



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://jfo.vermont.gov>

## Fiscal Note

March 20, 2024

Chris Rupe, Associate Fiscal Officer and Aimée Pope, Associate Fiscal Officer

### **S.310 – An act relating to natural disaster government response, recovery, and resiliency**

**As recommended by the Senate Committee on Government Operations - Draft 6.2**

#### **Bill Summary**

The bill proposes numerous modifications to Vermont’s disaster response statutes and activities. The bill also would, among other things, create several new grant programs, increase the Fire Service Training Council insurance assessment by \$150,000, expand eligibility for survivor benefits to public works employees, authorize the creation of an Urban Search and Rescue Team, review various aspects of Vermont’s emergency response system, change stormwater utility laws, create several new positions related to emergency management, and expand funding to towns impacted by August and December 2023 flooding.

#### **Fiscal Impact**

This bill would have the following direct fiscal impacts:

- \$15 million General Fund appropriation in fiscal year 2025 to a newly created Community Resilience and Disaster Mitigation Fund for a municipal disaster mitigation, adaptation, or repair grant program.
- Increasing the Fire Service Training Council insurance assessment by \$150,000 and dedicating the increase to the Emergency Medical Services Special Fund.
- Expanding the eligibility of \$80,000 survivor benefits to survivors of certain public works employees who die in the line of duty or from an occupation-related illness.
- \$550,000 General Fund appropriation in fiscal year 2025 to fund 5.5 new Regional Emergency Management Program Coordinators at the Department of Public Safety (DPS). This expense would recur in future years.
- Authorizing the creation of an Urban Search and Rescue (USAR) Team, creating one program manager position for the team, and allocating no less than \$750,000 annually to support the team. This section does not contain an appropriation.
- \$25,000 General Fund appropriation in fiscal year 2025 to the Enhanced 911 (E-911) Board to fund an evaluation of telecommunications tariffs.
- \$15,000 General Fund appropriation in fiscal year 2025 to DPS’ Division of Radio Technology Services to create new connections from Vermont State Police Radio Transmission towers directly to the Primary and Secondary State Relay radio stations listed in Vermont’s Emergency Alert System Plan.
- \$25,000 General Fund appropriation in fiscal year 2025 to DPS for a multimedia outreach campaign.
- \$200,000 General Fund appropriation in fiscal year 2025 to the Agency of Administration (AoA) for a Continuing Local Economic Damage Grant Program to municipalities.
- \$830,000 transfer from the General Fund to the Emergency Relief and Assistance Fund (ERAF) to provide an enhanced State funding match to municipalities for the nonfederal share of approved projects related to the August and December 2023 flooding events.

## Background and Details

The following sections would have a fiscal impact:

### Sections 1-3: Community Resilience and Disaster Mitigation Fund and Grant Program

Section 1 proposes to create a Community Resilience and Disaster Mitigation Grant Program to award grants to covered municipalities to support disaster mitigation, adaptation, or repair activities. To be eligible, a municipality must participate in the National Flood Insurance Program in accordance with 42 U.S.C. chapter 50. The grant program would be designed and administered by DPS, in coordination with the Department of Environmental Conservation (DEC).

Section 2 would create the Community Resilience and Disaster Mitigation Fund to provide funding for the program established in Section 1. This Fund would be administered by the DPS and consist of monies appropriated to the Fund.

Section 3 would appropriate \$15 million from the General Fund to the Fund in fiscal year 2025.

### Section 4: Increase to Emergency Medical Services Special Fund

Section 4 would increase the annual allocation from the Fire Service Training Council insurance assessment to the Emergency Medical Services Special Fund from \$150,000 to \$300,000.

The Fire Service Training Council insurance assessment was established in 1993 and was last increased in 2016, from \$950,000 to \$1.2 million. Per 32 V.S.A. § 8557, the \$1.2 million assessment is charged by the Department of Financial Regulation (DFR) against insurance companies that write fire, homeowner multiple peril, allied lines, farm owners multiple peril, commercial multiple peril, private passenger and commercial auto, and inland marine policies on property and persons situated within Vermont. The assessment does not apply to captive insurance companies. It is charged in proportion to each insurance company's percentage of gross written premiums on property in Vermont. Approximately 300 companies pay the assessment in amounts ranging from \$21 to \$79,000 on a base of approximately \$1 billion of premiums.

The \$1.2 million assessment is deposited in the Fire Safety Special Fund, with an amount not less than \$100,000 allocated to providing training to firefighters and not less than \$150,000 allocated to the Emergency Medical Services Special Fund. Section 4 would increase the total assessment by \$150,000 (from \$1.2 million to \$1.35 million) and dedicate this increase to the Emergency Medical Services Special Fund. The EMS Fund would then be allocated \$300,000 from the assessment annually.

### Section 6: Expansion of Survivor Benefits to Certain Public Works Employees

Under current law, the Emergency Personnel Survivors Benefit Fund provides a benefit of \$80,000 to the survivors of “emergency personnel” who die in the line of duty or from an occupation-related illness.<sup>1</sup> Eligible “emergency personnel” are firefighters as defined in 20 V.S.A. § 3151(3) and emergency medical personnel and volunteers as defined in 24 V.S.A. § 2651. “Survivors” are presently defined as a spouse, child, or parent of emergency personnel. In the event of an eligible death, survivors may request a monetary benefit from the Fund, subject to the approval of a benefit review board.

Section 6 would expand the benefit to cover survivors of “public works personnel” and domestic partners. Eligible public works personnel would include water, wastewater, and stormwater workers. A “line of duty” death for public works personnel would involve work performed in a hazardous location, as part of an emergency response to an all-hazards event, or in conjunction with emergency personnel in a construction zone, highway traffic area, or other location in which the public works personnel is exposed to risk of injury or fatality from construction hazards, highway traffic volume and speed, nighttime response, environmental

---

<sup>1</sup> Act 87 (2024) increased the survivors benefit from \$50,000 to \$80,000. Section 6 of S.310, however, proposes to modify this language to increase the benefit from \$50,000 “up to \$80,000.”

factors, weather, or other hazardous conditions.

The Fund is comprised of appropriations, contributions, donations, and interest earned on the balance, but has no dedicated revenue source of its own. At the close of fiscal year 2023, it had a balance of \$176,510 and had not paid out a benefit in more than five years. Expanding the eligibility of benefits to public works personnel would be expected to lead to a higher, but unknown, cost in future years, subject to the occurrence of line of duty deaths and occupation-related illnesses. Section 6 would permit the Emergency Board to transfer additional amounts to the Fund when the General Assembly is not in session if the balance of the Fund is insufficient to pay monetary benefits awarded when the General Assembly is not in session.

### **Section 11: Disaster Preparedness Review**

Section 11 would require Vermont Emergency Management (VEM) to, on or before June 30, 2024,<sup>2</sup> conduct an after-action review of the State's disaster preparedness leading up to, during, and after the 2023 summer flooding events. The Director of Emergency Management would be required to submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations on or before December 15, 2025, with findings and recommendations for improvements.

While Section 11 does not contain an appropriation, VEM expressed a need for additional resources to complete this project due to limited existing staff resources that are current dedicated to multiple declared disasters.

### **Section 12: 5.5 New Positions – Regional Emergency Management Program Coordinators**

Section 12 would create five new permanent full-time positions and one new permanent part-time position in the DPS' Emergency Management Division for emergency management coordination. Section 12 would appropriate \$550,000 from the General Fund to DPS in fiscal year 2025 to fund these positions, which would be a recurring expense in future years.

### **Sections 13-15: Municipal Stormwater Utilities**

These sections would modify how stormwater rates are assessed and how the associated revenue may be used. Section 13 would permit sewage system commissioners to set stormwater rates for equivalent residential units based on an average area of impervious surface on residential property within the municipality. The revenues could be used for stormwater management, control, and treatment; flood resilience; floodplain restoration; and other similar measures. The fiscal impact of this provision to ratepayers is not currently known and will depend on the decisions made by individual stormwater utilities.

### **Section 16: Urban Search and Rescue Team**

Section 16 would authorize DPS to create an Urban Search and Rescue (USAR) Team and direct the Commissioner to appoint a program manager. DPS would also be authorized to employ as many USAR Team responders as necessary as temporary State employees, who would be compensated as such when authorized to respond to an emergency or hazard incident or to attend training. Section 16 stipulates that no less than \$750,000 shall be annually allocated to facilitate the operations of the USAR Team. However, the bill does not explicitly appropriate additional funds to DPS for these expenses. Absent a sufficient annual appropriation, this section would likely create an ongoing budget pressure to DPS.

### **Section 20: Enhanced 911 (E-911) Board Report**

Section 20 would direct the E-911 Board to submit a report to the General Assembly on current local exchange telecommunications tariffs, and, in particular, evaluating existing tariffs permitted pursuant to 30 V.S.A. § 7055, determining actual costs for the provision of the service elements, and comparing those tariffs to similar cost recovery mechanisms in other states.

---

<sup>2</sup> The June 30, 2024 date is a possible scrivener's error and predates the proposed effective date of the bill.

Section 20 would appropriate \$25,000 from the General Fund to the E-911 Board in fiscal year 2025 for the purpose of conducting the evaluation and producing the report.

### **Sections 21-23: Language Access Services for State Emergency Communications**

Section 21 would require VEM to ensure language assistance services are available for all State emergency communications. These services would be required to be provided to individuals who are Deaf, Hard of Hearing, and DeafBlind and to individuals with limited English proficiency. It is not currently known what the fiscal impact of this requirement would be, but it would likely represent a budgetary pressure to DPS.

Section 22 would appropriate \$15,000 from the General Fund to the DPS in fiscal year 2025 for the purpose of creating new connections from select Vermont State Police Radio Transmission towers directly to the Primary and Secondary State Relay radio stations listed in Vermont’s Emergency Alert System Plan. Section 22 would also appropriate \$25,000 from the General Fund to DPS in fiscal year 2025 for the purpose of conducting a multimedia outreach campaign to increase the number of Vermonters registered with VT Alert and educate Vermonters on how to prepare for an emergency.

### **Section 32: State Emergency Response Commission**

Section 32 would add one public member from the public works sector to the State Emergency Response Commission. This member, if not a State employee, would be entitled to per diem compensation and expense reimbursement, per 32 V.S.A. § 1010. This would represent a negligible additional cost to the DPS, and would depend on actual meeting attendance and frequency.

### **Section 36: Continuing Local Economic Damage Grant Program**

Section 36 would create a Continuing Local Economic Damage Grant Program to provide support related to secondary impacts to municipalities that were impacted by the August or December 2023 flooding events<sup>3</sup> (or both) and are located in counties that are eligible for Federal Emergency Management Administration (FEMA) Public Assistance funds under federal disaster declarations. Section 36 would appropriate \$200,000 from the General Fund to the AoA to fund this program, which is structured similarly to the one created by Act 87 (2024) in response to the economic damages caused by the July 2023 flooding event. AoA would administer the program and award grants ranging from \$10,000 to \$75,000 depending on the municipality’s estimated reported damages to public infrastructure as of March 1, 2024. Funds that are not granted by June 30, 2025, would revert to the General Fund and be transferred to ERAF.

Based on preliminary damage estimates, JFO estimates that \$100,000 would be granted to four Addison County towns: Bridport (\$20,000), Ripton (\$20,000), Hancock (\$30,000), and Middlebury (\$30,000) for the August 2023 disaster. Remaining funds from the appropriation would be available for grants to towns in the seven counties related to the December disaster, for which municipality-level damage estimates are not yet available,

### **Section 37: Emergency Relief and Assistance Fund for August and December 2023 Floods**

Section 37 would transfer \$830,000 from the General Fund to ERAF. Similar to the language enacted in Act 87 (2024) in response to the July 2023 flooding event, section 37 would “notwithstanding” certain current ERAF rules and permit the Secretary of Administration to use these funds in fiscal year 2025 to increase the standard State funding match on the nonfederal share of an approved project and pay up to 70 percent of the State funding match of an approved project for municipalities that were impacted by the August or December 2023 flooding events in counties that are eligible for FEMA Public Assistance funds under federal disaster declarations. Section 37 would allow AoA to provide funding from ERAF prior to the completion of a project.

---

<sup>3</sup> Addison County is eligible to receive assistance for the August 2023 flooding event disaster declaration (DR-4044-VT). Municipality-level damage estimates are not yet available for the December 2023 flooding event, but the related federal disaster declaration (DR-4762-VT) covered Essex, Lamoille, Orange, Orleans, Rutland, Windham, and Windsor counties.

Section 37 would also direct the Secretary of Administration to increase the standard State funding match on the nonfederal share of an approved project to the highest percentage possible given available funds for municipalities in counties that were impacted by the August or December 2023 flooding events and are eligible for FEMA Public Assistance funds under federal disaster declarations.

Based on preliminary estimates, the additional ERAF match may save impacted municipalities approximately \$237,000 in nonfederal match costs – \$177,000 of savings to seven Addison County towns related to the August 2023 disaster, and \$60,000 of savings related to the December 2023 disaster across the seven eligible counties if assuming \$1.2 million of total estimated damages.