

# ANR Budget Development and Management

Agency of Natural Resources

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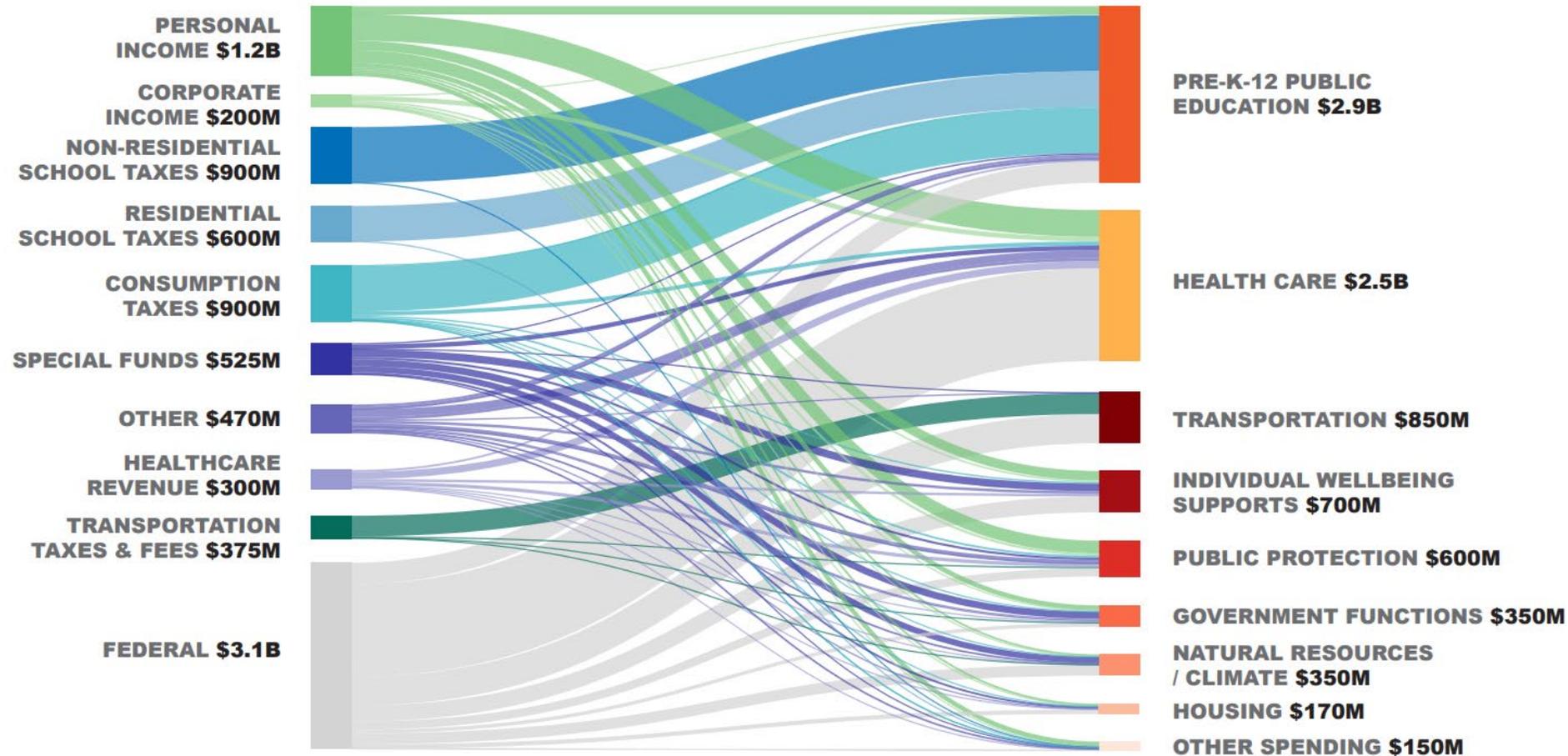


# Overview

- Vermont State Budget
- ANR's Budget Development Cycle
- Budget Instructions
- ANR FY27 Budget Overview
- Funding Sources
- Day-to-Day Budget Management

# Vermont State Budget (Fiscal Year 2025)

By major funding source and spending category



Graphic: Public Assets Institute. *Vermont State Budget 101*. [Vermont-state-budget-101.pdf](https://www.vermontstatebudget.com/vermont-state-budget-101.pdf).

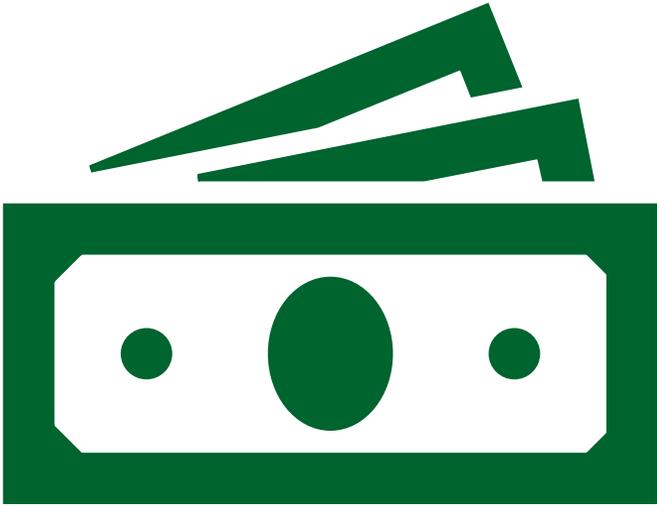
# ANR's Development Budget Cycle

- ✓ 12-month process with significant fluctuations
- ✓ Different development tracks for annual operating, capital bill, clean water...
- ✓ Department of Finance & Management is the lead department
- ✓ Current service level budget
- ✓ Regular budget pressures
- ✓ General Fund is an important piece of the revenue formula



# Initial Budget Submission

## July to October



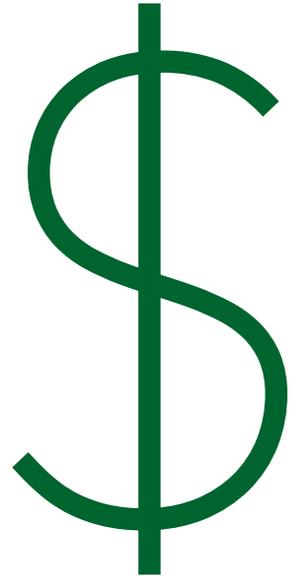
- Analysis of prior year budgeted and actuals
- Receive budget instructions from the Department of Finance & Management
- Coordinate policy and budgets at Agency level
- Submit draft budget to the Department of Finance & Management

# Department of Finance & Management

## Budget Instructions

- Prescribed General Fund change
- Annualized cost of salary changes
- Health benefit, retirement, other benefits and internal service fund changes
- Restructuring and reduction options to ongoing programs
- Programmatic changes and new initiatives
- Policies with potential budgetary impact
- Timelines

# Finalizing the Governor's Recommended Budget October to January



- Budget meetings with the Department of Finance & Management
- Forecasts continue to be updated
- Finalization of benefit and internal service fund costs, plus General Fund targets
- Governor's Budget Address

# The Legislative Process

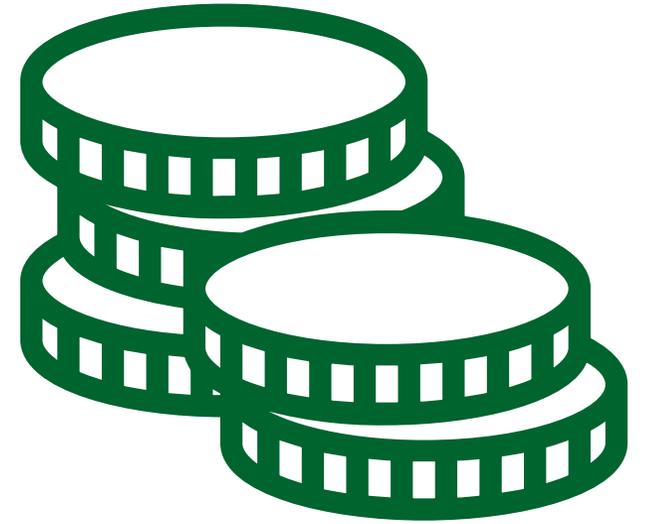
## January to May

- Budget testimony in House and Senate Committees on Appropriations
- Budget testimony in policy committees
- Budget Act (The Big Bill)
- Budget Passes



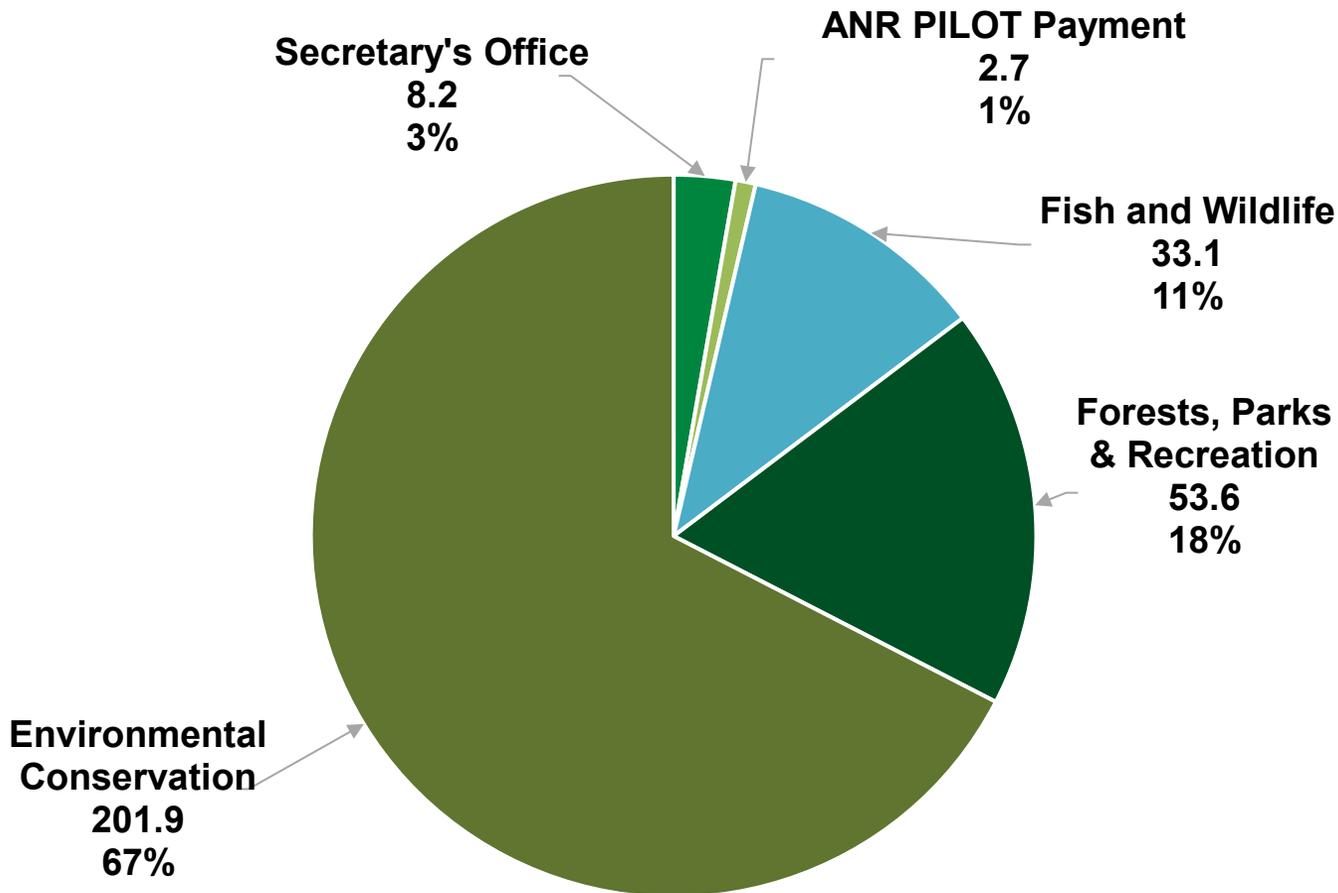
# Prepare for Budget Implementation May to June

- Reconcile budget as passed versus Governor's recommended
- Update budget forms and prepare divisions and programs
- Budget information is entered in VISION
- New fiscal year starts July 1



# ANR FY27 Budget Overview

## By Department (in millions)



FY27 Budget = \$299.6M

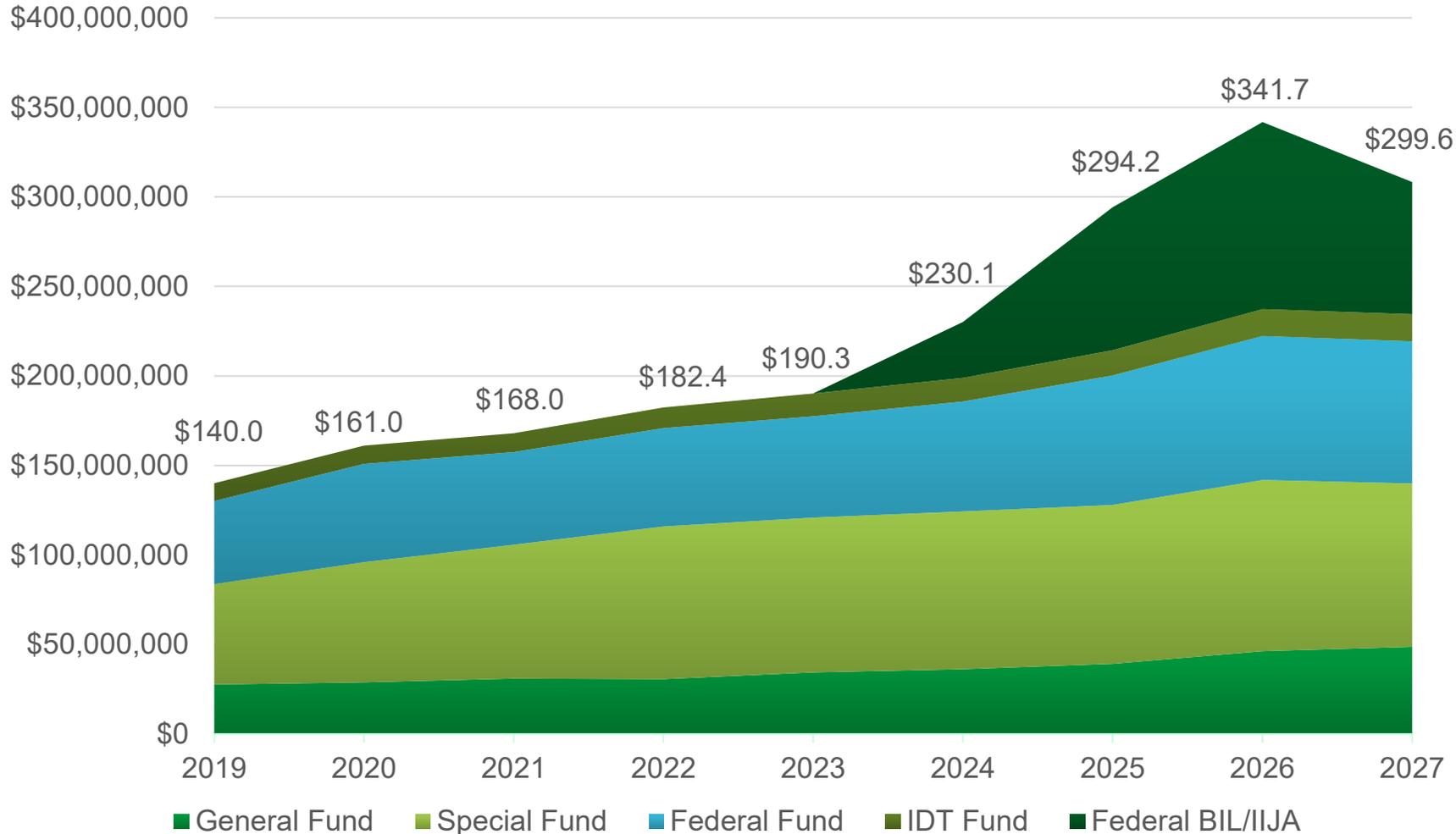
## By Cost Category:

- 50% for contracts, grants and loans to municipalities, partner organizations and businesses
- 34% for salaries and benefits that supports a 682 full-time employee count and ~400 temporary staff
- 16% for all other operating: internal service funds, leases, PILOT, vehicles, etc.

## Deploying Dollars in Vermont:

- \$40M in contracts, including \$22M to Vermont businesses
- \$59M in grants, including \$51M to Vermont entities
- \$65M in loans

# ANR Governor Recommended Budgets FY19-FY27 (\$ millions)

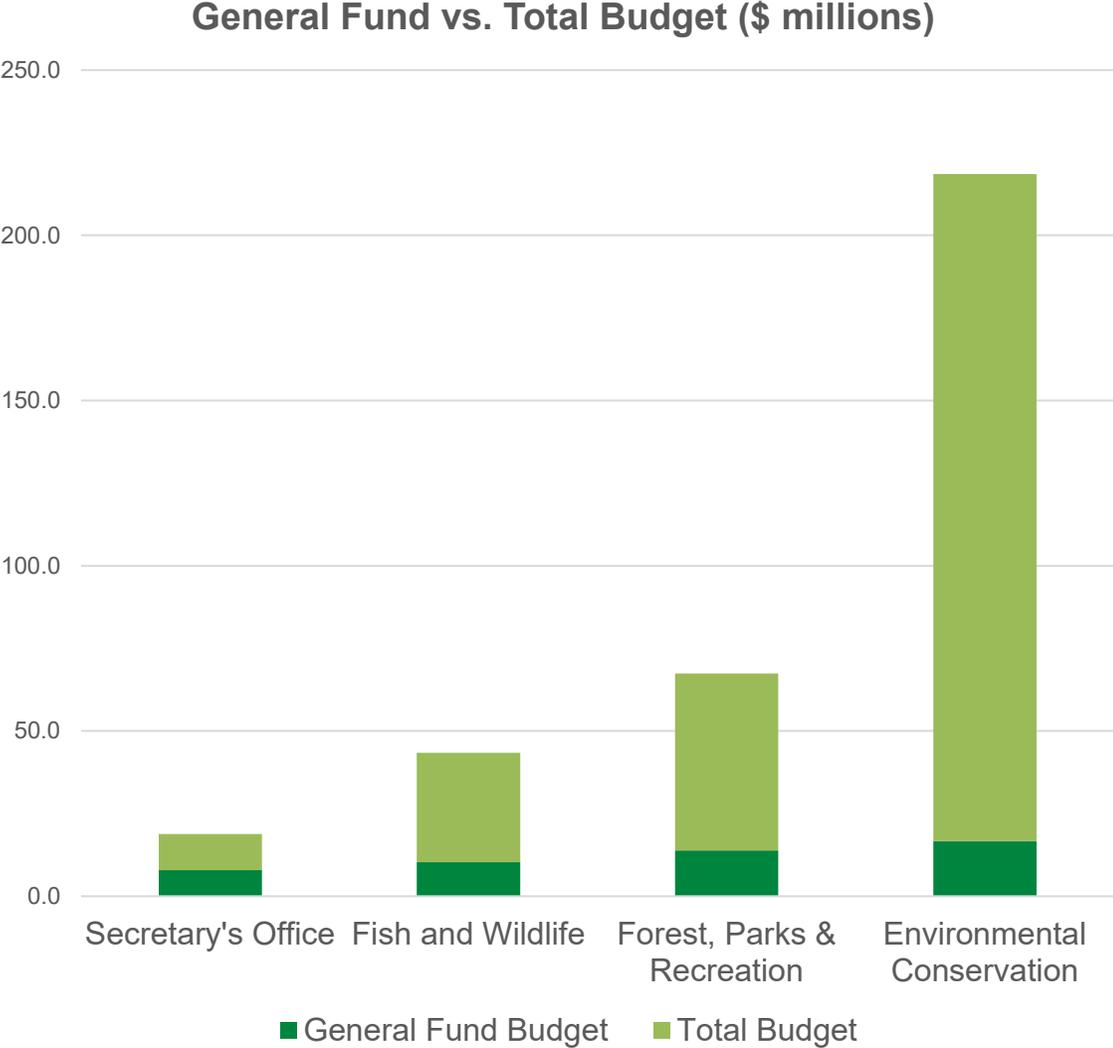


## Breakdown by Fund:

- General fund = 16%
- Special fund = 30%
- Federal fund = 26%
- Federal BIL/IIJA = 23%
- IDT fund = 5%

# General Fund

- \$48.7M budgeted for ANR in FY27.
- Provides significant funding for:
  - Secretary's Office, PILOT, administrative staff across the agency, fish culture operations, game wardens, forestry division, and office of waters
- 67% of General Funds go to staffing costs. Next biggest category is internal service funds and ADS at 14%
- Implementing Legislative Acts for flood safety, environmental justice, climate, land use planning rely on General Fund



# Special and Restricted Funds

- Over 30 different funds
- \$91.1M budgeted for ANR in FY27
- Revenues range from thousands to tens of millions per fund
- Many times, there is a specific statutory purpose for each fund
  - Environmental Contingency Fund
    - To investigate or mitigate, or both, the effects of hazardous material releases to the environment
    - FY27 Budgeted: \$2,624,462
  - Natural Resources Management Fund
    - Shared fund for SO, FPR, and DEC. Includes Act 250 and Section 248 fees, motor fuel tax, grants
    - FY27 Budgeted: \$810,547
  - Green Mountain Conservation Camp Endowment Fund
    - For facilities and education programs. 501(c)(3) endowment fund
    - FY27 Budgeted: \$3,000

# Federal Funds

- Funding from 37 different Federal Grants
- \$144.6M budgeted for ANR in FY27
- Each federal program has specific eligible activities:
  - Wildlife Restoration and Basic Hunter Education - \$5.2M budgeted
    - Restore, conserve, and manage wild birds and mammals and their habitat
    - Hunter education and safety, promotion of hunting and recreational shooting
  - Sport Fish Restoration - \$4.2M budgeted
    - Restore, conserve, and manage sport fish populations
    - Activities that provide boat access to public waters
  - Drinking Water State Capitalization Grant - \$14.2M budgeted
    - Provide low-cost, long-term source of drinking water infrastructure financing and capitalization grants
  - Brownfields Response Program - \$1.4M budgeted
    - Set cleanup standards, develop policy, and approve site cleanup and reuse decisions

# Capital Budget

- Section 9: Agency of Natural Resources

Agency/Department: Project Description	FY26-FY27 Total Amount
DEC: State Match for EPA Capitalization Grants	\$590,000
DEC: Dam Safety and Hydrology Projects	\$1,000,000
FPR: Park Infrastructure and 3-acre rule Compliance	\$6,000,000
FPR: Public Lands Access Infrastructure	\$1,400,000
F&W: Major Maintenance and Infrastructure Projects	\$2,134,360
F&W Lake Champlain Walleye Association	\$25,000
<b>TOTAL</b>	<b>\$11,149,360</b>

- Section 10: Clean Water (ANR Portion)

Agency/Department: Project Description	FY26 Total Amount
DEC: Municipal Pollution Control Grants	\$4,000,000
FPR: Forestry Access Road Water Quality Improvement	\$200,000
<b>TOTAL</b>	<b>\$4,200,000</b>

# Day-to-Day Budget Management

- Tracking Spending
  - Chart of accounts
  - Budget reports
- Internal Controls
  - Self-assessment internal questionnaire
  - Audits
- Compliance
  - Bulletin 3.5 for contracting and procurement
  - Bulletin 5.0 for sub-grants
  - Department of Finance & Management Policies

# Intro to next presentations

- DEC - Water Investment Division
  - \$114.1M budget (38% of Agency's budget)
    - 6% salary and benefits
    - 2% operating expenses
    - 92% contracts, grants, and loans
  - Complex funding stack, dominated by federal funds
- Fish & Wildlife – Warden Services Division
  - \$8.6M budget
    - 87% salary and benefits
    - 13% operating expenses
    - <1% contracts, grants, and loans
  - Almost exclusively funded with state dollars