

Agency of Natural Resources
Civil Rights and Environmental Justice Unit (CREJU)
Vermont Environmental Justice Law (Act 154 of 2022)
Environmental Benefits Baseline Spending Report Guidance

Draft

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Executive Summary.

Under Vermont's Environmental Justice Law 3 V.S.A. §6004(f), ([Act 154 of 2022](#)), (Act 154 or the VT EJ Law) the Agency of Natural Resources created this Environmental Benefits Spending Guidance (EBSG) to support the implementation of the covered agencies' Environmental Benefits Baseline Spending Reports due February 15, 2026. The Baseline Spending Reports must identify which geographic areas received environmental benefits from those investments. Agencies should address investments made in the three-year reporting period (07/01/2022 - 06/30/2025) in their Baseline Spending Reports. This guidance document outlines the suggested approach for completing these reports and provides information covered agencies may need to effectively inform their reporting process.

One of the key tenets of environmental justice (EJ) is that everyone deserves to live, work, and play in a safe, healthy, and thriving environment.¹ EJ recognizes that there are systemic barriers that must be acknowledged and overcome to ensure this key tenet is fulfilled. The VT EJ Law requires covered agencies to evaluate the current distribution of programs, benefits, and services, and develop approaches for redistributing their investments in environmental benefits, as needed, to ensure there is proportionality in the distribution of these benefits.

The Baseline Spending Reports will support covered agencies—the ten agencies required to implement the VT EJ Law (see Definitions section for complete list)—in establishing an understanding of the past distribution of their spending. By creating a three-year lookback on investments resulting in environmental benefits, covered agencies will establish an initial baseline by which to assess whether their spending is distributed proportionally across Vermont. The goal of the VT EJ Law is to achieve proportionate distribution of investments into environmental benefits over time, 3 V.S.A. §6004(h). This guidance document will support the covered agencies in compiling this three-year lookback.

This guidance was developed by ANR in consultation with the Interagency Environmental Justice Committee (IAC) and the Environmental Justice Advisory Council (AC), with support from the EBSG Task Group—composed of IAC and AC members and staff from across ANR.

¹ [Principles of Environmental Justice](#), First National People of Color Environmental Leadership Summit, 1991.

Context.

Purpose.

The Context section provides foundational context necessary for covered agencies to understand their role in the advancement of EJ and how to use the EBSG to comply with Vermont's EJ Law. This section also offers an interpretive framework for core concepts—such as “environmental benefits” and “proportionality”—and their relevance in the development of the Baseline Spending Reports. These concepts are further defined and expanded upon in the “Definitions” section of the EBSG.

Environmental Justice and Act 154.

Environmental Justice is a framework grounded in seventeen principles adopted at the First National People of Color Environmental Leadership Summit in 1991.² Central to this framework is the understanding that all individuals have the right to live, work, and play in environments that are safe, healthy, and thriving. EJ seeks to address systemic and structural factors that contribute to environmental disparities through a variety of means.

The VT EJ Law ([Act 154 of 2022](#)) is Vermont's first law enacted to directly address environmental health disparities and improve the well-being of all Vermonters. Among its mandates, the VT EJ Law requires covered agencies to assess and address the distribution of environmental benefits through the development of Baseline Spending Reports, which serve as a foundational step to ensure the proportionate distribution of environmental benefits across Vermont.

What Counts as “Environment” in This Context?

For the purposes of this guidance, the EBSG Task Group³ developed a working definition of the term “environment” that extends beyond areas traditionally associated with natural resources (such as lakes, forests, etc.). “Environment”, in the context of this guidance, also encompasses the built, social and cultural environments where individuals live, work, learn, and play, including neighborhoods, schools, roads, parks, and public infrastructure.⁴ This interpretation allows for a more comprehensive application of “environmental benefits” across the scope of work conducted by covered agencies.

² [Principles of Environmental Justice](#), First National People of Color Environmental Leadership Summit, 1991.

³ The Environmental Benefits Spending Guidance Task Group consists of members of the AC, IAC and the covered agencies. See page 7 for more information.

⁴ [Definition of the Environment](#), “Environmental Justice & Environmental Racism” Green Action: for Health & Environmental Justice.

This definition was developed following iterative discussions in public meetings with IAC and AC members. Utilizing this definition of the “environment” in technical assistance provided by ANR and EBSG Task Group meetings have confirmed the efficacy of this definition in responding to the range of needs and spectrum of environmental benefits identified by covered agencies.

This guidance asks covered agencies to use this definition of the “environment” to evaluate where environmental benefits are concentrated, with the aim of addressing environmental disparities across Vermont. Agencies will apply this evaluation in their Baseline Spending Reports to quantify and describe how their programs deliver environmental benefits.

Environmental Benefits.

- Environmental benefits refer to the assets and services that enhance the capability of communities and individuals to function and flourish. Environmental benefits can include energy efficient housing, sidewalks, public transit, clean drinking water, and safe schools.
- The EBSG provides covered agencies with a clear framework for identifying and reporting their investments and the environmental benefits they provide. By standardizing how environmental benefits are catalogued and measured, this framework equips agencies to analyze those data and begin evaluating how benefits can be distributed more proportionately over time.

Proportionality.

- The Environmental Justice State Policy adopted in the VT EJ Law states, “It is the policy of the State of Vermont that no segment of the population of the State should, because of its racial, cultural, or economic makeup, bear a disproportionate share of environmental burdens or be denied an equitable share of environmental benefits.” To ensure an equitable share of environmental benefits, the VT EJ Law requires covered agencies to prepare their Baseline Spending Reports and moving forward “it shall be the goal of the covered agencies to direct investments proportionately in environmental justice focus populations.” See 3 V.S.A. § 6004(h).
- The term “proportionality” is not defined in the VT EJ Law, but the EBSG uses the term proportionality to ensure an equitable distribution of environmental benefits. Proportionality can be achieved by acknowledging existing disparities in access to resources, focusing resources where they are most needed, and helping to close gaps in access to resources that improve public health.
- The Next Steps Section of this guidance provides more information about a process to explore this principle further.

Legal Overview.

Purpose.

The Legal Overview section of the guidance is intended to outline the deliverables under the VT EJ Law ([Act 154 of 2022](#)) associated with the proportional distribution of environmental benefits. This section also provides easy access to the statutory language of these deliverables. Finally, this section outlines the rationale and intent behind the drafting of the guidance itself.

The Baseline Spending Report.

The VT EJ Law outlines several key action areas for state agencies to address environmental injustices and improve the well-being of Vermont residents. One of those key action areas is focused on the goal of achieving distribution of environmental benefits over time. This deliverable is broken into several components, starting first with the Baseline Spending Report. About the Baseline Spending Report, the VT EJ Law states the following (3 V.S.A § 6004 (g)):

“On or before February 15, 2026⁵, the covered agencies shall, in accordance with the guidance document developed by the Agency of Natural Resources pursuant to subsection (f) of this section, review the past three years and generate baseline spending reports that include:

- (A) where investments were made, if any, and which geographic areas, at the municipal level and census block group, where practicable, received environmental benefits from those investments; and
- (B) a description and quantification of the environmental benefits as an outcome of the investment.

The covered agencies shall publicly post the baseline spending reports on their respective websites.”

In other words, the Baseline Spending Report asks each covered agency to take a “snapshot” of its investments in environmental benefits over the previously identified three-year reporting period. By cataloguing and quantifying these investments, agencies collect the data they need to assess current disparities and to achieve the law’s stated goal “to direct investments proportionately in environmental justice focus populations” (see 3 V.S.A § 6004 (h)). The term “proportionately” is not defined in the VT EJ Law.

⁵ Deadlines in [Act 154](#) of 2022 were extended by two years in [Act 181 of 2024](#).

After completing the Baseline Spending Report, covered agencies will issue annual spending reports that include updates on their progress toward proportionate distribution of spending on environmental benefits over time. (see 3 V.S.A § 6004 (i)).

Environmental Benefits Spending Guidance.

To support the covered agencies in the completion of their Baseline Spending Reports, ANR, in consultation with the IAC and AC, is tasked with creating the EBSG (see 3 V.S.A § 6004 (f)). The statutory deadline for this guidance document is September 15, 2025.

Development of the EBSG.

Task Group. This guidance document was developed by the Civil Rights and Environmental Justice Unit of ANR in consultation with the EBSG Task Group. The EBSG Task Group included participants from the AC, IAC, and program staff from some of the covered agencies. Participation in the EBSG Task Group was open to all members of the previously listed groups and members of the EBSG Task Group engage on a volunteer basis as their availability allows.

To begin the development of the guidance, the EBSG Task Group spent six months deliberating on Key Decisions 1-5 from the [Guide to Creating the Guidance for Covered Agency Environmental Benefits Spending Reports](#). After deliberating on these Key Decisions, the EBSG Task Group synthesized the notes from these meetings, developing an outline that would ultimately steer the drafting of this guidance document.

Solicitation of Feedback. After developing an initial draft guidance document, ANR hosted feedback sessions open to program and business office staff from all covered agencies to ensure the guidance captured the needs and answered the questions of those agencies that would utilize the guidance for reporting. During this feedback gathering stage, ANR was able to consult seven of the ten covered agencies. Within ANR, the EBSG was reviewed by department business office and program staff, the leadership team, agency-wide business office leads, and the Office of the General Counsel. The EJ Coordinators also hosted a public meeting of the IAC (March 2025) and of the AC (April 2025) to consult these bodies on the EBSG.

Public Comment. The EBSG Public Comment Period will take place from July 1, 2025 to August 11, 2025. There will be one virtual public comment period meeting and two in-person public comment period meetings.

What is included in the guidance? And what's not? This guidance document includes context, explanations of the statute, and clear definitions to support covered agencies in executing this deliverable with a shared foundation of understanding. It also includes a detailed reporting process filled with instructions, guiding questions, helpful considerations, and other tips that covered agencies can employ in their completion of this deliverable.

ANR and the EBSG Task Group have designed this document to provide covered agencies with guidance for preparing their first Baseline Spending Report, but it is neither exhaustive nor prescriptive about which investments to include. As agencies complete their Baseline Spending Reports and move on to annual spending updates, ANR may release supplemental technical assistance materials in response to new questions or needs. If a covered agency encounters any obstacles during the reporting process, it should contact the EJ Coordinators for support (see Reporting Process Step 0 for more information).

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Definitions.

Purpose.

The Definitions section is intended to establish a common understanding of terms and phrases used throughout this guidance document. Some of these definitions are contained in the VT EJ Law, while others are unique to this guidance. Many of the definitions in this section include the legal definition, a plain language definition, and/or tangible examples to accompany the definition to increase clarity. Plain language definitions have been included to improve overall understanding of terms, support the initial conceptualization of this work, and increase accessibility of the document's content.

Environmental Benefit: From the VT EJ Law, environmental benefits are: "The assets and services that enhance the capability of communities and individuals to function and flourish in society." Examples of environmental benefits provided in the VT EJ Law include access to a healthy environment and clean natural resources, such as:

- Air, water, land, green spaces, constructed playgrounds, and other outdoor recreational facilities and venues;
- Affordable clean renewable energy sources;
- Public transportation;
- Fulfilling and dignified green jobs;
- Healthy homes and buildings;
- Health care;
- Nutritious food;
- Indigenous food and cultural resources; environmental enforcement; and
- Training and funding disbursed or administered by governmental agencies.⁶

Plain language definition: Environmental benefits are things that increase individual and community well-being in the spaces where they live, work, and play. Not all environmental benefits are within the same level of control or influence by state agencies.

Benefit: an outcome of investment that resulted in a net positive change to conditions

Direct benefit: Benefit that is the intended and actual outcome of an investment

Indirect benefit: Benefit that communities receive as secondary or unintended consequence of an investment, but may not be the specific purpose of the investment

Covered agency: State agencies, departments, and bodies subject to report on environmental benefits spending. Covered agencies include:

⁶ [Act 154 of 2022](#), § 6002 (1).

- Agency of Natural Resources
- Agency of Transportation
- Agency of Commerce and Community Development
- Agency of Agriculture, Food and Markets
- Agency of Education
- Public Utility Commission
- Land Use Review Board⁷
- Department of Health
- Department of Public Safety
- Department of Public Service

Environment/al: The term “environment/al” includes not only natural areas (lakes, forests, etc.) but also the built, social, and cultural settings—neighborhoods, schools, roads, parks, and public infrastructure—where people live, work, learn, and play. This is a working definition developed by the EBSG Task Group and is not defined in the VT EJ Law. This interpretation allows for a more comprehensive application of “environmental benefits” across the scope of work conducted by covered agencies.

Environmental Justice Focus Population (EJFP): “Environmental justice focus population” means any census block group in which:

- (A) the annual median household income is not more than 80 percent of the State median household income;
- (B) Persons of Color and Indigenous Peoples comprise at least six percent or more of the population; or
- (C) at least one percent or more of households have limited English proficiency.”⁸

Investment: a commitment of resources

- Direct investment of funds
 - Grants
 - Loans
 - Incentive payments
- Indirect investment of staff time and resources

⁷ Previously known as the Natural Resources Board (NRB).

⁸ [Act 154 of 2022](#), § 6002 (4).

- Technical assistance
- Capacity building
- Education & Outreach
- Service provision

Proportionality: In 3 V.S.A. § 6004(h), the VT EJ Law requires covered agencies “to direct investments proportionately in environmental justice focus populations.” The term “proportionality” is not defined in the VT EJ Law. See the Context, Legal Overview, and Next Steps sections of this guidance for more information about this term.

Quantification: The term “quantification” is used but not defined in the VT EJ Law. In the context of this guidance, quantification refers to a numerical value associated with an environmental benefit that may be different than the initial investment.

Reporting Period: The date range to be considered in data collection and report compilation. For the Baseline Spending Report due February 15, 2026, the reporting period is 07/01/2022 - 06/30/2025. Funds dispersed/spent during the reporting period should be considered for inclusion in the Baseline Spending Reports (as opposed to funds appropriated or obligated). For each subsequent annual spending report, the reporting period is a one-year period coincident with the most recently closed State Fiscal Year. For example, for the report due February 15, 2027, the reporting period will be SFY 2026 (07/01/2025 - 06/30/2026).

Reporting Process.

Purpose.

The Reporting Process section outlines the steps suggested in the guidance for covered agencies to complete their Baseline Spending Report. This includes steps to support agencies in identifying environmental benefits they provide and how they provide them, gathering data for investments that produce environmental benefits, and developing the report itself. This section is intended to establish some level of uniformity across the covered agencies while also recognizing that each agency has a unique structure, a distinct set of programs, benefits, and services, and their own accounting/data maintenance system.

Note on “Required Outcomes” and “Optional Inclusions.”

Through ongoing and thorough consultations with the covered agencies during the development of this guidance, ANR has recognized that each agency has its own unique strengths, limitations, and needs in preparing their Baseline Spending Reports.

To ensure comparability across the Baseline Spending Reports, this guidance document establishes a “required outcome” under each step in the reporting process. These are the outcomes that are required from each covered agency to fulfill the obligations of the report and to ensure information necessary to complete the next deliverables in the environmental benefits area of work is being tracked.

Similarly, this guidance document establishes “optional inclusions” under each step in the reporting process. Due to the variety and diversity of policies, projects and programs across each covered agency, these optional inclusions allow covered agencies the discretion to capture the depth and breadth of their services provided by incorporating additional elements into their reports, where applicable and practicable.

Step 0: Building Capacity for the Work.

Each covered agency will need to work across their agency’s departments/divisions/programs to gather the information necessary to begin the reporting process for the Baseline Spending Report. The roles that should participate in the reporting process include (but are not limited to):

- Program staff who can support the identification of environmental benefits and determine if their initiatives are relevant for the Baseline Spending Report;
- Business office staff with knowledge of the agency accounting systems and access to expenditure data determined to be relevant for the Baseline Spending Report;
- Staff to support in the writing of the “Rationale Component” of the Baseline Spending Report.

It is encouraged that each covered agency identifies at least one person within their agency to serve as the point of contact and coordinator of these efforts.

Depending on its size and structure, a covered agency may assign multiple roles to a single individual or team, and some functions may fall to its IAC representative. ANR's CREJU will provide guidance to ensure these reporting responsibilities are adequately supported. While CREJU's EJ Coordinators serve as a resource—guiding agencies through each decision point—they cannot be expected to carry out data-gathering or analysis for every covered agency program. Instead, EJ Coordinators will assemble and synthesize the information they can access, facilitate connections to in-house or external subject-matter experts, and direct agencies toward the appropriate guidance documents, data tools, and training resources. Additionally, EJ Coordinators can help agency staff identify both internal assets—such as in-house teams, data systems, or subject matter experts—and external resources to support their reporting work. In this way, they ensure agencies have the necessary information and referrals to make informed decisions.

To contact the EJ Coordinators for support on this deliverable, please email ANR.EJCoordinator@vermont.gov at least two weeks before you hope to arrange a meeting and no less than two weeks before the Baseline Spending Report statutory deadline of February 15, 2026.

Step 1: “Environmental Benefits” Assessment for your Covered Agency.

- **Question to answer:** What are the environmental benefits that my agency (department/division/program) provides?
- **Required outcome:** Covered agencies should identify the ways that they directly provide environmental benefits and categorize those ways (whether a program, service, activity, etc.) into an environmental benefit type outlined in the VT EJ Law.
- **Optional inclusion:** Covered agencies have the option to identify those environmental benefits they provide indirectly as byproducts of their programs, activities, and services.

To begin reporting on investments made that resulted in environmental benefits for communities in Vermont, covered agencies first need to identify the environmental benefits that their agency provides through their work. For a non-exhaustive list of environmental benefits, please see the statutory definition listed in the Definitions Section.

Depending on the nature of the services they provide, the environmental benefits associated with State of Vermont investments may vary between each covered agency. The table below provides applied examples of different ways the environmental benefits listed in the statutory definition could show up in covered agency work.

Environmental Benefit Type	Applied Examples ⁹
Clean air, water, and land	<ul style="list-style-type: none"> • Agency of Natural Resources (ANR): Access to safe drinking water and proper waste disposal. • Agency of Transportation (AOT): Administering vehicle electrification programs to address GHG reductions. • Vermont Department of Health (VDH): Administering water tests to address contamination of drinking water. • Agency of Agriculture, Food, and Markets (AAFM): funding and programs to support water quality best management practices on farms.
Green spaces	<ul style="list-style-type: none"> • ANR: Conservation and stewardship of state forests and wildlife management areas. • AAFM: Funding and programs to maintain farmland and open land. • Department of Public Safety (DPS): Federal and state hazard mitigation funding used for property buyouts that are required to be maintained as green open space in perpetuity. • Agency of Commerce and Community Development (ACCD): Better Places grant program.
Outdoor recreational facilities and venues	<ul style="list-style-type: none"> • ANR: Maintenance of State Parks and fishing access areas. • Land Use Review Board (LURB): Jurisdictional projects must satisfy Criterion 9(K) under 10 VSA Chapter 201 (development affecting public investments).
Affordable clean renewable energy sources	<ul style="list-style-type: none"> • Department of Public Service (PSD): Solar for All funding to increase access to renewable energy (solar) and reduce electricity bills for Vermonters with low income.

⁹ Information provided by covered agencies and from October 25, 2024 Joint Public Meeting [EBSG IAC Activity](#).

	<ul style="list-style-type: none"> • Public Utility Commission (PUC): Ensures utility compliance with the state Renewable Energy Standard.
Public transportation	<ul style="list-style-type: none"> • AOT: Administration of the state’s public transportation system. • DPS: Federal funding through Public Assistance is used to fix infrastructure that is damaged during federally declared disasters. • LURB: Jurisdictional projects must satisfy Criterion 5(B) under 10 VSA Chapter 201 (transportation demand management).
Fulfilling and dignified green jobs	<ul style="list-style-type: none"> • ACCD: Recruitment and Workforce Development—New and Remote Worker Grant Program. • PSD: Funding to support workforce development efforts in renewable energy / energy efficiency. • AOT: Jobs in environmental resources, planning, green development (charging stations for fleet), policy, public transit, etc.
Healthy homes and buildings	<ul style="list-style-type: none"> • AAFM: Pesticide use (and storage) inspections; farmworker housing inspections. • PSD: Funding to support weatherization and other home heating equipment upgrades.
Health care	<ul style="list-style-type: none"> • VDH: Mitigating inequities in health outcomes through Health Disparity funding. • AAFM: Grants to support local food prescription programs and healthy food in health care. • DPS: Supplying hospitals and supporting Personal Protective Equipment (PPE) Purchases through FEMA funding during COVID-19.
Nutritious food	<ul style="list-style-type: none"> • AAFM: Improving access to local food producers for institutional markets such as schools, hospitals, correctional facilities, etc. • AOE: Providing breakfast and lunch for all students through the Universal Meals Program. • VDH: Providing food benefits, nutrition education, etc. through WIC.

Indigenous food and cultural resources	<ul style="list-style-type: none"> • VDH: Informing communities of healthy consumption levels of fish caught in Vermont waters through the Fish Consumption Health Alert.
Environmental enforcement	<ul style="list-style-type: none"> • PUC: Regulatory programs ensure compliance with conditions to protect the environment. • ANR: Investigating and documenting alleged violations of environmental permits, rules, regulations, and statutes through the Environmental Enforcement Officers and Wardens. • LURB: Jurisdictional projects are subject to enforcement of permit conditions under 10 VSA Chapter 201.
Training and funding	<ul style="list-style-type: none"> • ACCD: Partnering with employers and training providers to cover training costs for many types of workers (pre-employment, new hires, incumbent). • PSD: Technical assistance to regional planning commissions to support enhanced energy planning. • PUC: provides training for the public to use ePUC (online document filing/management system).

For the purposes of the Baseline Spending Reports, covered agencies are required to report on the environmental benefits of those initiatives that provide direct benefits.

Covered agencies can also choose to report on environmental benefits that happen indirectly as a result of their programs, if practicable. Including this information is optional and depends on what each agency can do based on capacity and practicability.

Guiding questions covered agencies should ask to determine what environmental benefits they provide include:

- What programs, services, or resources does my agency offer that help people and communities stay healthy, safe, and support their well-being in the environment?
- What positive impacts on individual and community well-being may indirectly result from assets or services my covered agency provides?

Step 2: Initiative Assessment.

- **Question to answer:** What initiatives within my agency provide the identified environmental benefits?
- **Required outcome:** Covered agencies should identify the source of all direct environmental benefits assessed in Step 1.
- **Optional inclusion:** Covered agencies may wish to identify the source of all indirect environmental benefits assessed in Step 1.

After identifying the environmental benefits that they provide, covered agencies will then need to determine which of their initiatives touch on those environmental benefits. Initiatives which directly provide environmental benefits fall within the scope of the Baseline Spending Reports. Those initiatives which indirectly provide environmental benefits may be incorporated into the Baseline Spending Reports at the discretion of each covered agency based on assessed capacity and practicability.

Guiding questions for assessing which initiatives provide environmental benefits as defined under the VT EJ Law:

- What initiatives in my agency directly provide an environmental benefit?
- Are there initiatives in my agency whose services indirectly provide an environmental benefit?
 - If so, which initiatives? How do they provide the benefit?
- For each initiative that provides an environmental benefit, is there data available on how this initiative distributes environmental benefits to the public?

Step 3: Investment Assessment.

- **Question to answer:** What information is available on the total investment (direct and indirect) that my agency is making towards initiatives that provide environmental benefits?
- **Required outcome:** Covered agencies should complete an assessment of availability of data associated with each direct investment made towards the environmental benefits assessed in Step 1.
- **Optional inclusion:** Covered agencies may wish to also assess the availability of and report on indirect investment data.

Once covered agencies have an inventory of their initiatives which provide environmental benefits and therefore fall within the scope of the Baseline Spending Reports, covered agency initiatives will need to assess the availability of investment data associated with the environmental benefits they provided during the reporting period. Only funds dispersed/spent during the reporting period should be included in the Baseline Spending Reports (as opposed to funds appropriated or obligated).

For the purposes of the Baseline Spending Reports, covered agencies need to report on the direct investments they made towards the environmental benefits they provided during the reporting period. Covered agencies may also, to the extent that indirect investments can be tracked and quantified, report on indirect investments they made towards environmental benefits during the reporting period. This type of optional inclusion can be done at each covered agencies' discretion based on assessed capacity and practicability.

How far should my agency go when identifying beneficiaries or “end users”?

Covered agencies should identify recipients, beneficiaries, or “end users” of environmental benefits to the extent that they are reasonably able to. If this pre-existing level of identification is at a level of granularity smaller than the census block group level (the geographic unit used in the EJFP definition) then covered agencies should “zoom out” the granularity for the purposes of reporting to protect personally identifiable information for individuals. If the pre-existing level of tracking is at a level of granularity larger than the geographic unit defined in the EJFP definition or municipal level, then the covered agencies should report the information they have at their disposal and, where possible, make a plan to achieve a smaller level of granularity in future iterations of reporting.

How should my agency approach nondiscretionary funds? Some covered agencies distinguish their investments based on whether the covered agency has discretion over how funds from a funding source are distributed. Because the overall purpose of the Baseline Spending Report is to create a baseline through which covered agencies can assess and proportionately distribute future investments in environmental benefits, discretionary funds are the focus for this report.

Guiding questions for assessing availability of direct investment data for each initiative:

- For each initiative, is there data available on what expenditures/investments were made during the reporting period towards the environmental benefits this initiative provides?
 - If yes:
 - How easily accessible is this data?
 - What is the source of the investment?
 - How often are investments made?
 - If no:
 - Is it possible to collect this data?
 - What complexities or barriers currently prevent establishing the structures needed to collect this data in the future?
- Is the agency able to provide any geographic data on their investments?
 - If yes:
 - How easily accessible is this data?

- Be prepared to report on the geographic location of current beneficiaries.
 - If no:
 - Is it possible to collect this data? How difficult would it be to stand up the structures necessary to collect this data in the future?
- Where is this money directed (geographic region)?

Step 4: Identifying Investments to Report On.

- **Question to answer:** Which of the identified investments are feasible to report on in the Baseline Spending Report?
- **Required outcome:** Covered agencies should identify all investments made in environmental benefits which can manageably be included in the Baseline Spending Report. For those investments that will not be included in the report, covered agencies should internally develop a plan to incorporate those investments into future iterations of reporting.

After assessing the availability of data associated with investments made towards environmental benefits, covered agencies need to decide what investments will be included in their Baseline Spending Reports.

Agencies, based on their capacity and breadth of work, should identify the environmental benefits they are able to assess. Some agencies will find that they have gaps in available data, which is to be expected at this early stage of the environmental benefits deliverables. As the agency identifies data gaps, it is important that they make a plan to fill those gaps, consistent with their available capacity, in future iterations of reporting.

Some agencies may find that they identified a number of investments that are too large to manageably report on. Agencies which believe they fall under this description may opt to develop a prioritization scheme and commit to a reporting plan to ensure that reporting is manageable, accurate, and transparent. See Step 4.a for more information on how to develop a prioritization scheme for reporting.

Some agencies may find that they have identified no investments that they may report on in this first round of reporting. Agencies which believe they fall under this description may proceed to Step 4.b.

Guiding questions for identifying investments to report on include:

- Does the covered agency have investments to report on?
 - If yes:
 - Proceed to the next guiding questions.
 - If no:

- Proceed to Step 4.b. What do I do if my agency doesn't have any investments to report on?
- In the Baseline Spending Report, is your covered agency able to report on all of the investments identified in Step 3?
 - If yes:
 - Be prepared to report on all of the investments identified.
 - If no:
 - Develop a prioritization scheme to identify a subset of investments to report on. See Step 4.a.
 - Be prepared to report on the rationale and methodology behind the development of the prioritization scheme.

Step 4.a: Development of a Prioritization Scheme.

- **Question to answer:** "If my agency cannot feasibly include all its environmental benefit investments in the Baseline Spending Report, which investments should I include?"

If a covered agency determines that it is not currently able to report on all the investments identified in Step 3, this could be for several reasons including but not limited to:

- **Lack of data availability:** After their assessment of data availability for direct investments under Step 3, covered agencies may find that some or all investment data is not currently managed in an accessible format or is not collected. Due to this lack of data availability, covered agencies may need to take steps, such as implementing a prioritization scheme, to ensure quality data is available for use in future iterations of reporting.
- **Lack of capacity:** After their assessment of investments under Step 3, covered agencies may find that they have identified a quantity of investments that is too large to manageably report on. As a result, covered agencies may need to develop a prioritization scheme to ensure data reporting is manageable, accurate, and transparent.

If a covered agency has determined that it is not currently able to report on all the investments identified in Step 3, the covered agency can use its discretion to prioritize initiatives that will be reported on and/or develop an approach to fill gaps that work best for its structure and needs.

Please see Appendix A for a sample prioritization scheme.

At a **minimum**, a covered agency that utilizes a prioritization scheme to meet this ask needs to:

- Provide a quantitative report on an initial set of investments consistent with the requirements stated in this guidance document, and
- Provide a rationale component that describes the rationale and methodology behind the development of the prioritization scheme.

Guidance on Requirements for Developing a Prioritization Scheme Timeline:

The covered agencies should consider the following factors in developing a prioritization scheme to effectively complete their Baseline Spending Reports on time:

- **Feasible Timeline:** When developing this timeline, covered agencies should consider this to be a commitment. Covered agencies should not commit to a plan that cannot be feasibly implemented with existing resources.
- This feasibility element urges covered agencies not to promise more than they deliver and invites them to consider whether they can fulfill those promises with their current resources.
 - **Reasonable Timeline:** To ensure that the Vermont EJ Law is implemented in a timely manner, covered agencies should seek to develop a timeline that is not overly extended. Timely implementation of the Law is a key part of accountability.
 - This reasonability element encourages covered agencies to avoid overly extended timelines and to ensure the Vermont EJ Law is implemented promptly, reinforcing accountability.

Covered agencies may reference the example prioritization timeline provided in Appendix B.

Step 4.b: What to do if my agency does not have any investments to report on?

- **Question to answer:** What were the results of my agency's assessment of investments that deliver environmental benefits?

If, after assessing the availability of data associated with investments made towards environmental benefits, a covered agency concludes that they do not have or are not able to report on any such investments, it is important that the covered agency provides an explanation for this conclusion.

Guiding questions covered agencies may consider responding to in drafting their explanation:

- Why has the covered agency concluded there are no investments to report on?
 - Does the covered agency provide environmental benefits through its programs, benefits, and services?
 - If yes:

- Is it possible for the covered agency to collect data on investments made towards environmental benefits? Why or why not?
- If yes:
 - How does the covered agency plan to collect data on investments made towards environmental benefits for future rounds of reporting?

Step 5: Data Gathering.

- **Question to answer:** How will the data on investments and environmental benefits provided by my agency be collected, organized, and stored to ensure consistency in reporting across years?
- **Required outcome:** To the extent possible, covered agencies should develop a data set that compiles data related to each of the minimum data fields listed below for all of the investments outlined in Step 4.

After covered agencies have identified the investments they will report on, they should gather data to include in their Baseline Spending Report. To ensure consistency and comparability across reports, covered agencies should, at minimum, include field listed below. In the list below, each field is accompanied by a guiding question to support the data gathering process.

Minimum data fields for the Baseline Spending Report:

- **Initiative name.** What is the name of the program, benefit, or service that the reported investment is associated with?
- **Environmental benefit type.** What type of environmental benefit under the statutory definition does this initiative provide? (see Definitions)
- **Investment quantity (\$).** What was the total investment towards this initiative?
- **Funding source.** Where does the covered agency receive this funding from?
- **Funding cycle.** How often does the covered agency receive this funding?
- **Discretion.** Does the covered agency have discretion over how this funding is allocated?
- **Investment impact location.** Where was the investment made, and which geographic areas received environmental benefits from those investments?

Step 6: Describing and Quantifying Environmental Benefits.

- **Question to answer:** If it is practicable to quantify the environmental benefits delivered by my agency, what specific impacts or outcomes can be measured?

- **Required outcome:** Covered agencies need to provide a description of the environmental benefits and, where practicable, quantify the outcome of the environmental benefits.

Pursuant to 3 V.S.A. § 6004 (g)(1)(B), covered agencies must include in their Baseline Spending Reports “a description and quantification of the environmental benefits as an outcome of the investment.”

Description. For each investment reported upon, the covered agency must provide a description of the environmental benefits resulting from the investment.

Quantification. Quantification is not defined in the VT EJ Law, but in this context refers to a numerical value associated with an environmental benefit that may be different than the initial investment. For example, an environmental benefit may result in avoided public health costs or increased economic benefits to a community. Quantification may be achieved using modeling or other tools.

Each covered agency should assess and determine whether it is practicable to quantify the environmental benefits resulting from each investment. Where practicable, the covered agency should quantify the environmental benefits described in the report. For those environmental benefits that are not quantifiable or where quantification is not practicable, covered agencies should be prepared to describe why.

Guiding questions for describing and quantifying environmental benefits as an outcome of investment:

- For each investment reported, how does the investment provide an environmental benefit?
 - For reference, review and consider the types of environmental benefits listed in the Definitions Section and statutory definition of the term, 3 V.S.A. §6002(1).
- For each environmental benefit described, can the outcome of this investment be quantified?
 - If yes:
 - Is the quantification of the outcome of this investment practicable or easily achieved?
 - If yes:
 - Be prepared to report on the quantification of the outcome of this investment in whatever unit or value is deemed most appropriate for the nature of the investment.
 - If no:
 - Explain why quantifying the environment benefits are not practicable or easily achieved at this time. Note: pursuant to 3 V.S.A. § 6004(i) covered agencies may

be required to quantify environmental benefits in future annual spending reports.

- If no:
 - Report on the rationale behind why it was determined that the outcome of this investment could not be quantified.

Step 7: Reporting.

- **Question to answer:** Through report drafting, how will my agency clearly and transparently communicate the investments made towards environmental benefits, and the impact/outcome of those benefits?
- **Required outcome:** Covered agencies should develop a quantitative report including all investments outlined in Step 4 and all data gathered in Step 5. Covered agencies should also develop a written transparency report that outlines the methodology and rationale of each decision made throughout the reporting process.

To complete the Baseline Spending Reports, covered agencies should aim to publish (1) a data inventory component that reports on all data covered in Step 5 of the reporting process, and (2) a rationale component that is detailed below.

Data inventory component. The data inventory component will be in the form of a spreadsheet and will include all of the core data fields listed in Step 5 as well as all descriptions and quantifications developed in Step 6.

Covered agencies may consider adding alpha-numeric descriptors to their accounting codes that indicate what benefit is associated with that investment and what environmental justice focus population benefits from this investment. This can support ease of access for future reporting periods. For example:

- Type of environmental benefit:
 - Clean Air: **CA**
 - Clean Water: **CW**
 - Outdoor Recreational Facilities: **ORF**
- Environmental justice focus populations:
 - Annual median household income not more than 80% of state median household income: **AMHI80**
 - Persons of Color and Indigenous Peoples comprise at least 6% or more of the population: **BIPOC6**
 - At least 1% or more of households have limited English proficiency: **LEP1**

The development and implementation of alpha-numeric descriptors will require coordination across covered agencies to ensure consistency and utility. While this approach could significantly streamline future reporting efforts, it represents an area of

future development that would benefit from collaborative planning across covered agencies.

Rationale component. This written component of the report will be in the form of a Word document and will explain the covered agency's rationale behind their reporting process.

Guiding questions covered agencies may consider responding to in rationale component:

- For each step in the reporting process where the covered agency had to decide not to include certain environmental benefits, programs, or investments that otherwise would have been included in this report:
 - What was the decision-making process that resulted in omitting this information?
 - What changes can the covered agency make to their data collection and maintenance processes to prepare for future rounds of reporting?
 - Where might there be gaps in data collection? What kind of time and resources would be required to fill those gaps?
 - If the covered agency was unable to quantify the outcome of all reported environmental benefits, why were some environmental benefits deemed unquantifiable?

Submission process. Upon completion of the Baseline Spending Reports, covered agencies should complete the following steps:

1. Make Baseline Spending Reports publicly available by posting them to covered agency websites.
2. Submit Baseline Spending Reports spreadsheet and document as well as website link to the EJ Coordinators via email at ANR.EJCoordinator@vermont.gov.
3. The EJ Coordinators will ensure all Baseline Spending Reports are compiled in the [Environmental Justice Online Resource Library](#), available on the [Vermont Environmental Justice Law website](#), and submitted via email to the Advisory Council.

Digital accessibility. To ensure accessibility of all work produced under the VT EJ Law, the EJ Coordinators request that each covered agency please adhere to the following digital accessibility guidelines¹⁰ in the completion of their Baseline Spending Reports:

1. Font: Arial (the preferred font for the State of Vermont).
2. Font Size: 12+
3. Avoid italics, underline, and bolding small text.
4. Avoid all CAPS text.

¹⁰ Adapted from [ANR Digital Accessibility Quick Tips](#).

5. Use high color contrast. The WebAIM [Contrast Checker](#) is a helpful tool.
6. Color cannot be the only indication of information.
7. Provide detailed captions for photos and visuals.
8. Images, icons, tables, and objects need to have Alternate Text.
9. Use the Microsoft Accessibility Best Practices for Excel [Spreadsheets](#).
10. Links should be descriptive of the link. (Do not use text like “click here”.)
11. Use Headings to enable easy page navigation.
12. Limit use of jargon, abbreviations, acronyms, and technical language. Define all acronyms when first used.

DRAFT

Next Steps.

Purpose.

The Next Steps section outlines considerations and action steps covered agencies can begin to complete after the submission of their Baseline Spending Report. It is important that covered agencies begin thinking about how to approach the deliverables due after the Baseline Spending Reports.

Environmental Justice Focus Populations.

After the Baseline Spending Reports are submitted, the covered agencies must determine which investments and benefits were made to “environmental justice focus populations” (See Definitions Section). ANR will provide more guidance about how covered agencies can identify EJFPs before the Benefit Spending Reports are due.

Defining Proportionality.

After completion of the Baseline Spending Reports, on or before July 1, 2026, pursuant to 3 V.S.A. § 6004(h), “...it shall be the goal of the covered agencies to direct investments proportionately in environmental justice focus populations.” As discussed in the Context, Legal Overview, and Definitions sections, the term “proportionality” is not defined in the VT EJ Law. Continued discussion about the meaning of the term and the implementation of this goal of “proportionality” is important to achieve the EJ State Policy to ensure equitable share of environmental benefits. This topic should be discussed further by the AC, IAC, and ANR and can be informed by input from the public.

Achieving the Goal of Proportionate Distribution.

As discussed above, the next deliverable set to be completed by the covered agencies upon the submission of their Baseline Spending Reports is meeting the goal of directing investments proportionately to environmental justice focus populations. To ensure consistent implementation of this deliverable, it is important that all covered agencies have a shared approach for evaluating the distribution of environmental benefits. However, each covered agency will have to outline its own approach to achieving this goal based on their current circumstances (area of work, capacity, resources, etc.). This process could involve establishing internal milestones to reach the goal of proportionality in the VT EJ Law. While achieving the goal of proportionality will involve a collaborative process between the covered agencies, it is important that each covered agency begin considering what unique approach or milestones their agency should establish.

Appendix.

Appendix A. Example prioritization scheme based on current data availability.

This three-phase scheme is offered as technical assistance to guide covered agencies in preparing their Baseline Spending Report under the VT EJ Law. The three-phase scheme is not a requirement—each agency should adapt or replace this framework to fit its own organizational structure, staffing, and data systems.

Phase 1: Readily Available Data

- **What to include:** All investment data that can be pulled directly from existing electronic systems or reports with little to no additional work.
- **Deliverable:** A three-year Baseline Spending Report covering those initiatives for which data are immediately accessible.
- **Narrative requirement:** A brief statement describing
 - The rationale and methodology for selecting Phase 1 data;
 - Any environmental-benefit investments omitted and why.
- **Next steps:** Use the period between reports to assess and strengthen data collection and maintenance processes.

Phase 2: Data Accessible with “Reasonable Additional Effort”

- **Defining “reasonable additional effort”:**
 - Effort that can be absorbed within existing workloads and budgets—such as running a simple database search, manually compiling a handful of paper or spreadsheet records, or coordinating a one-time data request with another division.
 - Effort **not** expected: building a brand-new data warehouse or automating a previously manual system.
- **What to include:** After improving data structures post-Phase 1, add those investments whose records require the level of effort defined above.
- **Deliverable:** Annual Environmental Benefits Spending Reports that combine Phase 1 data with newly accessed Phase 2 data.
- **Narrative requirement:** A written statement that:
 - Summarizes improvements made to data systems since Phase 1;
 - Clearly defines your agency’s threshold for “reasonable additional effort”;
 - Lists any remaining data gaps and explains why they could not be included.

- **Next steps:** Commit to developing, where practicable, new data-collection or management tools to fill critical gaps. Recognize that some benefits may remain unreported due to capacity limits.

Phase 3: Data Requiring Significant New Investment

(Optional—if your agency has resources and strategic need to go beyond Phases 1 & 2.)

- **What to include:** Investments that can only be captured by major new systems, dedicated staffing, or substantial process redesign (e.g., integrating multiple legacy systems, commissioning new evaluations).
 - **Deliverable:** Updates to reports or future guidance about which high-priority gaps you intend to address and a proposed timeline or budget.
 - **Narrative requirement:**
 - Outline plans for any significant system or staff investments.
 - Explain how these investments will enable comprehensive reporting on all environmental benefits.

Appendix B. Example prioritization scheme timeline corresponding to Appendix A.

Example Prioritization Scheme Timeline: Environmental Benefits Reporting

Year:	2026	2027	2028	2029	2030
Implementation Phase and Deadline:	Feb. 15: Baseline Spending Report -- Phase 1.	Preparation for Environmental Benefits Annual Report and Phase 2.	Jan. 15: Environmental Benefits Annual Report -- Phase 2.	Jan. 15: Environmental Benefits Annual Report	Jan. 15: Environmental Benefits Annual Report -- Phase 3.