

Vermont Agency of
Natural Resources

Joint Fiscal Committee Request:
Limited Service Position for ARPA and IIJA

JULY 28, 2022



Transformational Opportunity for Vermont

In 2021 Congress allocated \$1.9 trillion through the [American Rescue Plan Act \(ARPA\)](#) to address economic impacts of the COVID-19 pandemic.

- The General Assembly appropriated a total of \$192,790,000 of ARPA funds to ANR for investments in water infrastructure, including \$101,750,000 in the SFY 2023 Big Bill. **The total amount appropriated exceeded the Governor's FY23 Recommend by roughly \$30 million.**

In November 2021, Congress passed the [Investment Infrastructure and Jobs Act \(IIJA\)](#), also called the [Bipartisan Infrastructure Law \(BIL\)](#).

- IIJA/BIL will support historic investments in water infrastructure and environmental remediation, totaling nearly \$400 million additional funding over five years.
- **IIJA/BIL will provide \$73M more in Federal funding for water infrastructure than the sum of all Federal funds directed to Vermont since 1957**, the earliest date for which complete records of Federal water and sewer investments are available.

ARPA Limited-Service Position Request

REQUEST: *ANR is requesting 11 positions.*

- Of the 11 positions, 10 will support the Healthy Homes program, and one position will support property owners in the 3-Acre Stormwater program.

EXPLANATION: *Due to overwhelming demand, the Healthy Homes program anticipates working with up to 800 low-income Vermont homeowners to replace failed wells and septic systems.*

- Healthy Homes is a new opportunity for ANR and is being administered as a beneficiary payment program, meaning funding is being provided directly to individual property owners.
 - In this way it is similar human services programs, as opposed to the traditional ANR funding programs which provide grants or loans to municipalities.
- Requested positions will support the homeowners in working with a contractor, in addition to administration of the number of agreements that will be required.
- This is a “true up” - the General Assembly responded quickly to the unanticipated demand in the Healthy Homes program, appropriating 7x Governor’s Recommend, but no adjustments were made to staffing.

IIJA/BIL Limited-Service Position Request

REQUEST: *ANR is requesting 31 positions total to support \$400M of investments* in drinking water, stormwater and wastewater infrastructure, dam safety, and Brownfields and Superfund remediation

- IIJA/BIL funding will nearly double the amount of grants and low-cost loans issued by DEC annually, from \$80 million annually in FY21 to a projected \$144 million in FY23.
- Funds permanent solutions for legacy environmental issues, including Superfund sites, brownfields contamination, combined sewer systems, and lead (drinking water) service lines.

EXPLANATION: *IIJA/BIL authorizes and fully appropriates five years of infrastructure funding.*

- All IIJA/BIL funding is assigned to existing Catalog of Federal Domestic Assistance (CFDA) numbers, delivered to Vermont thru existing EPA-administered programs.
 - The majority of the funding is in the form of supplemental State Revolving Loan Fund (SRF) awards
- The work will entail:
 - Technical, engineering, and design support for drinking water, stormwater and sewer projects; contaminated site assessment and remediation support.
 - Financial administration, including maintaining robust internal controls and avoiding costly and time-consuming audit findings

IIJA/BIL – Projected Funding Matrix

Note – these figures may deviate slightly from those noted in the accompanying position spreadsheet as they reflect best available estimates, based on allocation formulas established in Federal law (SRF) or communications for Federal granting agencies.

	Program Area	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026	Total
Water Infrastructure	Clean Water SRF-Supplemental	\$8,809,000	\$10,198,444	\$11,129,291	\$12,055,997	\$12,055,997	\$54,248,729
	CWSRF Supplemental State Match	\$880,900*	\$1,019,844	\$2,225,858	\$2,411,199	\$2,411,199	\$8,949,000
	Clean Water SRF Emerging Contaminants (no match)	\$462,000	\$1,040,000	\$1,040,000	\$1,040,000	\$1,040,000	\$4,622,000
	Drinking Water SRF-Supplemental	\$17,955,000	\$20,787,042	\$22,684,347	\$24,573,213	\$24,573,213	\$110,572,815
	DWSRF Supplemental State Match	\$1,795,500*	\$2,078,704	\$4,536,869	\$4,914,643	\$4,914,643	\$18,240,359
	Drinking Water SRF Lead Reduction (no match)	\$28,000,000	\$28,000,000	\$28,000,000	\$28,000,000	\$28,000,000	\$140,000,000
	Drinking Water SRF Emerging Contaminants (no match)	\$7,450,000	\$7,450,000	\$7,450,000	\$7,450,000	\$7,450,000	\$37,250,000
	EPA Lake Champlain Basin Program Chapter 120 (no match)**	\$9,361,106	\$9,000,000	9,000,000	TBD	TBD	\$27,361,106
	Total for Federal for Water Infrastructure						\$374,054,650**
Dam Safety	Dam Safety General Program Support – FEMA (no match)	\$100,000	\$320,000	\$320,000	\$320,000	\$320,000	\$1,380,000
	Total for Dam Safety						\$1,340,000
Waste Management	Brownfields Support Grants to DEC (no match)	\$1,339,000	\$1,339,000	\$1,339,000	\$1,339,000	\$1,339,000	\$6,695,000
	Superfund Support Grants to DEC (no match)	\$11,600,000	\$300,000	\$300,000	\$300,000	\$300,000	\$12,800,000
	Total for Waste Management						\$ 15,300,000

*) Funds for the supplemental state match were appropriated in the Capital budget adjustment, Section 9, Act 180 of 2022.

**) State match for LCBP awards is covered by complimentary investments from the Clean Water Fund that pay for clean water projects in the Lake Champlain Basin. “Hard” match is not required for this source.

***) Not including State match