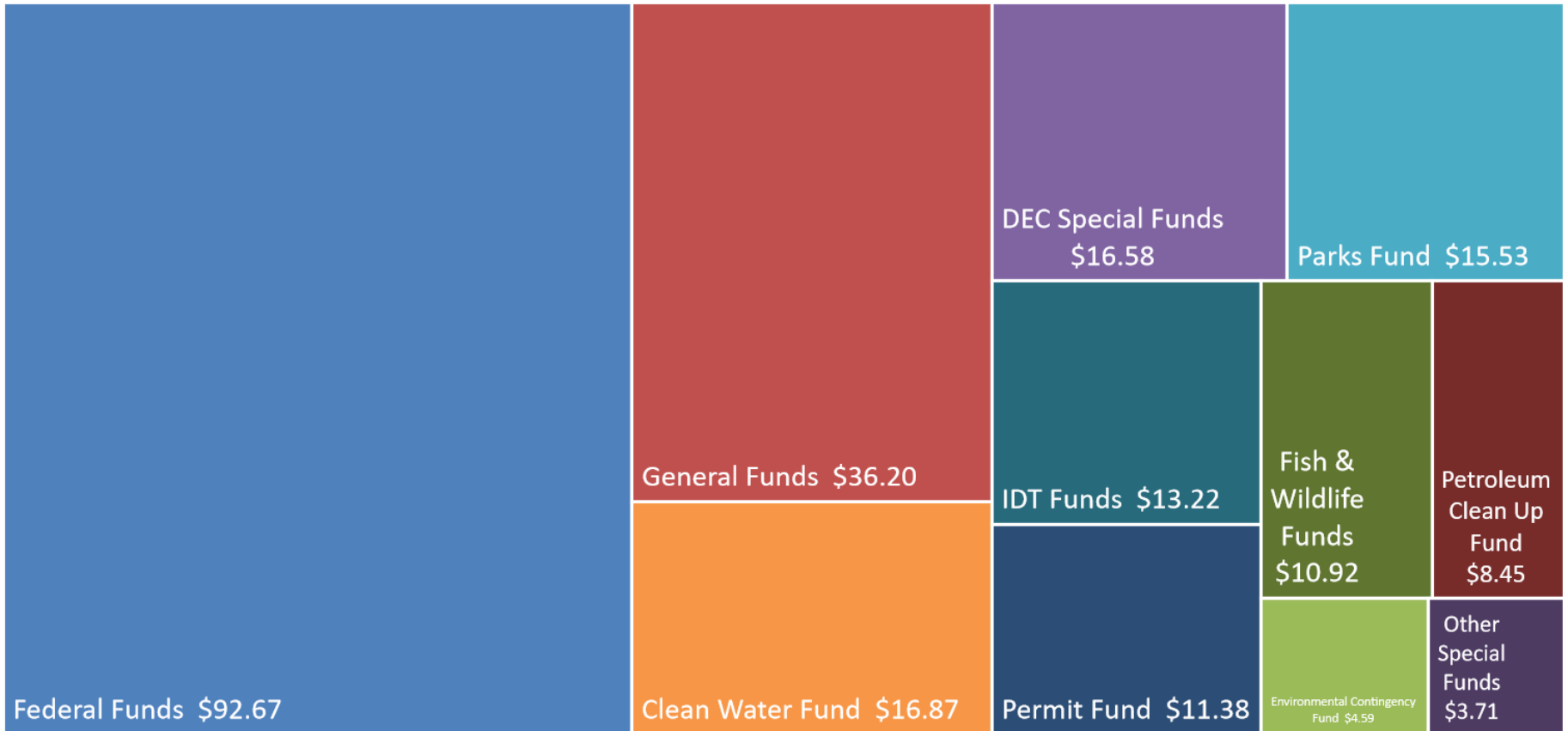
FY24 Budget Overview – by Department

FY2024 Governor's Recommended Budget By Department
(\$ Millions)



FY24 Budget Overview – by Fund

FY2024 Governor's Recommended Budget By Fund (\$Millions)



FY24 ANR Budget Key Changes

- Forestry reclassification:
 - Modernize position structure to better respond to ongoing and prepare for the increased staffing demands and emerging needs already impacting the division
- Climate Office “true-up”:
 - Adjusts base funding for the Climate Action Office (CAO) that was created with the FY23 budget to meet staffing needs
- Civil Rights and Environmental Justice Unit:
 - Act 154 (S.148) created significant, on-going environmental justice (EJ) responsibilities for the Agency
 - Funding is currently limited to one-time monies

FY24 One-Time Investments

- ANR SO
 - \$900K Climate Action Office Technical Analyses, Tools and Training
 - \$5M to build-on congressionally-directed spending for Clean Heat Homes
 - \$700K to expand VEIC's refrigerant management program and reduce GHGs
 - \$300K to extend Environmental Justice positions
- FWD
 - \$150K to make statutorily-required wildlife crop damage payment
- FPR
 - \$500K to make improvements to Parks staff housing
 - \$1M to provide non-federal outdoor recreation grant match for small communities
 - \$500K for EAB hazard tree removal/Low-Income Heating Fuel Assistance
- DEC
 - \$10M to continue ARPA-funded Healthy Homes Initiative
 - \$2.5M for Brownfields assessments (companion with ACCD funding)
 - \$10M for PFAS remediation needs following private well testing
 - \$1M for vehicle emissions repairs for low-income Vermonters

Capital Bill One-Time GF to Cash Fund Investments

- FPR
 - \$3M Replacement Park Maintenance Facilities at Gifford Woods (Killington) and Groton (line 95)
- DEC
 - \$27M State match to supplemental federal EPA CW & DW SRF capitalization grants (line 100)
 - \$4.5M Waterbury Dam Rehabilitation (line 102)
 - \$10M Municipal Pollution Control Grants (line 117)
- FWD
 - \$1M Infrastructure Maintenance/Improvement of Fish and Wildlife Buildings including Conservation Camps (line 106)

FY24 ANR Budget –Position Changes

- Since the start of FY22, the Agency sought and received approval to hire just over 50 limited-service positions to support deployment of federal funding under ARPA and IIJA
- The Agency's SFY24 budget establishes four additional IIJA-funded limited-service positions in FPR along with one limited-service position supported by the clean water fund.

FY24 ANR Budget – Position Changes

	FY 2024	%of total	ARPA Limited-Service Positions	Environmental Justice - OneTime	Clean Water/ IIJA One Time
ANRCO	38	5.9%	2	3	
F&W	144	22.4%	2		
FPR	125	19.4%	1		5
DEC	336	52.3%	34		
Total Positions	643		39	3	5

Significant and On-going Initiatives

- Successful deployment of ARPA and IIJA funds
- Undertaking PFAS monitoring and response work to ensure Vermonters are protected from the potential effects of PFAS on human health
- Completing PCB testing and remediation in Vermont schools
- On-going implementation of Act 64 (2015) – Vermont’s Clean Water Act – and Act 76 (2019) related to establishing Clean Water Service Providers
- Expanding Vermont’s outdoor recreation offerings, including investments in fishing access areas, wildlife management areas, state parks and forests, and investing in local community recreational assets

FY24 ANR SO Budget Overview

	FY 2022 Actuals	FY 2023 Budget	FY 2024 Gov Rec	23-24 Change
Major Object				
Personal Services	4,793,449	4,896,594	5,503,798	607,204
Operating Expenses	1,052,656	1,329,284	1,471,913	142,629
Grants		-	-	-
Total	5,846,105	6,225,878	6,975,711	749,833
Funds				
General Funds	4,342,644	4,188,563	4,593,987	405,424
Special Funds	344,075	680,985	775,079	94,094
Interdepartmental Transfer	1,159,385	1,356,330	1,606,645	250,315
Total	\$5,846,105	\$6,225,878	\$6,975,712	\$749,833

FY24 ANR SO Budget Overview – by Program

FY 2024 Overview of the Secretary's Office Programs



FY24 ANR SO Budget Key Changes

- Climate Office True-Up:
 - Right size the Climate Action Office (CAO) that was created with the FY23 budget
- Civil Rights and Environmental Justice Unit:
 - Act 154 (S.148) established an environmental justice (EJ) policy for the State of Vermont which creates significant, new EJ-related responsibilities for the Agency.

One-Time ANR SO Investments

- **Climate Action Office Technical Analyses, Tools and Training:**
 - \$900,000 for investments in on-going evaluation, implementation support and tracking the impact of programs and policy approaches needed to reduce greenhouse gas emissions and improve landscape-level resilience consistent with the Global Warming Solutions Act.
- **Clean Heat Homes:**
 - \$5,000,000 to augment federal funding for a single-point program to help low- and moderate-income Vermonters with “whole home” climate improvements – weatherization, clean heat systems, and electrification ready upgrades – supported by on-bill financing.

One-Time ANR SO Investments

- **Refrigerant Management:**
 - \$700,000 for incentives to improve commercial and industrial refrigeration systems, focused on reducing the use of high-global warming potential (GWP) refrigerants and/or replacing, outright, older systems prone to leaks.
- **Environmental Justice Positions:**
 - \$300,000 for one additional year of funding for the following positions: (1) one fulltime Civil Rights Compliance Director; and (2) two fulltime positions to assist in the implementation of the Environmental Justice State Policy and support the Environmental Justice Advisory Council.

Budget Development Form

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
Approp #1 Agency of Natural Resources Central Office: FY 2023 Approp	4,188,563	680,985	0	1,356,330	0	6,225,878
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY23 budget)						0
FY 2023 Other Changes	0	0	0	0	0	0
Total Approp. After FY 2023 Other Changes	4,188,563	680,985	0	1,356,330	0	6,225,878
						0
Personal Services:						0
Salary and other Benefits Changes	56,263	20,873		23,325		100,461
Retirement Rate increase	32,146	10,686		376		43,208
Health Care increase	28,150	25,899		8,614		62,663
						0
Climate Office Correction	100,000					100,000
						0
Moving Climate Office positions from DEC to CO	156,489	36,636		93,000		286,125
Increase due to DEC covering lawyer expense				125,000		125,000
						0
Operating:						0
Internal Service Funds	(671)					(671)
Rent and Property Management Increase	19,991					19,991
Net Change in Operating Expenses	10,057					10,057
Legal Professional Licenses due to CBA change	3,000					3,000
						0
Subtotal of Increases/Decreases	405,424	94,094	0	250,315	0	749,834
FY 2024 Governor Recommend	4,593,987	775,079	0	1,606,645	0	6,975,712
						0
Approp #2 ANR PILOT: FY 2023 Approp	2,240,118	0	0	421,500	0	2,661,618
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY23 budget)						0
FY 2023 Other Changes	0	0	0	0	0	0
Total Approp. After FY 2023 Other Changes	2,240,118	0	0	421,500	0	2,661,618
						0
Additional PILOT Payment from new acquisitions	12,899					12,899
Subtotal of Increases/Decreases	12,899	0	0	0	0	12,899
FY 2024 Governor Recommend	2,253,017	0	0	421,500	0	2,674,517
						0
						0
Agency of Natural Resources Central Office FY 2023 Appropriation	6,428,681	680,985	0	1,777,830	0	8,887,496
Reductions and Other Changes	0	0	0	0	0	0
FY 2023 Total After Other Changes	6,428,681	680,985	0	1,777,830	0	8,887,496
TOTAL INCREASES/DECREASES	418,323	94,094	0	250,315	0	762,733
Agency of Natural Resources Central Office FY 2024 Governor Recommend	6,847,004	775,079	0	2,028,145	0	9,650,229