

January 17, 2024

Dear Chair Lanpher and House Committee on Appropriations,

Thank you for the opportunity to provide comment regarding the Governor's Recommend for the 2024 Budget Adjustment Act (BAA). Thank you, also, to Rep. Squirrel for the review of proposed changes and providing clarifying answers to various questions.

At this time, the House Environment and Energy Committee is not suggesting any changes to the Governor's Recommend. However, review of the various proposed changes raised the following questions within Committee:

- Section B. 702 adds \$655,000 for a payclass upgrade to the Fish and Wildlife Department, using a mix of General Fund, Special Funds and Federal Funds. We have not had a fee bill or proposal for increasing revenue in eight years.
 - Question: Will the administration be proposing any suggestions for how to address ongoing, increased costs (e.g. cost of living, inflation) within state government via a sustainable structure such as increasing fees?
- Section B. 710 is a transfer of \$3.5 million from the Solid Waste Management Assistance Account of the Waste Management Assistance Fund to the Environmental Contingency fund for the school PCB testing program.
 - We understand that this money was being held at the Solid Waste division for grant match and other contingencies such as this one. However, we remain concerned by the long-term viability of the Environmental Contingency Fund, as well as future needs by the Solid Waste Management division. Is the Administration proposing recommendations for how to ensure continued financial viability?
- B.1103(n) adds \$165,000 to continue with the assessment regarding the Green River Reservoir. The initial appropriation for this assessment was \$350,000. The explanation states that "this is for an analysis to evaluate structural stability, hydraulic adequacy, risk valuation of the infrastructure and alternative uses." We would have assumed that this would have been included in the original proposal of the assessment that received \$350,000. We note that this was discussed in your Committee, and that with some of the work done and discussions with the contractors, that an additional \$165,000 is needed to complete the project by the end of calendar year 2024.
 - Is the additional \$165,000 due to increased costs associated with this work? Or was this part of the Scope of Work not included in the initial assessment,

and if it wasn't, how was that missed? Or was the original appropriation too little for the Scope of Work? Further clarification would be helpful.

- D.101(a)(1)(l) transfers \$120,300 from the General Fund to the Act 250 Permit Fund. The explanation states that this is needed to fill a budget gap that the Natural Resources Board (NRB) is experiencing as a result of S.100, or the "Homes Act", which included new housing and utility exemptions. We wanted to share that we spoke with the Executive Director of the NRB and learned that this amount is an estimate determined by a review of past permit filings to determine how many would have received the exemptions, had the S.100 exemptions been in place previously. Thus, it should be understood that this is an estimate from past projects.
- D.101(c)(5) transfers \$100,000 from Agency of Administration to the Clean Water Fund, due to a lack of response to a Request for Proposal to complete an audit of the Clean Water Fund.
 - Does this mean the audit wasn't completed? If it was, what were the results? If it wasn't, is the Administration proposing any next steps to auditing the Fund?
- We note that the Agency of Natural Resources has requested a language change regarding last year's appropriation of \$2.5 million of General Fund dollars to the Department of Environmental Conservation for the Brownfields Reuse and Environmental Liability Limitation Act, as follows: "Funds shall be used for the assessment and cleanup planning ~~for a maximum of 25~~ brownfield sites." This results in removing the cap on the number of brownfields for consideration, providing far greater flexibility to DEC in making funding determinations. We recall the discussion last year regarding the Administration's interest in ensuring that funds do not go to a handful of projects, but that they are rather dispersed widely throughout Vermont. We support geographic diversity in the use of the funds, but we also recognize that this fund is limited in size, and that the more locations receive funds, the likelihood that the individual funding amount to a particular project is reduced, thereby creating the potential for having less real impact on projects.
 - During the future 2024 budget presentation to House Environment and Energy, please present a list of projects, their location, what was funded and how much, so that we can review the success of this program.

As highlighted last year, the House Environment and Energy Committee remains concerned about following through on our commitments and ensuring that various Funds are made whole to ensure effective state government, upholding of law, and leveraging Federal funds to the maximum extent possible.

We note that 32 V.S.A. §307(c) and (c)(4) reads: "The budget shall also include a strategic plan for each State agency, department, office or other entity or program. A strategic plan

shall include...(4) an analysis of the use of resources to meet needs, including future needs, an analysis of additional resources that may be necessary to meet future needs...”

In closing, while we are not recommending changes to the Governor’s Recommended BAA, we look forward to receiving the answers to the above questions, and to reviewing the Administration’s revenue proposal when the Budget Act is brought to the Legislature.

Thank you again for your consideration.

Sincerely,

Chair Amy Sheldon and the House Environment and Energy Committee