

House Corrections and Institutions
Cost Share Requirements for Agricultural Water Quality Assistance

A. Act 84, Sec. 11(d)

(d) The following sums are appropriated in FY 2018 to the Vermont Housing and Conservation Board for the following projects:

(1) Statewide water quality improvement projects or other conservation projects:
\$2,800,000.00

(2) Water quality farm improvement grants or fee purchase projects that enhance water quality impacts by leveraging additional funds:
\$1,000,000.00

B. 6 V.S.A. § 4824. State Financial Assistance Awards; Agricultural Water Quality

(a) State grant. State financial assistance awarded under this subchapter shall be in the form of a grant. When a State grant is intended to match federal financial assistance for the same on-farm improvement project, the State grant shall be awarded only when the federal financial assistance has also been approved or awarded. An applicant for a State grant shall pay at least 10 percent of the total eligible project cost. The dollar amount of a State grant shall be equal to the total eligible project cost, less 10 percent of the total as paid by the applicant, and less the amount of any federal assistance awarded, except that a State grant shall not exceed 90 percent of the total eligible project cost.

C. Pending Issue—Does 6 V.S.A. § 4824 Apply to VHCB Grants Under Act 84

- Are the VHCB water quality farm improvement grants under Act 84, Sec. 11(d) subject to the cost share and State grant limits in 6 V.S.A. § 4824.
- Example: A purely State funded water quality project on a farm.
 - The total cost of the project is \$100,000.
 - The Agency of Agriculture commits to paying \$80,000 of the project under the agricultural water quality assistance program in 6 V.S.A. chapter 215, subchapter 3.
 - The farmer is left with a \$20,000 cost share—20%
 - But VHCB gives the farmer a \$15,000 grant, leaving the farmer with a \$5,000 cost share of 0, or 5% of the total project costs.
 - The total State funds would be 95%, more than the 90% under 6 V.S.A. § 4824.
- Is VHCB prohibited from issuing grants to farmers that would exceed the 90% State cap or decrease the farmer cost share below 10% of the total project cost.