

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

Date: February 19, 2020
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H.688 An act relating to addressing climate change

Strike-all Energy Committee Amendment with no further amendment by the House Appropriations Committee

<https://legislature.vermont.gov/Documents/2020/Docs/CALENDAR/hc200212.pdf>, pp. 515-530.

Bill Summary

This bill establishes the Vermont Climate Council, composed of 22 people and at least four subcommittees, chaired by the Secretary of Administration. The Council is responsible for identifying, analyzing, and evaluating strategies and programs to ensure that Vermont's greenhouse gas emissions will be at least 26 percent below the 2005 level by January 2025, at least 40 percent below the 1990 level by January 2030, and at least 80 percent below the 1990 level by January 2050. On or before December 1, 2021 the Council will adopt the Vermont Climate Action Plan and will update it every four years thereafter.

Fiscal Impact

Needed appropriations in FY 21 for the two-year period FY 21 and FY 22 are **\$972,000**.
Estimated expenses for FY 21 occur in three areas:

- 1) \$336,000 for three additional FTEs at the Agency of Natural Resources for a staff director for the Council; a data analyst with expertise in GHG emission measurement, verification, and mitigation; and a lawyer with regulatory expertise;
 - a. Salary: approximately \$80,000 each
 - b. Benefits at 40%: \$32,000 each
 - c. Possible minimal additional costs for equipment, space, and training
 - d. Total appropriation approximately $3 * \$112,000 = \$336,000$

- 2) \$50,000 for per diems and expenses for attendees at Council and Subcommittee meetings
 - a. Should the Council meet 10 times annually, and every one of the 14 members who is not employed by state government participate and request per diem, the estimated maximum state cost for these per diems would be \$17,675 per year. Actual expenses will likely be lower.
 - i. Daily rate = \$50 (per diem) + \$76.25 (average cost for meals, transportation, other expenses) = \$126.25

- ii. Number of non-government members = 14
- iii. Maximum number of meetings per year = 10
- iv. $(\$126.25 \text{ daily rate}) \times (14 \text{ members}) \times (10 \text{ meetings}) = \$17,675$

- b. Should the 4 Subcommittees meet 6 times annually, and each of the 10 or 11 Subcommittee members who are not employed by state government participate and request per diem, the estimated maximum state cost for these per diems would be \$31,815 per year. Actual expenses will likely be lower.
 - i. Daily rate = \$50 (per diem) + \$76.25 (meals, transportation, other expenses) = \$126.25
 - ii. Maximum number of meetings per year = 6
 - iii. Number of non-government members per Subcommittee = 10.5
 - iv. $(4 \text{ subcommittees}) \times (\$126.25 \text{ daily rate}) \times (10.5 \text{ members}) \times (6 \text{ meetings}) = \$31,815$

3) \$200,000 in funds for public outreach and/or consultants

4) Total estimated spending in FY 21 is \$586,000

Estimated expenses for FY 22 occur in two areas:

- 1) \$336,000 for the three FTEs in the Agency of Natural Resources that would continue in the second year.
- 2) \$50,000 for per diems and expenses for Council and Subcommittee members who are not employed in state government that would continue in the second year.
- 3) Total estimated spending in FY 22 is \$386,000

Indirect effects on state spending are associated with uncertain dollar amounts

- 1) Effects on other agencies such as Agriculture, Commerce & Community Development, or Transportation
 - a. Program and planning time
 - b. Costs involved in enhanced measurement of greenhouse gas emissions
 - c. Costs to evaluate programs
 - d. Possible contractual assistance

Longer-term effects on state spending also are of uncertain dollar amounts

- 1) Effects on State government
 - a. Fleet, buildings, heating expense, maintenance, new construction
- 2) Fiscal impact on cities and towns