

DATE

Dear Chair Lanpher and House Committee on Appropriations,

The House Environment and Energy Committee thanks you for the opportunity to provide comment regarding the 2025 budget. We present these under various policy areas and in response to Agency/Department/Division budget proposals.

**Policy Areas:**

Land Use Reform

There is considerable effort underway to modernize Act 250. This work will require additional funding for various stakeholders to ensure that changes are effective, efficient, and supportive of our local communities while continuing to protect Vermont's natural resources. Funds are needed to support the professionalization of a future Environmental Resource Board (now the Natural Resources Board), to support our regional planning commissions (RPCs) to assist municipalities, to ensure that the necessary public outreach is conducted across Vermont as Act 250 is reformed, and to support the Agency of Commerce and Community Development (ACCD) for both staff and grants.

As of the writing of this letter, H. 687 currently under discussion in the House Environment and Energy Committee includes various appropriations. The bill currently includes a 5-member professional board, which the NRB estimates will cost somewhere in the range of \$807,630 (for a five-member board) to \$1.03 million (five-member board hearing appeals, including two attorneys). We note that professionalizing the Board is a recommendation that is broadly supported by many diverse stakeholders. H.687 also currently includes \$1.5 million from the General Fund (GF) to the Municipal and Regional Planning and Resilience Fund to support municipalities and RPCs, as well as \$125,000 for ACCD for one new staff member to disperse the \$1.5 million in grants, and \$125,000 to the Agency of Natural Resources (ANR) for one new staff member to assist with financing climate resilience projects. We do also support the recommendation in the Governor's budget to continue supporting the downtown and village tax credits and to support the "Better Places" funding (also supported by the Commerce Committee).

Conservation

The following entities provide critical support to grow Vermont's economy and worker opportunities while building housing and conserving critical land. Specifically:

- The statutory funding requirement for the Vermont Housing and Conservation Board (VHCB) is \$26 million. The Governor's recommend is currently \$24.6 million, with \$2.6 million also included in the capital bill. House Environment and Energy Committee recommends that the full amount be appropriated, which would require an additional \$1.4 million. The work of VHCB is needed now more than ever, addressing housing, homelessness, biodiversity, conservation and more.

- We recommend increasing the base funding for the Vermont Association of Conservation Districts by \$2,500,000 for a total of \$3,000,000. Vermont's 14 Natural Resources leverage federal funds to provide education, outreach program navigation services, and technical assistance support for landowners, land stewards, residents municipalities, and organizations.
- We support the Vermont Youth Conservation Corps (VYCC) youth employment initiative ("Serve, Learn, Earn). This is an innovative and collaborative-based initiative targeting youth and young adults for the purpose of providing a pathway to jobs, while providing important public services in the areas of housing, outdoor recreation, food security, conservation, weatherization, and renewable energy. Partners include: VYCC, Vermont Works for Women, Resource and Audubon Vermont. The funding request is \$2.37 million for FY2025.
- There are various towns that are having to spend more to comply with their municipal road general permit due to the stormwater impacts associated with tourism and logging access of public roads. Thus, we suggest consideration be paid to add \$500,000 to the PILOT (Section E142 Payments in Lieu of Taxes).

**Specific Department/Entity Items:**

Fish and Wildlife Department (FWD)

- We support the Governor's recommended budget suggestion to add a warden to continue addressing animal cruelty work across the state.
- We recognize the challenges associated with costs due to pre-treatment of discharge and an upcoming 2027 NPDES permit renewal process at the Salisbury Fish Culture Station closure. We are hopeful that the potential \$10-\$12 million needed to make the necessary updates could be added to the ARPA waterfall list, in the event these federal funds may be available as a result of other projects not moving forward.
- The Fish and Wildlife Department is woefully understaffed to support the current workload, including providing technical expertise to Act 250 and Section 248 proceedings. We recommend adding one additional FTE. We recognize the significant budget challenges facing Vermonters, and do not make this recommendation lightly.

Department of Environmental Conservation (DEC)

- We support the Governor's recommendation of:
  - \$500,000 of GF to be used for match for the Winooski River Watershed Study (the WRDA study).
  - Funding the Healthy Homes initiative at \$4 million.
  - Converting three limited-service positions to permanent (two in dam safety and one in geology), and
  - \$1 million in one-time funding to capitalize a revolving loan program within the existing Unsafe Dams fund.
- As our Committee has highlighted in past letters to the House Appropriations Committee, we remain concerned that various funds, such as the Environmental

Contingency Fund (ECF), may not be fully funded due to various budget pressures. This concern remains. Specifically, funds from the General Fund should be used for ongoing PCB testing and remediation.

- Given the many extreme rain events we have experienced recently, we request that it be clarified whether buyouts of properties damaged by landslides are able to receive FEMA support. If they are not, we suggest expansion of the Community Flood Recovery Funds to allow landslide hazards, resulting from flooding, to receive buyout support. And, similar to our concern with the ECF, we highlight that this fund may need more appropriation from the General Fund.
- Given the critical role that clean water plays in all parts of life, we request that time is allowed to maximize spending opportunities from ARPA funds for clean water categories. These projects can take additional time to move forward, and we request – particularly given the fact that the era of unprecedented federal funds is coming to a close – that reallocation not immediately occur. This is described more fully in Section G of H236/Act 74 of 2021.

#### Public Service Department (PSD) and Public Utility Commission (PUC)

- Last year, with passage of the Affordable Heat Act, the Legislature appropriated funds to both the Public Service Department (PSD) and Public Utility Commission (PUC) to support a thorough process in the development of a Clean Heat Standard. We recommend that the positions created in last year’s budget be maintained via General Funds until the final proposed program is presented to the Legislature in January of 2025. This includes:
  - \$875,000 for the PUC, and
  - \$359,355 for the PSD.

#### Public, Educational and Government access (PEGS)

- The Vermont PUC Rule 8.400 establishes the Public, Educational, and Government access (PEG Access) obligations of all cable providers in Vermont. As COVID brought to the fore, our public access channels provide a critical connecting link between Vermonters and their government. We recommend that \$1 million be appropriated from the General Fund to support the PEGs.