

Natural Resources Board Testimony
House Ways and Means Committee
January 22, 2015
Louis Borie, Executive Director

1. Natural Resources Board (NRB)
 - a. Independent Board in Executive Branch; primary mission of NRB is to administer Act 250; 27 staff, 70 citizen volunteer District Commission and Board Members
 - b. NRB Budget: FY 2015 budget = \$2.8 million
 - Special Fund Spending Authority = \$2,016,988 (71%)
 - General Fund Appropriation = \$ 813,268 (29%)
2. Special Fund/General Fund
 - a. NRB funded with combination of Special Funds (SF) and General Funds (GF) since 1988
 - b. Special Funds from Act 250 fees: 10 V.S.A., Sec. 6083a “. . .*In addition, applicants shall be subject to the following fees for the purpose of compensating the state of Vermont for the direct and indirect costs incurred with respect to the administration of the Act 250 program: . . .*”
 - c. Difficult to predict SF revenues and can be large variation from year to year depending on business cycles and timing of large applications; in some years NRB exceeds SF target, in some years falls short; evens out over time
 - d. SF revenues have been relatively stable last three years, averaging just over \$2 million
 - e. Jurisdiction and Fee exemptions:
 - i. Municipal and State projects exempt from fees
 - ii. Downtown project fee exemption starting in FY 2015
 - iii. Neighborhood Development Area Housing = 50% fee reduction
 - iv. Priority Housing exemption in Designated Centers
 - v. Telecom Projects - PSB Sec. 248a
3. NRB FY 2016 Budget Assumptions
 - a. Level General Funds
 - b. Maintain existing level of service; no increase or decrease in staff positions
 - c. Level Act 250 application volume and total construction costs of \$400 million
4. Fee Proposal
 - a. Fees last changed in 2012 (earth extraction fee); proposing to increase 6 fees plus fee cap – listed on spreadsheet
 - b. Fee increases are mostly in line with Consumer Price Index increase
 - c. Construction Cost fee estimates for FY 2015 and FY 2016 include \$150,000 and \$184,000 reductions for fee exempt projects in designated centers
5. Upward Pressures on NRB budget
 - a. Salaries and benefits (60% of total fee increase)
 - b. Fee Exemptions in Designated Areas (30% of total fee increase)
 - c. Operating Expenses: Includes support for one-time technology improvements to improve customer service (10% of total fee increase)