



AGENCY OF NATURAL RESOURCES

TESTIMONY ON FY_{24/25} CAPITAL BILL

Julia S. Moore, P.E., Secretary
February 13, 2024

Agenda

- Section 9 – Agency of Natural Resources
- Section 10 – Clean Water
 - Approach to offset reduced FY25 Capital Bill allocation
- FPR Proposed Technical Correction: 10 V.S.A. § 2603(g)

FY25 ANR Capital Bill Recommend

Section 9: Agency of Natural Resources (no changes) - \$7,497,051

- Line 82: \$2,207,901 for DWSRF 20% State Match
- Line 84: \$3,250,000 for FPR general infrastructure (inc. 3-acre stormwater)
- Line 86: \$1,344,150 for F&W general infrastructure
- Line 88: \$25,000 for Lake Champlain Walleye Association
- Line 89: \$670,000 for recreational access and forest roads

FY25 ANR Capital Bill Recommend

Section 10: Clean Water - \$6,000,000

AAFM:

- Line 97: \$550,000 for water quality grants to farmers

ANR

- Line 99: \$1,600,000 for CWSRF 20% state match
- Line 100: \$3,300,000 for Municipal Pollution Control Grants
- Line 102: \$550,000 for forestry access road water quality improvements

Clean Water Funding – All Sources

Proposed FY25 Clean Water Approps	\$47,589,000
• Clean Water Fund (base):	\$25,775,887
• <i>Property Transfer Tax Surcharge</i>	
• <i>Escheats (unclaimed bottles)</i>	
• <i>Meals and Rooms Tax</i>	
• Clean Water Fund (one-time):	\$ 3,813,113
• <i>Prior year "excess receipts"</i>	
• <i>Down about \$10M from FY24 as ARPA funds have been exhausted</i>	
• Capital Bill (FY25 only):	\$6,000,000
• <i>FY25 Capital Fund (typically \$10 million/year)</i>	
• Clean Water Fund (FY25 Capital Bill "gap")	\$4,000,000
• <i>Unallocated/unreserved revenue balance</i>	
• LCBP/Leahy Appropriation	\$8,000,000 (100% federal)

* Does not include work funded through the T-Bill to address runoff from state highways

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• LCBP/Leahy Appropriation	\$8,000,000 (100% federal)

Purview of
Clean Water
Board

* Does not include work funded through the T-Bill to address runoff from state highways

FY25 Capital Bill “Gap”

- Clean water work relies on a long-term annual commitment from the Capital Bill of **\$10-12 million**
 - 10 V.S.A. § 1387 (3): *To ensure success in implementing the Clean Water Initiative, the State should commit to funding the Clean Water Initiative in a manner that ensures the maintenance of effort and that provides an annual appropriation for clean water programs in a range of \$50 million to \$60 million as adjusted for inflation over the duration of the Initiative.*
- Section 10 of Act 69 (as passed) allocated **\$6 million** in FY25 for recommendation by the Clean Water Board

FY24/25 Capital Bill – Section 10 – SFY25 Proposed Budget Adjustment

Agency	Line Item	Description	Capital Bill	One-Time Clean Water Fund
AAFM	Water Quality Grants (line 97)	Practices include: manure and agricultural waste storage facilities, composting stack pads, silage leachate collection, laneway development & stream crossings, and clean water diversions	\$550,000	\$1,200,000
ANR	Forestry Access Road Water Quality Improvements (line 102)	Practices to reduce erosion and nutrient and sediment pollution from ANR's road and trail network and recreational access points	\$550,000	
ANR	Clean Water State Revolving Fund (CWSRF) (line 99)	State match to federal CWSRF; finances wastewater refurbishment and upgrades, sewer collection system refurbishment, combined sewer overflow abatement, stormwater treatment, and natural resources projects	\$1,600,000	
ANR	Municipal Pollution Control Grants (line 100)	Funds wastewater refurbishment and upgrades, sewer collection system refurbishment, combined sewer overflow abatement, and stormwater treatment projects	\$3,300,000	
VHCB	Agricultural Water Quality Projects (line 104)	Water-quality related investments in-fee lands and conservation easements		\$800,000
VHCB	Land Conservation and Water Quality Projects (line 105)	Gants to farmers for water quality-related capital practices and purchase of marginal farmland; grants typically help pay for project components that are not covered by other state/federal programs		\$2,000,000

FPR Proposed Technical Correction: 10 V.S.A. § 2603(g)

~~10 V.S.A. § 2603 (g) The Commissioner shall consult with and receive approval from the Commissioner of Buildings and General Services concerning proposed construction or renovation of individual projects involving capital improvements which are expected, either in phases or in total, to cost more than \$200,000.00. The Department of Environmental Conservation shall manage all contracts for engineering services for capital improvements made by the Department of Forests, Parks and Recreation.~~

The Department of Environmental Conservation Facilities Engineering Section: 1) may execute and consult on design for the Department of Forests, Parks, and Recreation; 2) shall provide professional engineering services for compliance with environmental operating permits; and 3) shall be the custodian of all plans of record for work executed by FPR regardless of source and designer of record.