




To: Representative Kitty Toll, Chair, and Members of the House Appropriations Committee

From: Diane B. Snelling, Chair 

Date: February 15, 2017

Re: Natural Resources Board Proposed FY2018 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, which are supported by full-time staff located in five district offices. The NRB is served by a total of 24 full-time employees and approximately 70 citizen volunteer Commissioners and Board members.

The NRB may also participate as a party in Act 250 appeals to the Environmental Division of the Superior Court 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, Act 250 Rules, or the Act 250 process. The NRB is also charged with enforcement of Act 250. Enforcement primarily consists 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.

II. Budget Overview

The NRB is funded by a combination of **General Funds and Special Funds** generated by Act 250 application fees. The NRB's **proposed FY2018 budget is \$3,066,650, consisting of a General Fund Appropriation of \$607,606 (20% of the total) and Special Fund spending authority of \$2,459,044 (80% of the total)**. The proposed FY2018 budget is based on maintaining NRB's current level of service to the public and the regulated community.

The NRB's proposed FY2018 General Fund Appropriation of \$607,606 represents level funding, as adjusted by a small increase in internal service fund charges. Special Fund spending authority is proposed to increase 6.9%, from \$2,300,512 to \$2,459,044, primarily as a result of the annualization of salary and benefit increases and the cost of supporting a limited service position to improve the Act 250 database and application process. See the attached budget development form for additional information.

III. Business Process Improvement

LEAN: The NRB participated in a LEAN event in 2015. The week-long event focused on the current Act 250 permit application process. NRB staff are currently working through an extensive 24-month implementation plan to carry out the improvement recommendations. Key Performance Indicators are being tracked to measure the success of these changes. Significant progress has been made by improving the applicant's application guidance documents. The NRB also adopted a state-wide application processing manual for administrative support staff to use. In addition, the NRB has established and defined consistent roles and responsibilities for District Office support staff and established standard notice periods, including an earlier deadline for ANR and other state agency comments.

Overall completion of the Business Improvement Plan to date is 38%. Progress is reported to the Legislature as part of ANR's regular Lean Reporting.

New Act 250 Database and Online Application Form: The NRB is currently working with the IT staff of the Agency of Natural Resources to develop a new Act 250 database website and online Act 250 application form. As part of the Position Pilot Program, ANR will hire a two-year, limited service IT position responsible for the design and development of the new database and online application. Our FY2018 Budget reflects \$100,000.00 of Special Funds designated as an inter-departmental transfer to ANR.

The web portal will include information and search capabilities for all Act 250 permits issued since 1970, including a complete record of permit documents for more recent permits. The portal will replace the current Act 250 database portal hosted by ANR on its website. The new online application form will enable applicants to complete an Act 250 application online, including payment of the associated fee. Applicant and project information will populate the Act 250 database described above.