



NATURAL RESOURCES BOARD

Dewey Building
National Life Drive
Montpelier, Vermont 05620-3201

To: Senator Jane Kitchel, Chair, and Members of the Senate Appropriations Committee

From: Jon Groveman, Chair 

Louis Borie, Executive Director 

Date: March 31, 2015

Re: Natural Resources Board Proposed FY 2016 Budget

I. Natural Resources Board Overview

The primary function of the Natural Resources Board (NRB) is to administer Act 250 (10 V.S.A. Chapter 151), Vermont's Land Use and Development Law. The law regulates certain types of development and subdivision in Vermont. Land Use Permits are issued by nine lay District Environmental Commissions, supported by full-time staff located in 5 district offices. The NRB is served by a total of 27 full-time employees and approximately 70 citizen volunteer Commissioners and Board members.

The NRB also may participate as a party in Act 250 appeals to the Environmental Division of the Superior Court (Environmental Division), and may petition the Environmental Division for permit revocation. The NRB participates in most appeals before the Environmental Division that present legal issues concerning Act 250, the Act 250 Rules, or the Act 250 process. The NRB is also charged with enforcement of Act 250. Enforcement consists primarily of civil prosecutions initiated by the NRB before the Environmental Division. The NRB also promulgates rules for administering Act 250, such as the Act 250 Rules, and provides training and legal assistance to District Commissions and staff. In July 2013 the NRB assumed a new statutory function: hearing reconsiderations of District Coordinator Jurisdictional Opinions.



II. Strategic Overview and Key Budget Issues

The NRB is funded with a combination of **General Funds and Special Funds** generated by Act 250 application fees. The NRB's **proposed FY 2016 budget is \$3,170,316, based on a General Fund appropriation of \$839,419 (26%) and Special Fund spending authority of \$2,330,897 (74%).** (See Sec. IV. below for additional information about a proposed reduction to NRB's General Fund appropriation.) The proposed FY 2016 budget is based on maintaining NRB's current level of service to the public and the regulated community.

NRB's FY 2016 General Fund Appropriation is level-funded from the prior year. Special Fund spending authority is proposed to increase from \$2,016,988 to \$2,330,897. This is supported by proposed fee increases which are part of the Executive Fee Bill. (See below.) See the attached budget development form for additional information.

The increase in NRB's budget is primarily due to the annualized cost of salary and benefit increases during FY 2015 (\$269,682). In particular, 21 of 23 classified positions have been reclassified in FY 2015, as a result of employee requests for reclassification. Another key factor is the average years of service for NRB employees (20.1 years, the highest of any state agency) and our average turnover rate (2.6%, the second lowest of any state agency). No vacancy savings are anticipated or budgeted for FY 2016.

Finally, NRB proposes one-time expenditures in FY 2016 to support the full implementation of a paperless application process (\$21,000), the continued development of a new public web site to provide improved access to Act 250 permit applications and documents (\$10,000), and to support a new case management system being developed in partnership with the Agency of Natural Resources (\$10,000). These initiatives will benefit the public and the regulated community by improving the efficiency of case management, improving access to Act 250 applications and information, and lowering the cost of participating in Act 250 cases.



III. Impact of Proposed Legislation

Executive Fee Bill

NRB is proposing to increase several Act 250 permit application fees as part of the Executive Fee Bill. The increased fees would generate an additional \$459,356 of Special Fund revenue. This fee revenue will support the expenditures outlined above, as well as compensate for Act 250 fee exemptions enacted in 2014 as part of legislation to support downtown development.

IV. FY 2016 Budget Gap: Natural Resources Board

A provision in the Governor's proposed FY 2016 budget requires NRB to work with the Agency of Natural Resources (ANR) to identify opportunities for sharing of administrative services, with a resulting savings of \$200,000. NRB and ANR are working together to identify opportunities for savings and will submit a plan to the Administration and the Appropriations Committees. The budget outlined above does not include the savings anticipated by this plan, however it is important to note that the House passed budget does include a reduction of \$200,000 in NRB's General Fund appropriation and a corresponding decrease of \$200,000 in Operating Expenses.

