



STATE OF VERMONT
HOUSE OF REPRESENTATIVES

February 22, 2021

Rep. Mary Hooper
Chair, Committee on
Appropriations

Dear Chair Hooper:

I am writing on behalf of the Committee on Natural Resources, Fish, and Wildlife (Natural Resources Committee) to provide input on the Governor's Recommended FY 2022 State Budget. The Natural Resources Committee appreciates the opportunity to provide recommendations to your Committee regarding proposed funding of the Agency of Natural Resources, the Natural Resources Board, and other natural resources issues in the proposed budget.

The Natural Resources Committee supports and recommends acceptance of many of the Governor's budget proposals with no change. The Natural Resources Committee supports several other budget proposals with recommended modest revision or further review. However, the Natural Resources Committee does not support several of the Governor's proposed budget proposals and recommends that they be significantly modified or removed entirely from the budget.

The Natural Resources Committee can provide you with a complete list of recommendations for every natural resources proposal in the Governor's proposed budget. However, for the sake of brevity, this letter summarizes those proposals in the proposed budget that the Natural Resources Committee recommends that the Appropriations Committee revise, review, or remove.

1. FY 2022 Department of Environmental Conservation (DEC) Budget

The Governor's proposed budget would reclassify or eliminate five currently vacant full-time employee positions at DEC. Specifically, the Governor would transfer one technical staff position and one legal staff position to staff the Climate Council. Another position would be reclassified to support diversity and equity at the Department. Two other positions would be eliminated.

The Natural Resources Committee opposes the Governor's proposal with regard to these positions. Instead, our Committee recommends that the positions be filled or reclassified to support the State's significant ongoing water quality needs. Additional staff would help the State address federal requirements to cleanup waters, the need to reduce combined sewer overflows to waters, and the need to address chemicals of emerging concern in drinking water and biosolids.

2. Environmental Contingency Fund; PCB Air Quality Testing of Schools

The Natural Resources Committee supports the Governor's proposal in Sec. B.1101 to appropriate \$10 million in one-time money to the Environmental Contingency Fund (ECF). As proposed, \$5 million would be available for the general purposes of the ECF. The other \$5 million is proposed for use to conduct indoor air quality testing of schools throughout the State for the presence of PCBs.

The Natural Resources Committee is concerned that the Governor's proposed budget does not include funding on how to address situations when PCBs are discovered in schools. The costs to remediate or remove PCB materials in schools could be substantial, potentially up to \$2 to 3 million a year. Individual schools and school districts will need assistance to address these costs so that students and staff are not exposed to these harmful chemicals.

3. Waste Management Assistance Fund; Authorized Transfer to ECF

Section E.709.2 of the Governor's proposed budget recommends amending 10 V.S.A. § 6618, the Waste Management Assistance Fund, to provide DEC with additional authority to transfer funds from the Waste Management Assistance Fund to the ECF when funds in the ECF are insufficient. The Natural Resources Committee generally supports this proposed amendment as the ECF is currently underfunded and subject to significant demand. However, transfer of waste management monies may significantly affect activities or entities funded under the Waste Management Assistance Fund.

The Natural Resources Committee encourages the Committee on Appropriations to discuss with DEC when and how to exercise the transfer authority so that existing activities or entities funded under the Waste Management Assistance Fund are not negatively affected. For example, last year, when DEC proposed a similar transfer, the Department agreed to language with the Solid Waste Management Entities (SWMEs) to ensure that traditional funding for waste management activities would remain available from the Waste Management Assistance Fund prior to any transfer to the ECF. DEC should have similar discussions with the SWMEs prior to approval of this authority.

4. Forests, Parks and Recreation; VOREC and Trail Network

Section B.1100 of the Governor's proposed budget would appropriate \$5 million to the Department of Forests, Parks and Recreation for the Vermont Outdoor Recreation Economic Collaborative and a separate \$5 million to the ANR central office for investments to improve recreational infrastructure on State lands and to improve Vermont's trail network. The Natural Resources Committee supports these appropriations, but these appropriations also raise questions as to the long-term maintenance of the State's trails. Currently, many trails in the State are maintained by volunteers as needed. If the trail network in the State is to be improved, the State should have a plan and funding for its long-term development and maintenance.

5. Department of Fish and Wildlife PILOT Expenses; Clean Water Fund

ANR reported in testimony to the Natural Resources Committee that the Agency is using the Clean Water Fund, instead of the General Fund, to cover Payment in Lieu of Taxes (PILOT) costs associated with a Department of Fish and Wildlife conservation of a wetland in

Addison County. ANR justified the use of the funds as necessary for compliance with the Lake Champlain TMDL.

The Committee recognizes and supports the role of nature-based water quality solutions. However, it is unacceptable to treat conservation projects that may offer water quality benefits differently under PILOT than other farm or forest conservation projects. Our concerns are that this approach: (a) is a diversion from current practice; (b) creates a precedent; (c) runs the risk of causing unintended consequences such as creation of another hurdle to restore degraded natural areas for public benefit such as water quality, thereby reducing interest in such practices; and (d) creates an opportunity cost by reducing the availability of Clean Water Fund resources for projects that are important to help the State achieve its clean water goals and comply with federal and State clean water laws. It is our recommendation to treat these public benefits associated with this project in the same manner as other State projects regarding PILOT payments.

6. Department of Fish and Wildlife; Act 250 Billback

Sec. E.702 of the Governor's proposed budget contains new statutory language giving billback authority to the Department of Fish and Wildlife for its work on Act 250 permits. The Committee on Natural Resources requests that the language be removed from the budget because the Committee would prefer to work on this complicated issue through the traditional legislative process in the jurisdictional committee, rather than having it move with the budget. The Natural Resources Committee believes that there are multiple parties interested in this provision that should be allowed to testify on the proposal.

Currently, there are five vacant positions at the Department of Fish and Wildlife, including three vacant Fish and Game Warden positions. The Natural Resources Committee supports filling all five of these positions, as the Department is already experiencing staff pressure and

7. Department of Fish and Wildlife; Unfilled Positions increasing demands to work on issues outside its traditional functions.

8. FY 2022 Funding of the Natural Resources Board (NRB); Positions

The Natural Resources Committee recommends that the Committee on Appropriations approve the fund transfer to NRB to stabilize its budget. However, the Natural Resources Committee recommends that the Appropriations Committee request a detailed accounting of income and expenditures from the NRB for the last fiscal year to understand the source of the special fund deficit and any expenditures that may have exacerbated the creation of the deficit. Moreover, the Natural Resources Committee recommends that the amount of the fund transfer be reduced from the proposed \$1 million to the actual amount of the Board's deficit, which is approximately \$648,000.

The Natural Resources Committee recommends that the Committee on Appropriations remove the proposed funding for two new NRB members and an NRB Staff Attorney. Those positions were included as part of the new professional Board proposal in the Governor's Executive Order 02-21. That proposal was disapproved by the Senate. Therefore, the new professional Board will not be created, and the positions are not needed.

9. Vermont Housing and Conservation Board (VHCB); Funding

Section B.1100 of the Governor's proposed budget would appropriate \$20 million in one-time money to VHCB to be used for affordable housing initiatives. The Natural Resources Committee supports the \$20 million appropriation, but recommends that VHCB be provided with additional flexibility or authority to use the one-time monies for additional activities within VHCB's jurisdiction, including conservation of farmland and forestland, conservation of critical lands for carbon sequestration or flood resilience, and conservation of lands important to maintaining or enhancing biodiversity.

10. Contaminants of Emerging Concern Special Fund

In 2020, the General Assembly created the Contaminants of Emerging Concern Special Fund under 10 V.S.A. § 1283a to provide grants to public water systems responding to or remediating emerging contaminants in a public water supply. Approximately \$550,000 was appropriated to the Contaminants of Emerging Concern Special Fund to provide grants. All of those funds were awarded in FY21 to address contamination such as from PFAS substances.

Despite the obvious need and demand for these funds, the Governor's proposed budget does not include a further appropriation to the Contaminants of Emerging Concern Special Fund. The Natural Resources Committee recommends appropriating funds to the Contaminants of Emerging Concern Special Fund. Supporting this Fund enables the State to provide some assistance to municipal public water systems that must continue to address the environmental and health concerns posed by contaminants of emerging concern.

Conclusion

Thank you again for the opportunity to provide recommendations and feedback on the issues in the Governor's Recommended FY 2022 State Budget that fall within the jurisdiction of the Committee on Natural Resources, Fish, and Wildlife. We believe the Natural Resources Committee's recommendations are reasonable and will significantly benefit the citizens and natural resources of the State. Thank you in advance for your consideration of our recommendations; please let me know if you need additional information or input.

Sincerely,

Rep. Amy Sheldon
Chair, Committee on Natural Resources,
Fish, and Wildlife