FY 2024 Governor's Recommended Budget

Vermont Agency of Natural Resources Julia S. Moore, P.E., Secretary



Agenda

- ANR FY24 Budget Overview
- FY24 Key Budget Key Changes
- One-Time Investments
- Capital Bill One-time GF to Cash Fund Investments
- Position Changes
- On-Going and Significant Initiatives
- FY24 ANR SO Budget Overview
- FY24 ANR SO Budget Key Changes
- ANR SO One-Time Investments
- Budget Development Form



FY24 ANR Budget Overview

- Governor's FY24 Recommend: \$230.1 million
 - Increase of \$42.5 million (22.64%) above FY23, driven largely by federal Bipartisan Infrastructure Law (BIL) funds
 - Since FY22 ANR has been appropriated over \$160M in ARPA funds which is not reflected in the FY24 budget
- Budget supports 650 full-time employees and ~400 seasonal workers
 - Includes more than 50 limited-service positions to support implementation of BIL and ARPA funds
- Roughly 2/3s of the FY24 budget will be passed thru to municipalities, contractors, and partner organizations

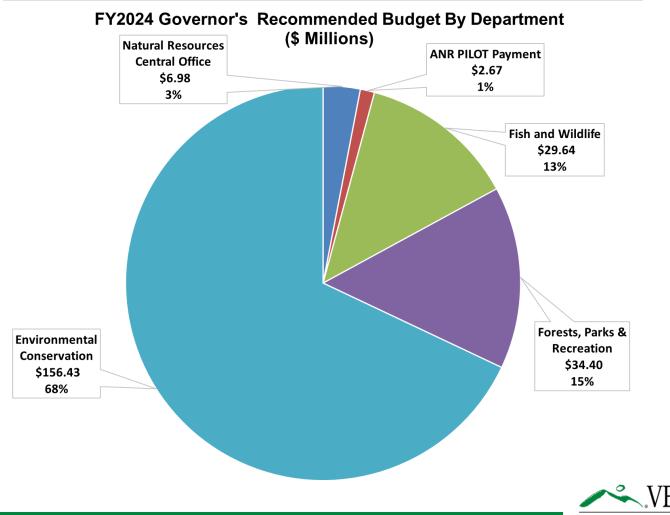


FY24 ANR Budget Overview

- More than 80% (\$193.9 million) of ANR's FY24 budget 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 4.5% (\$1.9 million) of the proposed increase in ANR's FY24 budget is General Fund
 - This represents a 5.6% increase in the Agency's GF allocation
 - Funds significant portion of Pay Act and ISF increases



FY24 Budget Overview – by Department



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FY24 Budget Overview – by Fund

FY2024 Governor's Recommended Budget By Fund (\$Millions)

| | | DEC Special Funds \$16.58 | Parks Fund \$15.53 | |
|-----------------------|--------------------------|------------------------------|--|---|
| | General Funds \$36.20 | IDT Funds \$13.22 | Fish & Wildlife Funds \$10.92 | Petroleum Clean Up Fund \$8.45 |
| Federal Funds \$92.67 | Clean Water Fund \$16.87 | Permit Fund \$11.38 | Environmental Contingency Fund \$4.59 | Other Special Funds \$3.71 |

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FY24 ANR Budget Key Changes

- Forestry reclassification:
 - Modernize position structure to better respond to ongoing and prepare for the increased staffing demands and emerging needs already impacting the division
- Climate Office "true-up":
 - Adjusts base funding for the Climate Action Office (CAO) that was created with the FY23 budget to meet staffing needs
- Civil Rights and Environmental Justice Unit:
 - Act 154 (S.148) created significant, on-going environmental justice (EJ) responsibilities for the Agency
 - Funding is currently limited to one-time monies



FY24 One-Time Investments

- ANR SO
 - \$900K Climate Action Office Technical Analyses, Tools and Training
 - \$5M to build-on congressionally-directed spending for Clean Heat Homes
 - \$700K to expand VEIC's refrigerant management program and reduce GHGs
 - \$300K to extend Environmental Justice positions
- FWD
 - \$150K to make statutorily-required wildlife crop damage payment
- FPR
 - \$500K to make improvements to Parks staff housing
 - \$1M to provide non-federal outdoor recreation grant match for small communities
 - \$500K for EAB hazard tree removal/Low-Income Heating Fuel Assistance
- DEC
 - \$10M to continue ARPA-funded Healthy Homes Initiative
 - \$2.5M for Brownfields assessments (companion with ACCD funding)
 - \$10M for PFAS remediation needs following private well testing
 - \$1M for vehicle emissions repairs for low-income Vermonters



Capital Bill One-Time GF to Cash Fund Investments

• FPR

 \$3M Replacement Park Maintenance Facilities at Gifford Woods (Killington) and Groton (line 95)

• DEC

- \$27M State match to supplemental federal EPA CW & DW SRF capitalization grants (line 100)
- \$4.5M Waterbury Dam Rehabilitation (line 102)
- \$10M Municipal Pollution Control Grants (line 117)

• FWD

 \$1M Infrastructure Maintenance/Improvement of Fish and Wildlife Buildings including Conservation Camps (line 106)



FY24 ANR Budget – Position Changes

- Since the start of FY22, the Agency sought and received approval to hire just over 50 limited-service positions to support deployment of federal funding under ARPA and IIJA
- The Agency's SFY24 budget establishes four additional IIJA-funded limited-service positions in FPR along with one limited-service position supported by the clean water fund.



FY24 ANR Budget – Position Changes

| | FY 2024 | %of total | ARPA Limited- Service Positions | Environmental Justice - OneTime | Clean Water/ IIJA One Time |
|--------------------|---------|-----------|---------------------------------------|---------------------------------------|-------------------------------|
| ANRCO | 38 | 5.9% | 2 | 3 | |
| F&W | 144 | 22.4% | 2 | | |
| FPR | 125 | 19.4% | 1 | | 5 |
| DEC | 336 | 52.3% | 34 | | |
| Total Positions | 643 | | 39 | 3 | 5 |



Significant and On-going Initiatives

- Successful deployment of ARPA and IIJA funds
- Undertaking PFAS monitoring and response work to ensure Vermonters are protected from the potential effects of PFAS on human health
- Completing PCB testing and remediation in Vermont schools
- On-going implementation of Act 64 (2015) Vermont's Clean Water Act – and Act 76 (2019) related to establishing Clean Water Service Providers
- Expanding Vermont's outdoor recreation offerings, including investments in fishing access areas, wildlife management areas, state parks and forests, and investing in local community recreational assets



FY24 ANR SO Budget Overview

| | FY 2022 Actuals | FY 2023 Budget | FY 2024 Gov Rec | 23-24 Change |
|----------------------------|--------------------|-------------------|--------------------|-----------------|
| Major Object | | | | |
| Personal Services | 4,793,449 | 4,896,594 | 5,503,798 | 607,204 |
| Operating Expenses | 1,052,656 | 1,329,284 | 1,471,913 | 142,629 |
| Grants | | - | - | - |
| Total | 5,846,105 | 6,225,878 | 6,975,711 | 749,833 |
| Funds | | | | |
| General Funds | 4,342,644 | 4,188,563 | 4,593,987 | 405,424 |
| Special Funds | 344,075 | 680,985 | 775,079 | 94,094 |
| Interdepartmental Transfer | 1,159,385 | 1,356,330 | 1,606,645 | 250,315 |
| Total | \$5,846,105 | \$6,225,878 | \$6,975,712 | \$749,833 |



FY24 ANR SO Budget Overview – by Program

| FY 2024 Overview of the Secretary's Office Programs | | | | |
|---|---|----------------------------------|-------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | Climate Action Office, 1,290,100 | | |
| | | | | |
| | | | | |
| | | | | |
| Legal, 2,285,618 | Admin Services & Regional Offices, 2,136,069 | Secretary's Office, 663,008 | Policy & Planning, 600,917 | |



FY24 ANR SO Budget Key Changes

- Climate Office True-Up:
 - Right size the Climate Action Office (CAO) that was created with the FY23 budget
- Civil Rights and Environmental Justice Unit:
 - Act 154 (S.148) established an environmental justice (EJ) policy for the State of Vermont which creates significant, new EJ-related responsibilities for the Agency.



One-Time ANR SO Investments

- Climate Action Office Technical Analyses, Tools and Training:
 - \$900,000 for investments in on-going evaluation, implementation support and tracking the impact of programs and policy approaches needed to reduce greenhouse gas emissions and improve landscape-level resilience consistent with the Global Warming Solutions Act.

Clean Heat Homes:

 \$5,000,000 to augment federal funding for a single-point program to help low- and moderate-income Vermonters with "whole home" climate improvements – weatherization, clean heat systems, and electrification ready upgrades – supported by on-bill financing.



One-Time ANR SO Investments

- Refrigerant Management:
 - \$700,000 for incentives to improve commercial and industrial refrigeration systems, focused on reducing the use of highglobal warming potential (GWP) refrigerants and/or replacing, outright, older systems prone to leaks.
- Environmental Justice Positions:
 - \$300,000 for one additional year of funding for the following positions: (1) one fulltime Civil Rights Compliance Director; and (2) two fulltime positions to assist in the implementation of the Environmental Justice State Policy and support the Environmental Justice Advisory Council.



Budget Development Form

| | General \$\$ | Special \$\$ | Federal \$\$ | Interdept'l | All other \$\$ | Total \$\$ |
|---|--------------|------------------------------|--------------|---------------|---|--------------|
| | | | | Transfer \$\$ | | |
| Approp #1 Agency of Natural Resources Central Office: FY 2023 Approp | 4,188,563 | 680,985 | 0 | 1,356,330 | 0 | 6,225,878 |
| Other Changes: (Please insert changes to your base appropriation that | | | | Í | - I I I I I I I I I I I I I I I I I I I | 0 |
| occurred after the passage of the FY23 budget] | | | | | | |
| FY 2023 Other Changes | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Approp. After FY 2023 Other Changes | 4,188,563 | 680,985 | 0 | 1,356,330 | 0 | 6,225,878 |
| | | | | | | 0 |
| Personal Services: | | | | | | 0 |
| Salary and other Benefits Changes | 56,263 | 20,873 | | 23,325 | | 100,461 |
| Retirement Rate increase | 32,146 | 10,686 | | 376 | | 43,208 |
| Health Care increase | 28,150 | 25,899 | | 8,614 | | 62,663 |
| Climate Office Correction | 100,000 | | | | | 0 100,000 |
| | | | | | | 0 |
| Moving Climate Office positions from DEC to CO | 156,489 | 36,636 | | 93,000 | | 286,125 |
| Increase due to DEC covering lawyer expense | | Construction of Construction | | 125,000 | | 125,000 |
| | | | | | | 0 |
| Operating: | | | | | | 0 |
| Internal Service Funds | (671) | | | | 6 | (671 |
| Rent and Property Management Increase | 19,991 | | | | | 19,991 |
| Net Change in Operating Expenses | 10,057 | | | | | 10,057 |
| Legal Professional Licenses due to CBA change | 3,000 | | | | | 3,000 |
| | | | | | | 0 |
| Subtotal of Increases/Decreases | 405,424 | 94,094 | 0 | 250,315 | 0 | 749,834 |
| FY 2024 Governor Recommend | 4,593,987 | 775,079 | 0 | 1,606,645 | 0 | 6,975,712 |
| | 2.240.118 | 0 | 0 | 421.500 | 0 | 2 004 040 |
| Approp #2 ANR PILOT: FY 2023 Approp | 2,240,118 | U | U | 421,500 | U | 2,661,618 |
| Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY23 budget] | | | | | | Ļ |
| FY 2023 Other Changes | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Approp. After FY 2023 Other Changes | 2,240,118 | 0 | 0 | 421,500 | 0 | 2,661,618 |
| | | | | | | 0 |
| Additional PILOT Payment from new acquisitions | 12,899 | | | | | 12,899 |
| Subtotal of Increases/Decreases | 12,899 | 0 | 0 | 0 | 0 | 12,899 |
| FY 2024 Governor Recommend | 2,253,017 | 0 | 0 | 421,500 | 0 | 2,674,517 |
| | | | | | | |
| Agency of Natural Resources Central Office FY 2023 Appropriation | 6,428,681 | 680,985 | 0 | 1,777,830 | 0 | 8,887,496 |
| Reductions and Other Changes | 0 | 0 | 0 | 0 | 0 | C |
| FY 2023 Total After Other Changes | 6,428,681 | 680,985 | 0 | 1,777,830 | 0 | 8,887,496 |
| TOTAL INCREASES/DECREASES | 418,323 | 94,094 | 0 | 250,315 | 0 | 762,733 |
| Agency of Natural Resources Central Office FY 2024 Governor Recommend | 6,847,004 | 775,079 | 0 | 2,028,145 | 0 | 9,650,229 |



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