

State of Vermont
Agency of Natural Resources
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Senate Committee on Appropriations
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Sent via email to aperchlik@leg.state.vt.us

Dear Senator Perchlik and Committee Members:

I want to provide additional information about the Agency of Natural Resources' (ANR) state fiscal year 2026 budget that will hopefully be helpful as budget discussions continue in the coming weeks.

The Governor's Recommended Budget included \$9.52 million of one-time funds for PCB remediation in schools. The Department of Environmental Conservation (DEC) plans to use this appropriation to conduct necessary mitigation and remediation PCB work for schools where levels of PCBs identified in indoor air exceeded action levels identified as health-protective by the Vermont Department of Health. The House Committee on Appropriations reduced the one-time appropriation by \$4 million, a 42% reduction. The Committee's proposed \$5.52 million for PCBs in schools will result in either discontinuing the work at North Country Union High School or leaving nine other schools with known exceedances of health action levels in primary learning spaces without a funding source for this work. DEC's priority listing is based on the concentrations of airborne concentrations of PCBs and the use of spaces. Priority 1 and 2 schools have rooms with PCB detections above specified levels, where initial mitigation measures were not successful in reducing indoor air concentrations, and for Priority 1 schools the spaces cannot be used. Priority 1 schools include Bellows Falls Union High School, Green Mountain Union High School, Hartford High School, North Country Union High School, Rutland Town Elementary School, the Soar Learning Center, and Twin Valley Elementary School. Priority 2 schools have significant restrictions on the use of the spaces with elevated levels of PCBs, and include Brighton Elementary School, Saint Paul's School, and U32 Union High School. For context, in calendar year 2024, DEC issued \$10.1 million in PCB grant awards to schools, showing they have the expertise and capacity to disburse the \$9.52 million appropriation.

In 2024, the Legislature passed the Climate Superfund Act (Act 122). The first significant step identified in Act 122 was for ANR and the State Treasurer to provide a report to the General Assembly detailing the feasibility and progress of carrying out the requirements of the Act. That report, delivered in January, identified the financial and staffing resources needed to advance the next phase of work the Act. The Treasurer's Office needs \$700,000 for contracted support and \$125,000 for a new limited-service position to perform cost assessment and ANR needs



\$500,000 for contracted support and \$175,000 for a new attorney position that can be dedicated to the legal challenges and work related to the Act. Despite these needs, the Legislature has not appropriated funding for their Act. Governor Scott allowed Act 122 to become law without his signature and specifically acknowledged the report back and the ability to reassess based on the feedback provided by ANR and the Treasurer's Office. It is imperative that the Legislature either prioritize the funding for this work or repeal the mandates in Act 122.

Act 181 of 2024 – An act relating to community resilience and biodiversity protection through land use, was passed by the Legislature, over the Governor's veto, without funding or staffing capacity for ANR and indicated this would be reconsidered as part of the FY26 budget development process. This year, the [House Committee on Environment provided a budget recommendation letter](#) to the House Committee on Appropriations, which included opportunities to address components of the funding and staffing capacity issues. The Governor Recommended Budget for ANR did not include additional resources for Act 181 implementation. If the Legislature chooses to prioritize funding for their Act, ANR's preference would be to provide funding for two positions to the Fish & Wildlife Department to capacitate the obligations created by Act 181.

Sec.E.100.3 of H.493 – An act relating to making appropriations for the support of the government, includes a deadline of July 1, 2027 to spend or encumber all cured American Rescue Plan Act funds, otherwise those funds would revert to the General Fund Balance Reserve. ANR advocates for moving this deadline to December 31, 2027 to allow agencies and departments to continue executing projects through the 2027 field and construction season. This ensures that contractors and sub-awardees are able to take full advantage of that critical period to complete work. Also, reporting on encumbered funds does have gaps due to the accounting and contracting systems and processes. In addition, delaying the sweep until December 31, 2027 will help ensure that there is an "administratively clean" report that is fully reflective of all encumbered funds. Absent providing these additional six months, there will need to be a reconciliation before any funds are reverted to avoid situations where an agreement is in place and a project is underway, but funds are automatically reverted because the encumbrance does not appear in a report.

Sincerely,



Julia S. Moore
Secretary

