

Vermont Agency of Natural Resources

FY23 Governor's Recommended Budget

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FEBRUARY 3, 2022

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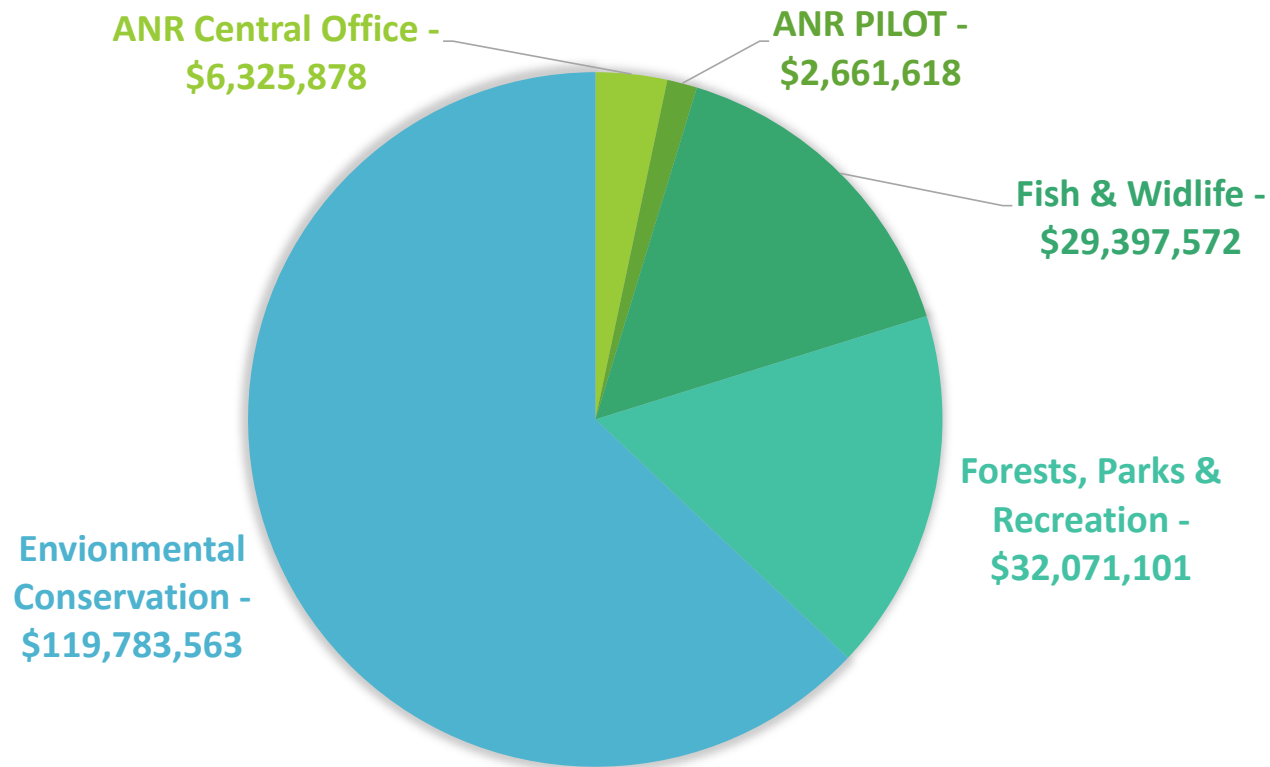
Agenda

- Top-line budget overview
- Position changes
- ANR CO budget
 - Office of Climate Action
- Significant, on-going initiatives

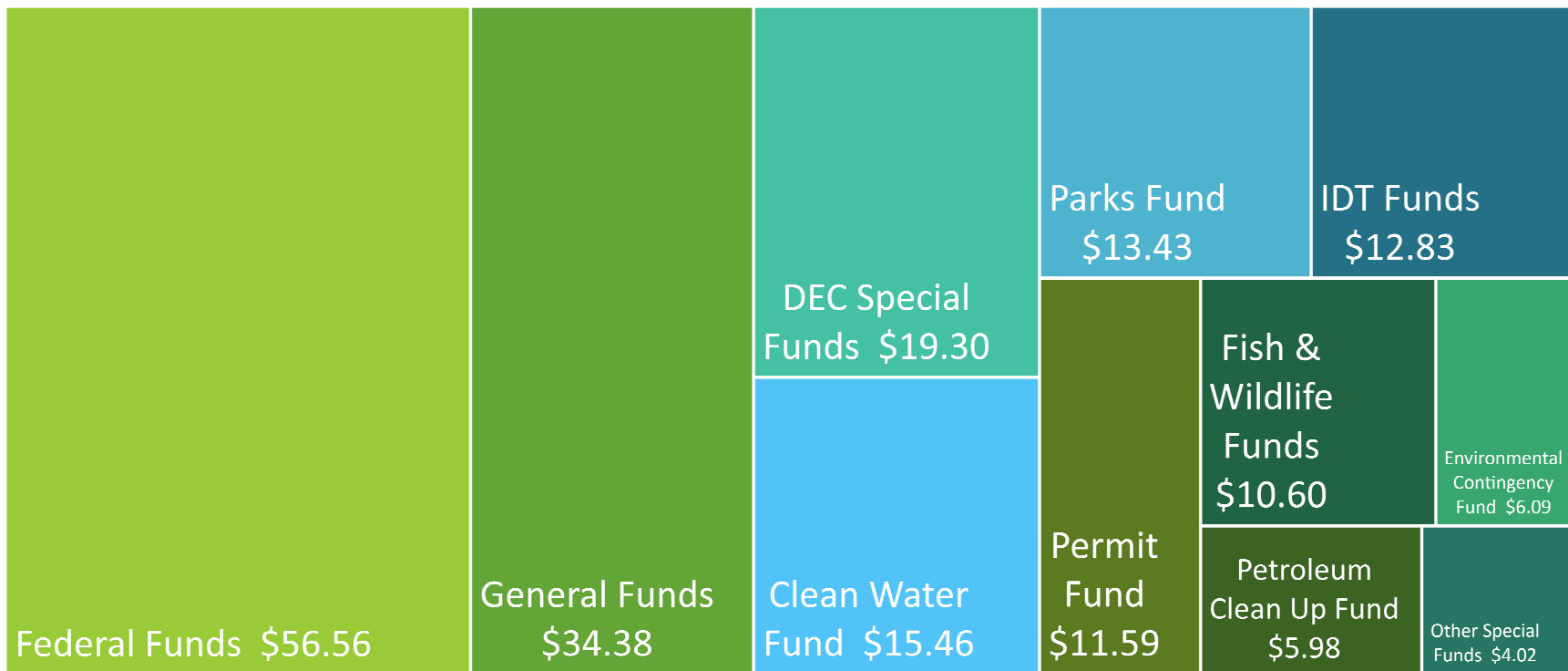
FY23 ANR Budget Overview

- Governor's FY23 Recommend: \$190.24 million
 - Increase of \$7.45 million (4.1%) above FY22
- Budget supports 600 full-time employees and ~400 seasonal workers
- Roughly 2/3s of the FY23 budget will be passed thru to municipalities, contractors, and partner organizations
- More than 80% (\$155.86 million) is special and federal funds
 - Budget fully utilizes projected revenue from special and federal funds, but these sources have not fully kept pace with inflation and growth in expenses
 - About 45% of the proposed increase in ANR's FY23 budget (\$3.3 million) is General Fund – a 10.7% increase in the Agency's GF allocation
 - Funds significant portion of Pay Act and ISF increases

FY23 Budget Overview – by Department



FY23 Budget Overview – by Fund (\$ millions)



FY23 ANR Budget – Position Changes

- Creates a Vermont Office of Climate Action
 - Adds three new positions, and provides on-going funding for a fourth grant-funded position that was expiring
- Expands the part-time position created to support civil rights compliance and environmental justice to a full-time role
- Creates a position in DEC to work on the implementation of new federal drinking water standards
- Continues to use vacancy savings to relieve some base budget pressure
 - Positions may need to be held open for a period of time to ensure that vacancy savings target is achieved
 - DEC has identified one vacant position it will hold open for all of FY23

FY23 ANR Budget – Position Changes

	FY22	FY23	Change	% of total	ARPA Limited-Service Positions
ANR CO	33	36	3	6.0%	2
F&W	144	144	0	24.0%	2
FPR	121	121	0	20.2%	
DEC	297	299	2	49.8%	24
Total Positions	595	600	5		28

FY23 ANR CO Budget – Key Changes

Proposed budget increases by \$1.1m

- Covers base budget pressures
- Creates Vermont Office of Climate Action
- Funds increase in the Payment In Lieu Of Taxes (PILOT) to towns, including proposed adjustment to base payments used to calculate the PILOT as required by statute
- Expands the Civil Rights and Environmental Justice Coordinator position
- Updates transfer from the NRB

Office of Climate Action - Overview

- Division within the Agency of Natural Resources Central Office
 - Creates a long-term intergovernmental structure
 - Coordinates and manages this statewide implementation of climate mitigation, adaptation, and resilience strategies
 - Leads monitoring, assessment and tracking of climate adaptation, mitigation, and resilience activities necessary to evaluate progress over time in achieving the requirements of the GWSA
 - Carries forward communications and engagement with Vermonters

Office of Climate Action - Organization


Existing positions

- Climate Office Director (GWSA)
- GHG Mitigation Specialist (DEC)
- GHG Emissions Analyst (DEC)
- Community Resilience Specialist (GWSA)
- Natural and Working Lands Resilience Specialist (makes permanent existing limited-service position in FPR)

New positions

- Data Manager
- Community Engagement and Reporting lead
- Economic and Policy Analyst

Advisory Board


- Public Service; VTrans; Emergency Management; Agriculture; BGS; Health; Children Families; ACCD
 - State Climatologist (UVM)
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Office of Climate Action - Budget

Base appropriations

- Staff costs, program operations and overhead, per diems
- \$450,000, starting in FY21
- Additional \$650,000, starting in FY23

One-time appropriations

- Broadly for technical analyses and contractor support
 - \$1m, in FY21 BAA
 - \$75,000 in FY23
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Significant On-going Initiatives

- Implementation of Act 64 (2015) – Vermont’s Clean Water Act – and Act 76 (2019) related to establishing Clean Water Service Providers
 - Clean Water budget is anticipated to be \$46.9m in FY23 (enterprise-wide); up from \$42.2m in FY22
- PFAS monitoring and response
- Expanding Vermont’s outdoor recreation offerings, including support for the VOREC program
- One-time appropriations provided by the Legislature in FY22
 - Brownfields remediation
 - State lands (fishing access areas, wildlife management areas and state forests) investments
 - Dam safety improvements on ANR-owned dams
 - PCB testing in Vermont schools
- ARPA water infrastructure
 - \$100m allocated in FY22; additional \$72m in Governor’s FY23 Recommend

FY23 Climate Action Initiatives **

Governor's FY23 Recommend proposes \$215.5m investment in climate action

- ARPA: \$161.5m
- One-time GF: \$10m
- Federal Coronavirus Capital Projects Fund: \$44m

◦ *** largely outside of ANR's budget*

FY23 ARPA Climate Action Initiatives **

- \$80m to dramatically expand weatherization efforts for low- and moderate-income Vermont households
- \$37m in transportation electrification, including EV incentives and charging infrastructure
 - Includes \$3m to install EV charging stations at State Parks and fishing access areas
- \$20m upgrade electrical service to 200A in low-income Vermont households
 - Necessary precursor to heat pumps and other beneficial electrification
- \$2m for load management and storage
- \$15m for hazard mitigation buyouts (+\$10m in one-time GF for FEMA match)
- \$7.5m in working and natural lands resilience efforts
 - Includes \$1m for FPR's Urban and Community Forestry program for tree planting

◦ *** largely outside of ANR's budget*

Federal Coronavirus Capital Project: Governor's Recommended List of Projects

Critical Communications Expansion Program	\$51,500,000
<i>To support the deployment of at least 100 new mobile wireless installations to improve service along state highways and in population centers.</i>	
Libraries Capital Project	\$15,900,000
<i>To pay for capital improvements such as ADA compliance, better space for in-building internet access, including space for online medical appointments and job interviews, and general building improvements.</i>	
Resilient Community Centers	\$44,069,184
<i>Grants for infrastructure improvements in community-facing public facilities to improve existing space , including improvements such as HVAC, air quality, weatherization, EV infrastructure, broadband access.</i>	
State Parks Connectivity	\$1,530,816
<i>Improve reliability, performance, and support of internet connectivity services to all state parks.</i>	
Total	\$113,000,000

Resilient Community Centers

Investments in public-facing municipal facilities can both help achieve Vermont's climate goals and improve multi-purpose civic spaces to meet 21st-century community needs, including:

- Supporting community public health services and telehealth,
- Offering emergency shelter and
- Creating welcoming spaces for community gatherings and engagement..

Project would expand locations where community members can reliably access high-speed internet service and improve existing buildings through the following types of projects:

- Conducting energy audits of qualifying municipal facilities;
- Weatherizing buildings and other efficiency improvements to enhance comfort, improve indoor air quality and reduce building maintenance costs;
- Replacing fossil fuel heating systems with renewable and efficient heating systems;
- Providing emergency shelter, including battery storage, for community members during a disaster;
- Installing rooftop solar; and
- Continuing to build out a network of publicly available electric vehicle charging infrastructure.