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Dear, Environmental Justice Advisory Council,

The Civil Rights and Environmental Justice Unit (CREJU) is pleased to submit the Baseline Environmental Benefits Spending Reports (Baseline Spending Reports) on behalf of the covered agencies under the Vermont Environmental Justice (EJ) (Act 154 of 2022), section 6004 (g)(1).

Through a rigorous and consistent application of the Environmental Benefits Spending Guidance, covered agencies worked to identify and report their baseline environmental benefits spending. Agencies relied on the best available data, methodologies, and internal expertise, applying the guidance to assess, categorize, and document reported expenditures.

These reports, therefore, reflect the most accurate and complete information currently available, in light of current limitations related to data availability, system capacity, and other resource constraints.

This cover letter contextualizes the Baseline Spending Reports and highlights the challenges agencies faced in preparing them. Many of these limitations are systemic, stemming from the design of existing state systems and the modest new capacity provided by the legislature to support this significant body of work, rather than from any lack of commitment on the part of the agencies. Recognizing these factors helps illustrate the complexity of implementing the Vermont Environmental Justice Law (VT EJ Law or the EJ Law) and the conditions under which agencies conducted their reporting.

Background and Context.

The VT EJ Law asks covered agencies to produce a Baseline Spending Report by February 15, 2026.[1] This report is intended to outline the past three years[2] of spending on environmental benefits[3] the covered agencies provide.

The Baseline Spending Reports are foundational documents that provide information on how and where covered agencies have allocated their environmental benefits spending. As implementation of the EJ Law continues, these reports will serve as a key tool for helping support equitable distribution of this spending on Vermont communities. This will influence future state investments.[4]

State government is responsible for implementing the EJ Law. The systems currently in use to track spending, however, were not designed to identify or evaluate environmental benefits. Historically, they were developed to meet legal, legislative, and grant requirements, track performance indicators, and monitor program expenditures. As a result, these structures have inherent limitations in supporting agencies' efforts to realize the vision of the EJ Law, and overcoming these obstacles requires additional resources and capacity that agencies do not currently possess.

The EJ Law is intended to guide state government in ensuring that its agencies do not contribute to unfair distribution of environmental benefits or environmental burdens and that all Vermonters and visitors have equitable access to healthy environments. Meeting these objectives requires agencies to work within and sometimes transcend systems that were not originally designed to support this work. This tension highlights both the law's ambitious goals and the complexity of its implementation, as well as the resource and capacity challenges that agencies face in fully realizing these objectives.

Development Process.

Covered agencies made their Baseline Spending Reports by following the Environmental Benefits Baseline Spending Report Guidance. This guidance document was the result of nearly two years of collaborative work between the Agency of Natural Resources (ANR), the Advisory Council (AC), and the Interagency Environmental Justice Committee (IAC).[5] The guidance provides a step-by-step approach to help

[1] Act 154 of 2022. 3 V.S.A § 6004 (g)(1).
[2] The reporting period required by the guidance is July 1, 2022 to June 30, 2025. See Environmental Benefits Baseline Spending Report Guidance, page 2.
[3] Act 154 of 2022. 3 V.S.A § 6002 (1).
[4] Act 154 of 2022. 3 V.S.A § 6004 (h).
[5] Act 154 of 2022. 3 V.S.A. 6004(f).

covered agencies navigate the reporting process. For additional details, please refer to the Environmental Benefits Baseline Spending Report Guidance.

Additionally, CREJU provided each covered agency with direct technical assistance, including hosting public meetings, office hours and one-on-one sessions. These opportunities provided agencies with customized guidance to support the completion of their reports.

The IAC representative for each agency coordinated report development, drawing on a range of staff to support the process. Program staff identified initiatives within their agency that produce environmental benefits, while business office staff compiled available financial data associated with those initiatives. Each agency conducted thorough internal discussions to determine which initiatives to include; because accounting systems differ across agencies, data compilation was completed independently by each agency.

These reports were prepared using systems not designed for environmental justice work, which required agencies to prioritize certain initiatives and adapt their processes accordingly. Each report is therefore unique, reflecting differences in programs, data maturity, and financial systems.

Each covered agency is committed to refining and improving future reporting, consistent with provided capacity and the capabilities of the underlying accounting systems.

Limitations and Challenges.

As noted throughout this cover letter, covered agencies encountered a number of challenges in developing their reports. Many of these limitations are systemic in nature and will require sustained coordination and additional resources to address fully.

Quantifying Environmental Benefits.

The EJ Law asks covered agencies to quantify the environmental benefits resulting from their investments as part of their Baseline Spending Reports. However, the law does not provide guidance on how to measure these benefits or define the ultimate purpose of this exercise. Environmental benefits can be expressed in many ways—such as dollars saved, people served, energy conserved, or pollution reduced. Without clear guidance from the General Assembly, agencies made assumptions about which units of measurement are most appropriate, introducing uncertainty and inconsistency.

Many programs across covered agencies are not structured to track environmental benefits. For example, an agency may provide funding to a food bank as an environmental benefit, but it may not collect data on who is served. Requiring the food bank to collect this information would create significant burdens and is not feasible. Without such data, however, accurately quantifying program outcomes is and will remain extremely difficult.

Modeling can provide a standardized approach to evaluating environmental benefits, which could improve uniformity and accuracy in reporting. Developing such models requires additional resources and therefore is not currently feasible.

Currently, agencies are relying on assumptions and incomplete data, which limits both the comparability and precision of reported environmental benefits. As a result, most agencies are unable to report on the quantification of environmental benefits given its impracticality under current constraints.

Financial Systems.

Across the State of Vermont, agencies use different financial systems for distinct purposes:

- The most common accounting system is VISION-Financials, though the Agency of Transportation uses STARS and the Department of Labor uses FARS. These systems track expenditures, obligations, and other financial transactions.
- Payroll data, including hours worked and other employee information, is managed through Vermont Human Resources (VTHR).
- Adaptive Planning serves as the state's primary budgeting system. This system rolled out in 2025 for the FY27 budget.

These systems operate largely in isolation and do not integrate efficiently. Because these systems were designed for different administrative purposes, they do not provide standardized methods to track specific investments in a way that is relevant for reporting environmental benefits. Many environmental benefit investments are embedded within broader programs, and current systems do not consistently capture geographic or program-specific information. Accurately identifying expenditures and tracing where funds were applied to prepare this report required significant effort from staff who dedicated hours to compile and verify this information.

As financial systems are modernized and the EJ Law matures, agencies anticipate more efficient and precise reporting. Achieving this will require ongoing investment in systems and staff capacity to ensure that the data collected is accurate, consistent, and actionable for advancing the goals of the EJ Law.

Staff Capacity and Resources.

The EJ Law appropriated funding for two Environmental Justice Coordinator positions and one Director position and designated the Agency of Natural Resources (ANR) as the lead implementing agency. Through its Civil Rights and Environmental Justice Unit (CREJU), ANR is responsible for providing technical assistance to the ten covered agencies and the Environmental Justice Advisory Council; supporting implementation of all statutory deliverables; ensuring that systems are in place to carry out these responsibilities; organizing and hosting public meetings; providing administrative support to the Advisory Council; tracking implementation timelines; and ensuring compliance with the statute across ANR's three departments and the Secretary's Office.

While these positions are critical to advancing implementation, this allocation does not fully meet the scope or scale of the responsibilities assigned to ANR as the lead agency. Nor does it address the internal staffing needs of other covered agencies as they work to align their programs, systems, and processes with the VT EJ Law. Implementation of the environmental justice law requires sustained, agency-specific internal work that cannot be met solely through centralized coordination or technical assistance.

Further, the EJ Law required all other covered agencies to take on new work without any increase in staffing or resources, meaning covered agency staff completed the Baseline Spending Reports in addition to their existing job responsibilities. Over time, this dynamic compounds across state government. Data gathering across multiple programs within an agency is labor-intensive, and many agencies lack dedicated staff to conduct the level of analysis indicated in statute for this report. Adequate staff capacity is necessary not only for reporting, but also for the ongoing analytical work needed to meaningfully inform future decision-making.

Capacity constraints also extend beyond state government. Many covered agencies distribute investments through partnerships with towns, municipalities, and community-based organizations, which often operate with limited staff and resources. In many cases, funds are accessed through application-based processes; without an application from a specific entity, agencies cannot distribute grants or offer loans. Addressing capacity barriers within partner entities is an unmet need that directly affects the equitable distribution of environmental benefits.

Data Gaps and Inconsistencies.

Covered agencies collect data in different ways, shaped over time by legislative, federal, and program-specific requirements. Existing data collection practices were not designed to support implementation of the VT EJ Law. As a result, agencies would need to develop new data fields, tools, and processes to fully align with the law's reporting and analytical requirements.

Because data is not standardized across agencies, not all agencies can report on the same data elements. In many cases, programs do not collect the geographic, demographic, or community-level data needed to assess how environmental benefits are distributed or to inform future investment decisions. Addressing these gaps will require coordinated updates to data systems, along with clear standards for data collection and use.

Despite these limitations, covered agencies undertook a rigorous, methodical, and deliberate reporting process, applying the Environmental Benefits Spending Report Guidance consistently and engaging in extensive internal coordination to complete their Baseline Spending Reports using the data currently available to them. Strengthening future reporting and supporting effective, high-quality implementation of the VT EJ Law will require addressing these data gaps, sustained coordination and additional resources.

LURB and PUC

Certain covered agencies operate within organizational structures that do not align with the reporting requirements outlined in the Vermont Environmental Justice Law. Specifically, the Land Use Resource Board (LURB) and the Public Utility Commission (PUC).

Despite this, these agencies undertook a deliberate and thorough analysis to provide a report that conveys the conceptually relevant information available. Their reports explain the ways in which the guidance, as currently designed, does not directly apply to their organizations, while still offering transparency for readers to understand their operations and the limitations they faced in reporting. This approach ensures that stakeholders, including the Environmental Justice Advisory Council and the public, have context for interpreting their submissions.

Interpretation and Utility.

Covered agencies ask the Environmental Justice Advisory Council and the public to read the Baseline Spending Reports as foundational documents. The reports are not comprehensive accounts of all agency spending; rather, they represent a thorough effort to identify and document environmental benefit investments consistent with existing data and capacity. As such, the reports establish a baseline of environmental benefits spending that will inform future spending decisions by covered agencies. The baseline reports also help agencies identify gaps and improvement needs in data, systems, and methodologies, and highlight where additional resources are necessary to improve accuracy, consistency, and implementation and match the goals established in statute.

Conclusion.

Access to environmental benefits is a core component of environmental justice. Advancing this work requires a dual approach: making meaningful efforts within existing systems, while acknowledging and addressing the structural limitations of systems that were not designed with environmental justice as a guiding principle. Meaningful implementation of the EJ Law requires both. Progress cannot rely on reasonable efforts alone; it requires deliberate investment in improving systems that shape how environmental benefits are planned, tracked, and delivered.

Fulfilling the mandate of the EJ Law statewide requires additional, sustained funding, sufficient staff capacity, and time to design, test, and refine new approaches. It will also require targeted investment in data infrastructure, modeling, and accounting systems to ensure that environmental benefits spending can be measured accurately, consistently, and transparently. Without these resources, disparities in access, particularly in rural communities and historically marginalized populations, will persist, even as agencies are acting in good faith.

Best,

Civil Rights and Environmental Justice Unit
Vermont Agency of Natural Resources

On behalf of the covered agencies under the Vermont Environmental Justice Law