

# Environmental Benefits Baseline Spending Report Guidance

## Vermont Environmental Justice Law (Act 154 of 2022)

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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 identify investments by geographic area, where practicable, that provided environmental benefits. Agencies should address investments made in the three-year reporting period (July 1, 2022 to June 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.<sup>1</sup> EJ recognizes that there may be differences in the allocation of environmental benefits that must be addressed 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, as needed, develop approaches for redistributing their investments in environmental benefits to ensure equitable distribution to all Vermonters.

Ten state agencies, known as covered agencies, are required to implement the VT EJ Law (see Definitions section for complete list) and issue Baseline Spending Reports that will establish a record 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 how their spending has been distributed across Vermont. §6004(h).

This guidance was developed by ANR in consultation with the Environmental Justice Interagency Committee (IAC) and the Environmental Justice Advisory Council (AC), with support from the EBSG Task Group—composed of IAC, AC members and staff from across ANR.<sup>2</sup>

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

<sup>2</sup> See Appendix A for more information about the development of the EBSG.

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## Background.

### 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.<sup>3</sup> 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 ways communities access environmental benefits.

The VT EJ Law ([Act 154 of 2022](#)) is Vermont's first law enacted to directly address differences in the allocation of environmental benefits and the ways communities experience environmental burdens to 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 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.” 3 V.S.A. § 6003.

### The Baseline Spending Report Deliverable.

No later than February 15, 2026,<sup>4</sup> the covered state agencies must “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.” 3 V.S.A § 6004 (g).

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.

ANR and the EBSG Task Group have designed this document to provide

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<sup>3</sup> [Principles of Environmental Justice](#), First National People of Color Environmental Leadership Summit, 1991.

<sup>4</sup> Deadlines in [Act 154](#) of 2022 were extended by two years in [Act 181 of 2024](#).

covered agencies with guidance for preparing their first Baseline Spending Report, but it is neither exhaustive nor prescriptive about which investments to include. The EBSG itself is not a living document and will not be updated. As covered agencies complete their Baseline Spending Reports and move on to annual spending reports, ANR may release supplemental technical assistance materials in response to new questions or needs. If a covered agency needs assistance, it should contact the EJ Coordinators for support (see Reporting Process Step 0 for more information).

## Important Concepts.

### Purpose.

The Important Concepts section is intended to establish a common understanding of terms and concepts used throughout this guidance document. The definition of environmental benefit is contained in the VT EJ Law and is the only statutory definition in this section. Statutory definitions alone may be unclear or difficult to operationalize without accompanying conceptual frameworks. The remaining concepts are in plain language to support each covered agency in addressing its unique needs and meeting its reporting requirements.

**Environmental Benefit:** In the VT EJ Law, environmental benefits are defined as: “The assets and services that enhance the capability of communities and individuals to function and flourish in society. Examples of environmental benefits [are] access to a healthy environment and clean natural resources, including:

- 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.”<sup>5</sup>

**Benefit:** 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:** A benefit that communities receive as a by-product or unintended consequence of an investment, which may not be the investment’s primary purpose.

**Covered agency:** State agencies, departments, and bodies directed by the VT EJ Law to report on environmental benefits spending, including:

- Agency of Natural Resources

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<sup>5</sup> Act 154 of 2022, § 6002 (1).

- Agency of Transportation
- Agency of Commerce and Community Development
- Agency of Agriculture, Food and Markets
- Agency of Education
- Public Utility Commission
- Land Use Review Board<sup>6</sup>
- 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.

**Investment:** a commitment of resources

- Direct investment of funds, such as:
  - Grants
  - Loans
  - Payments
- Indirect investment of staff time and resources, such as:
  - Technical assistance
  - Capacity building
  - Education and outreach
  - Service provision

**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 July 1, 2022 – June 30, 2025. Only 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

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<sup>6</sup> Previously known as the Natural Resources Board (NRB).

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. The final Baseline Spending Report should include two components: (1) a data inventory spreadsheet, and (2) a rationale document explaining the agency's methodology for completing the report. See Step 7 for more information on both components.

### 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 distinct set of programs, 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 needed 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 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 relevant for the Baseline

- Spending Report;
- Staff to support in the writing of the “Rationale Component” of the Baseline Spending Report.

Ideally each covered agency will identify 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. For example, EJ Coordinators can compile final reports, review final reports for accessibility and formatting and facilitate connections to subject-matter experts. 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](mailto:ANR.EJCoordinator@vermont.gov).

### **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 on the following page provides a non-exhaustive list of applied examples of different ways the environmental benefits listed in the statutory definition could show up in covered agency work.

Environmental Benefit Type	Sample Applied Examples <sup>7</sup>
Clean air, water, and land	<ul style="list-style-type: none"> <li>• <b>Agency of Natural Resources (ANR):</b> Access to safe drinking water and proper waste disposal.</li> <li>• <b>Agency of Transportation (AOT):</b> Administering vehicle electrification programs to support GHG reductions.</li> <li>• <b>Vermont Department of Health (VDH):</b> Administering water tests to address contamination of drinking water.</li> <li>• <b>Land Use Review Board (LURB):</b> Jurisdictional projects must satisfy Criterion 9(K) under 10 VSA Chapter 201 (development affecting public investments).</li> <li>• <b>Agency of Agriculture, Food, and Markets (AAFM):</b> funding and programs to support water quality best management practices on farms.</li> </ul>
Green spaces	<ul style="list-style-type: none"> <li>• <b>ANR:</b> Conservation and stewardship of state forests and wildlife management areas.</li> <li>• <b>AAFM:</b> Funding and programs to maintain farmland and open land.</li> <li>• <b>Department of Public Safety (DPS):</b> Federal and state hazard mitigation funding used for property buyouts that are required to be maintained as green open space in perpetuity.</li> <li>• <b>Agency of Commerce and Community Development (ACCD):</b> Better Places grant program which supports efforts to create, revitalize and activate public spaces.</li> </ul>
Outdoor recreational facilities and venues	<ul style="list-style-type: none"> <li>• <b>ANR:</b> Maintenance of State Parks and fishing access areas.</li> </ul>
Affordable clean renewable energy sources	<ul style="list-style-type: none"> <li>• <b>ANR:</b> Funding to install and upgrade advanced/modern wood heating systems.</li> </ul>

<sup>7</sup> Information provided by covered agencies and from October 25, 2024 Joint Public Meeting [EBSG IAC Activity](#).

Environmental Benefit Type	Sample Applied Examples <sup>7</sup>
Public transportation	<ul style="list-style-type: none"> <li>• <b>AOT:</b> Administration of the state’s public transportation system.</li> <li>• <b>LURB:</b> Jurisdictional projects must satisfy Criterion 5(B) under 10 VSA Chapter 201 (transportation demand management).</li> </ul>
Fulfilling and dignified green jobs	<ul style="list-style-type: none"> <li>• <b>ACCD:</b> Recruitment and Workforce Development—New and Remote Worker Grant Program.</li> <li>• <b>PSD:</b> Funding to support workforce development efforts in renewable energy / energy efficiency.</li> <li>• <b>AOT/ANR:</b> Jobs in environmental resources, planning, green development (charging stations for fleet), policy, public transit, etc.</li> </ul>
Healthy homes and buildings	<ul style="list-style-type: none"> <li>• <b>AAFM:</b> Pesticide use (and storage) inspections; farmworker housing inspections.</li> <li>• <b>PSD:</b> Funding to support weatherization and other home heating equipment upgrades.</li> <li>• <b>ACCD:</b> Funding to support the Manufactured Home Improvement and Repair Program.</li> </ul>
Health care	<ul style="list-style-type: none"> <li>• <b>VDH:</b> Mitigating inequities in health outcomes through Health Disparity funding.</li> <li>• <b>AAFM:</b> Grants to support local food prescription programs and healthy food in health care.</li> </ul>
Indigenous food and cultural resources	<ul style="list-style-type: none"> <li>• <b>VDH:</b> Informing communities of healthy consumption levels of fish caught in Vermont waters through the Fish Consumption Health Alert.</li> </ul>
Environmental enforcement	<ul style="list-style-type: none"> <li>• <b>ANR:</b> Investigating and documenting alleged violations of environmental permits, rules, regulations, and statutes through the Environmental Enforcement Officers and Wardens.</li> <li>• <b>LURB:</b> Jurisdictional projects are subject to enforcement of permit conditions under 10 VSA Chapter 201.</li> </ul>

Environmental Benefit Type	Sample Applied Examples <sup>7</sup>
Training and funding	<ul style="list-style-type: none"> <li>• <b>ACCD:</b> Partnering with employers and training providers to cover training costs for many types of workers (pre-employment, new hires, incumbent).</li> <li>• <b>PSD:</b> Technical assistance to regional planning commissions to support enhanced energy planning.</li> </ul>

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.

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

- What programs, services, or resources does my agency offer to 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.

**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 investments my agency is making in 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.

Covered agencies 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, at their discretion, also report on indirect investments they made towards environmental benefits during the reporting period.

#### What about nondiscretionary funds?

This guidance focuses on discretionary funds because agencies have more flexibility in how they allocate and manage these resources. Typically, nondiscretionary funds must be spent according to legal mandates or established formulas.

#### 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 collecting this data?
- Is the agency able to provide geographic information about where

investments were made?

- If yes:
  - How easily accessible is this data?
  - At what level is the geographic data tracked (e.g., municipal, census block group)?
- If no:
  - Is it possible to collect this data?
  - What barriers or limitations exist?
- Is the agency able to provide geographic information about the location of benefits or impact radius that resulted from investments (see Step 5)?
  - If yes:
    - How easily accessible is this data?
    - At what level is the geographic data tracked (e.g., municipal, census block group)?
  - If no:
    - Is it possible to collect this data?
    - What barriers or limitations exist?

#### **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 investments that produce 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, consistent with their available capacity.

After assessing the availability of data associated with investments that yield 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 prioritize 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 can 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:
    - 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.
    - 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 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 B for a sample prioritization scheme.

At a **minimum**, a covered agency that utilizes a prioritization scheme should:

- Report on an initial set of investments consistent with the requirements stated in this guidance document, and
- Provide 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 develop a plan that is feasible to implement with existing resources.

This feasibility element urges covered agencies not to promise more than they deliver and invites them to consider what is realistic to report on given their current resources. Covered agencies may reference the example prioritization timeline provided in Appendix C.

#### **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, the covered agency should provide 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?
      - 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.

To ensure consistency and comparability across reports, covered agencies should, at minimum, include field listed below in their Baseline Spending

Report. 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). The criteria below are meant to help agencies decide which environmental benefits to report on.
  - **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?
- **Investment location.** Where was the investment made? Please report at the municipal or census block group level, where practicable.
- **Benefit location or Impact radius.** Which geographic areas received environmental benefits as a result of this investment? Please report at the municipal or census block group level, where practicable.

**Step 6: Describing and Quantifying Environmental Benefits.**

- **Question to answer:** How can the environmental benefits resulting from each investment be described? 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.”

**Step 6.a. Description.**

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

**Step 6.b. 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.
        - 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 that produce 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 rationale report that outlines the methodology and rationale of each decision made throughout the reporting process.

To complete the Baseline Spending Reports, covered agencies should include a data inventory spreadsheet that reports on all data covered in Step 5, including descriptions and quantifications developed in Step 6, with an accompanying narrative on rationale that is described below.

**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 decided not to include certain environmental benefits, programs, or investments in this report:
  - What was the decision-making process that informed this approach?
  - What changes, if any, 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](mailto: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, covered agencies must adhere to digital accessibility guidelines in the completion of their Baseline Spending Reports, since these documents will be made available online. All state entities must adhere to [Web Content Accessibility Guidelines Version 2.1 Conformance Levels A and AA](#), and all applicable standards, orders and regulations issued or adopted thereunder. Find more information from the [Chief Marketing Office Accessibility resources](#).

## Looking Ahead.

The primary purpose of the Baseline Spending Report is to establish a clear benchmark that allows covered agencies to evaluate past activity and inform future investments in environmental benefits. Accordingly, this guidance emphasizes discretionary funds, as these resources reflect agency decision-making and provide the most useful basis for assessing investment patterns.

This foundational reporting process also prepares agencies to support the broader goal of ensuring that all Vermonters have equitable access to environmental benefits—including basic needs such as a clean and healthy environment, a climate-resilient community, and other environmental benefits that improve health and quality of life.

To support consistency in future reporting and investment decisions, it will be important for covered agencies to begin thinking about what approaches, processes, or milestones may be needed to evaluate how environmental benefits are distributed. While a shared approach is important, each agency will need to consider what internal actions are appropriate based on its area of work, capacity, and available resources.

## Appendix.

### Appendix A. Development of the EBSG.

#### 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.

**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.

## Appendix B. 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 and 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 C. Example prioritization scheme timeline corresponding to Appendix B.

#### Example Prioritization Scheme Timeline: Environmental Benefits Reporting

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