

Vermont State Climate Spending: FY25 and Beyond

Prepared by the Agency of Natural Resources'
Climate Action Office ¹



The Inter-Agency Advisory Board includes the following governmental agencies and partners:

- Agency of Agriculture, Food & Markets
- Agency of Commerce & Community Development
- Agency of Human Services (Department of Children & Families, and Department of Health)
- Agency of Natural Resources
- Agency of Transportation
- Department of Buildings & General Services
- Department of Labor
- Department of Public Service
- Vermont State Climatologist
- Vermont Division of Emergency Management

Spending on climate action has steadily increased in recent years but there are challenges ahead that will change that picture.

This is in large part due to federal investments, which are set to end as soon as this year. In addition to funding from the American Recovery Act coming to a close, federal funds from laws like the Inflation Reduction Act and the Bipartisan Infrastructure Bill are vulnerable to rollback from the federal government. The new federal administration also puts sustained federal

funding for critical programs like the Climate and Health Program in the Department of Health at risk. While state funding has also advanced initiatives—from flood preparedness and recovery to new energy navigator positions that support low-income Vermonters accessing grant funds—**new funding sources will be necessary** if we want to continue to advance at the pace and scale needed to meet our climate goals. Significant legislation, such as the Climate Superfund Act, could raise funds for Vermont’s climate resilience and adaptation work in future decades but it should not be considered a near-term funding solution because of legal risk.

Current Resilient Plans and Initiatives

- Resilience Implementation Strategy
- Transportation Resilience Improvement Plan
- Watershed and river corridor development
- State Hazard Mitigation Plan
- Vermont Drought Task Force
- Vermont Conservation Design
- Initial Climate Action Plan
- Flood Resilient Communities Fund
- Emergency Relief and Assistance Fund
- Clean Water Enhancement Grants
- Agronomic practices
- Wetland conservation & restoration

Understanding the state’s priorities will be critical in this time of reduced funding. The Climate Action Office (CAO), with the support of the Inter-Agency Advisory Board to the CAO, is supporting two critical efforts to prioritize funding in the future. The Resilience Implementation Strategy (RIS) will build off considerable work across State Government to identify and prioritize climate resilience needs and evaluate the sufficiency of available funding. Additionally, the Climate Council, with the support of State Government, is updating Vermont’s Climate Action Plan. Both initiatives are due by July 1, 2025.

The current Fiscal Year (FY) 25 Climate Spending Report outlines strategic investments and initiatives to advance climate action in Vermont.² The funds highlighted in this report have the primary benefit of climate, but it is important to note that there is a significant amount of other funding in the state budget that supports climate outcomes. A good example of this is clean water funding which we know supports significant resilience outcomes. Additionally, Vermont’s State Climatologist supports work that is critical to climate efforts statewide but lacks consistent funding sources.

From FY 2024, there has been an increase in climate spending with a total report of \$524,508,384 for FY 2025, acknowledging some of these funds were accounted for in [last year’s climate spending report](#) as well. These reports highlight point-in-time distribution of funding between state and federal sources, one-time vs. ongoing investments, and types of climate actions they support. By balancing one-time and ongoing investments and strategically allocating state and federal resources, agencies have advanced significant climate programs and services to reach Vermonters across the state.

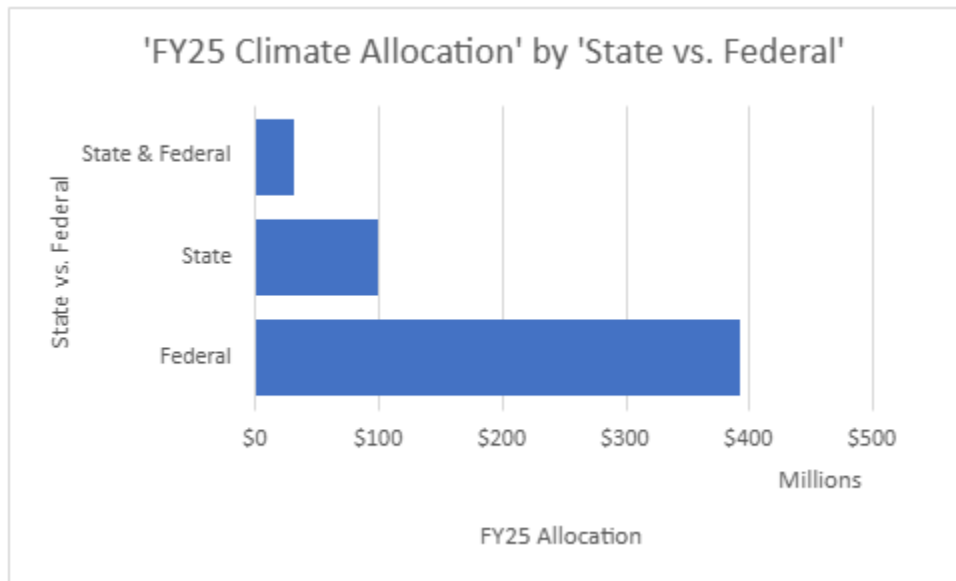
¹Prepared with support from the [Inter-Agency Advisory Board to the Climate Action Office](#).

²Report was published March 2025 and is subject to change.

FY 25 Climate Action Funding in Vermont

Climate action funds representing new and expanded resources in Fiscal Year 2025, totaling \$524,508,384.

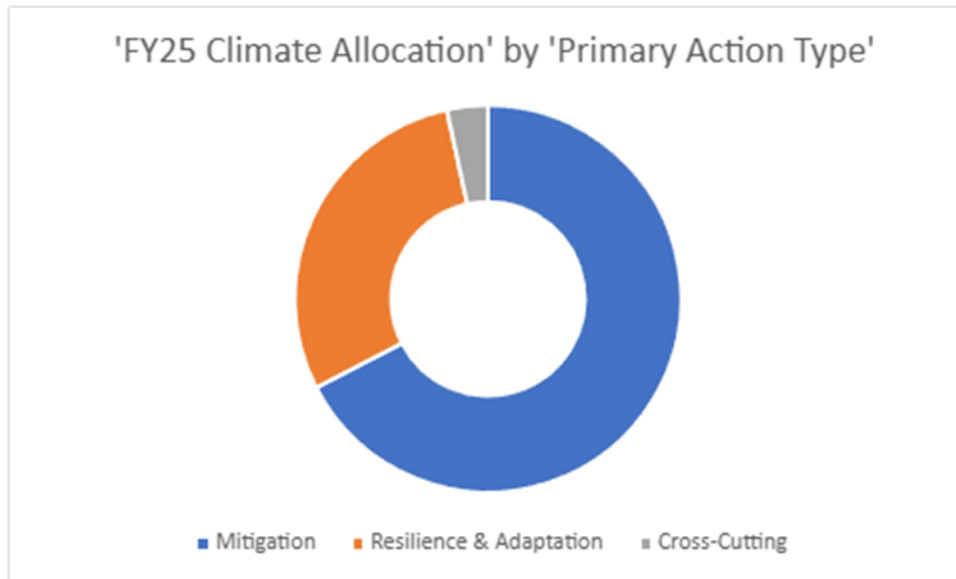
State vs. Federal Investments



- **Federal Funding: \$393,443,594.** These funds support disaster recovery, resilience and adaptation, energy efficiency, and infrastructure upgrades.
- **State Funding: \$99,629,479.** These funds are applied across State agencies to strengthen cross-cutting, resilience, and mitigation efforts.
- **State & Federal: \$31,330,695.** These funds are sourced from both State and Federal funds that are applied across State agencies to support climate programs and initiatives.

Types of Climate Action Funded

Allocation of climate spending falls into three main categories:



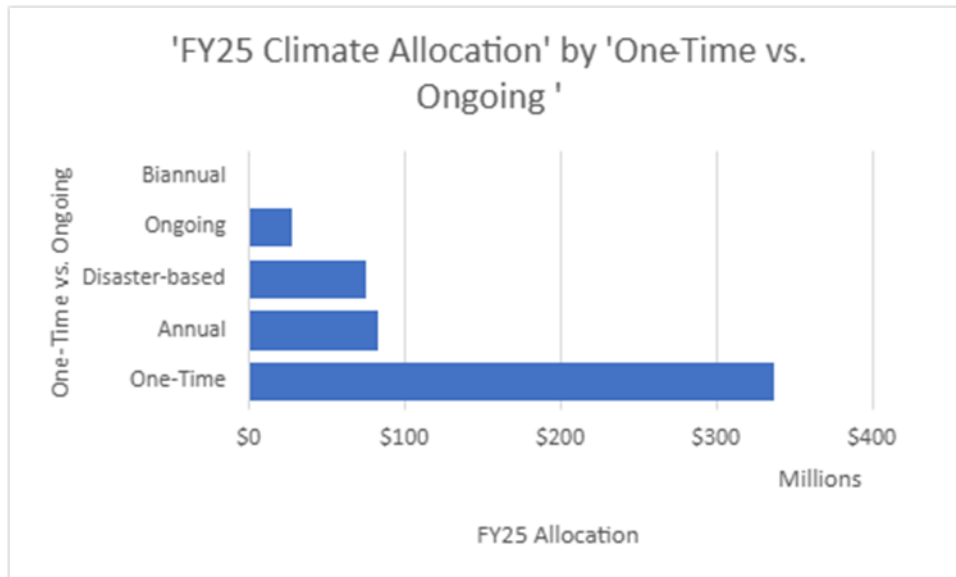
1. **Mitigation: \$353,547,850.** Mitigation efforts reduce greenhouse gas emissions through programs including weatherization, renewable energy projects, and sustainable transportation.
2. **Resilience & Adaptation: \$153,020,486.** Resilience and adaptation efforts aim to enhance Vermont's ability to withstand, recover from, and prepare for climate-related impacts. Programs include infrastructure improvements, flood hazard mitigation, and community resilience.
3. **Cross-Cutting: \$17,940,048.** These programs support overarching goals that intersect with mitigation and resilience and adaptation, such as workforce training and community engagement.



Community engagement is foundational to responding to needs and concerns of Vermonters.

One-Time vs. Ongoing Funds

The report shows one-time, ongoing, annual, and disaster-based funding:



- **One-Time Funding: \$337,354,490.** These funds are allocated for specific projects with immediate impacts, such as infrastructure upgrades and renewable energy installations.
- **Ongoing Funding: \$28,203,646.** These funds support continuous programs like energy efficiency improvements and climate workforce development.
- **Annual Funding: \$83,660,248.** These funds support ongoing infrastructure, sustainable transportation, and community resilience projects to reduce emissions and promote climate adaptation, subject to annual appropriation.
- **Disaster Based Funding: \$75,000.** These funds follow federally declared disasters to support proactive resilience and adaptation projects, enhance community preparedness, and mitigate future risks.

Climate Spending from FY24 to FY25

The FY25 budget reflects a significant increase of \$22,440,114 in climate spending compared to FY24. A minor but critical component of this increase supports the introduction of new programs and policies such as the Climate Superfund Act and Energy Navigators, which aim to enhance resilience and mitigation efforts. More significant increases are shown across sustainable transportation, with more funds allocated to transportation-related projects including public transit and electric vehicle infrastructure*. These funds have led to strong systems and structures to implement climate action statewide. Some of these programs are currently at risk of being cut due to a new federal administration.

Furthermore, the budget emphasizes energy efficiency and equity initiatives, with funds allocated to increase energy efficiency and expand access to renewable energy through programs such as weatherization and the Solar for All program. These efforts aim to improve energy efficiency and ensure equitable access to renewable energy, supporting moderate to low-income communities. These funds are also at risk as a result of the new federal administration.

* National Electric Vehicle Infrastructure funds for FY25, as well as previous year unobligated appropriations, have been paused.

LOOKING AHEAD

This FY2025 Climate Spending Report reflects Vermont's ongoing commitment to reducing climate pollution, enhancing energy efficiency, and building resilience to climate change impacts. Looking ahead, the State faces challenges to sustain climate funding as the federal funding landscape changes. However, this juncture presents an opportunity for the State to determine what the critical priorities are to support continued funding in those areas. By building upon climate investments and initiatives, State agencies will strive to sustain the momentum of these efforts to support a sustainable and just energy transition for communities across the State.



Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY25 Allocation	One-Time vs. Ongoing
Agency of Natural Resources	Climate Superfund	Vermont passed Act 122, also known as the Climate Superfund Act or Make Big Oil Pay. The purpose is to hold fossil fuel extractors and crude oil refineries responsible for covered greenhouse gas emissions between the covered period of January 1, 1995 and December 31, 2024 and hence the entity's share of the State's costs due to climate change. The funding will be used to contract out components of the work.	Resilience & Adaptation	State	\$300,000	One-Time
	Energy Navigators	The goal of this grant is to support two to five "energy navigator" jobs. These Navigators will work directly with low to moderate income families to provide direct support to change home energy systems to cleaner technologies.	Mitigation	State	\$261,000	One-Time
	Climate Planning Framework	Support for contractor incentives to optimize fuel efficient heating infrastructure replacement in flood-impacted homes	Mitigation	State	\$200,000	One-Time
	Community Engagement and Facilitation Services	Contractor assistance to roll out climate engagement across Vermont	Cross-Cutting	State	\$250,000	Ongoing
Public Service Department	Energy Efficiency and Conservation Block Grant (IIJA/BIL)	Block grants to be subgranted to municipalities for energy upgrades at their facilities including electric vehicle infrastructure and storage.	Mitigation	Federal	\$900,000	One-Time
	Energy Efficiency Revolving Loan Fund (IIJA/BIL)	Funds to be transferred to Buildings and General Services to support financing for municipalities that pursue projects under the Municipal Energy Resilience Program	Mitigation	Federal	\$1,600,000	One-Time
	Contractor Training Grant (IRA)	Funding to deliver Building Performance Institute Training to contractors providing thermal efficiency services	Cross-Cutting	Federal	\$1,000,048	One-Time
	State Energy Program Funds (IIJA)	Flexible funding for staffing, equity and engagement for energy initiatives, and workforce training to build the climate workforce.	Cross-Cutting	Federal	\$3,000,000	One-Time. Funding is over a five year period
	Affordable Community Renewable Energy (ARPA)	Community Solar for Vermonters with low-income. Memberships sponsored through distribution utilities providing long-term (5-10yrs) monthly bill savings for participants. (Allocated to PSD FY '22; obligated to DUs FY '24)	Mitigation	Federal	\$10,000,000	One-Time
	School Heating Assistance with Renewables and Efficiency (ARPA)	Funding heating improvements and repairs for, or changeouts to, renewably or clean fueled heating systems for Title I schools (schools with high enrollment rates of pupils coming from homes with low-income) including biomass and HP heating systems (Allocated to PSD FY '22; obligated to DUs FY '22, '23)	Mitigation	Federal	\$3,900,000	One-Time
	School Heating Assistance with Renewables and Efficiency (General)	Funding heating improvements and repairs for, or changeouts to, wood fueled heating systems for Title I schools (schools with high enrollment rates of pupils coming from homes with low-income). This funding is exclusive to wood-fueled systems.	Mitigation	State	\$2,000,000	One-Time
	Legislatively directed ARPA expenditures	Funds for for low-and moderate income weatherization, electric panel upgrades.	Mitigation	Federal	\$57,000,000	One-Time
	Home Energy Rebates (IRA)	Rebates for weatherization and electrification of low- and moderate income households	Mitigation	Federal	\$59,000,000	One-Time
	Solar for All (IRA)	Grants for low-income solar installations for single family, multifamily, and affordable housing residents.	Mitigation	Federal	\$62,500,000	One-Time
Vermont Emergency Management	Preventing Outages and Enhancing the Resilience do the Electric (BIL)	DOE formula grant for grid hardening projects that reduce outage duration and frequency. PSD has received yrs. 1 & 2 in one lump sum of \$6,361,432 in FY24 and expects to receive additional allocations in FY25, 26, 27 totaling \$15-16million.	Resilience & Adaptation	Federal	\$8,400,000	One-Time. Spending is over a four year period
	Community Resilience and Disaster Mitigation Fund	\$24,000,000 to the Department of Public Safety Division of Emergency Management for Federal Emergency Management Agency match or municipal support for hazard mitigation. Any unexpended and unencumbered spending authority shall be reverted and amount of funds equal to the reversion shall be transferred to the Community Resilience and Disaster Mitigation Fund. Of the \$36 million possible re-allocation, around \$24 million was available and re-allocated as state dollars.	Resilience & Adaptation	State	\$24,000,000	One-Time
	Community Resilience and Disaster Mitigation Fund	\$3,500,000 is transferred to the Community Resilience and Disaster Mitigation Fund for an appropriation in an equal amount to the Department of Public Safety for grants to municipalities with Federal Emergency Management Agency approved Individuals and Households Program registrations for Individual Assistance relating to a calendar year 2023 flooding event and for subgrants to residential building owners of up to \$300,000 for residential structure elevation projects.	Resilience & Adaptation	State	\$3,500,000	One-Time
Community Resilience and Disaster Mitigation Fund	\$12,500,000 is appropriated to the Department of Public Safety to be used as matching funds for Federal Emergency Management Agency Flood Hazard Mitigation grant receipts.	Resilience & Adaptation	State	\$12,500,000	One-Time	

	Hazard Mitigation Grant Program	Funding that follows disasters in the state, allocating 15% of the total federal disaster obligation to do proactive work anywhere in the state that does not have to be tied to the event. Can be projects or planning.	Resilience & Adaptation	Federal	\$75,000,000	Disaster-based. This is the current estimate of total federal funding available following the 7 federally declared disasters in 2023 and 2024 - numbers are not yet final
	Building Resilient Infrastructure in Communities	FEMA's large annual pot of funding for resilience work, which includes a set-aside for each state and the opportunity to apply for large competitive projects above that threshold. Can be projects or planning. A portion of the BRIC set aside for Vermont is used for Local Hazard Mitigation Plan grants annually.	Resilience & Adaptation	Federal	\$2,000,000	Annual
	Flood Mitigation Assistance Swift Current	A program intended to support states with an open HMGP round and focused on reducing risk to the NFIP pool through elevations, buyouts and relocations of properties with flood insurance.	Resilience & Adaptation	Federal	Variable	Annual. FY2024 applications are due in April 2025 and are nationally competitive
Vermont Department of Health	Building Resilience Against Climate Effects	Grant from the Centers for Disease Control to identify and respond to expected climate change impacts on health, and promote health and equity through appropriate climate mitigation strategies	Resilience & Adaptation	Federal	\$300,000	Annual. Funding through 2026 (subject to annual federal appropriations)
	Environmental Justice Government-to-Government	Grant from the Environmental Protection Agency to deliver an Energy-Efficient and Healthy Homes program to New American, refugee, and asylee households in Burlington and Winooski	Resilience & Adaptation	Federal	\$1,000,000	One-Time
	Building Resilient Infrastructure in Communities	Grant from the Federal Emergency Management Association to inventory cooling capabilities and vulnerabilities in congregate residential facilities. This is a part of VEM's 2023 BRIC Award for 2,000,000.	Resilience & Adaptation	Federal	\$192,000	One-Time
Agency of Commerce and Community Development	Community EV Chargers	The EVSE Grant Program supports EV charging installation projects that provide more equitable access to EV charging for residents of multiunit properties and ensures that Level 2 and "on the go" DCFC projects supports the economic vitality of Vermont's community centers.	Mitigation	State	\$1,700,000	One-Time
	Municipal Planning Grants	Funds local planning initiatives that support statewide planning goals and revitalization for local municipalities in Vermont. Competitive scoring criteria for awards include projects focused on climate planning.	Cross-Cutting	State	\$800,000	Annual
	Downtown and Village Center Tax Credits	Tax credits support general rehabilitation, code compliance, and exterior improvements for commercial and non-profit owned buildings in Designated Downtowns and Village Centers. Improvements can include structural and non-structural mitigation of flooding.	Cross-Cutting	State	\$4,000,000	Annual
	Better Connections	Provides funding to help cities and towns outside of Chittenden County complete planning to increase transportation options that support more livable, walkable, and welcoming communities.	Cross-Cutting	State & Federal	\$290,000	Biannual
	Downtown Transportation Fund	Provides implementation funding that helps municipalities pay for transportation-related capital improvements within or serving a Designated Downtown and eligible Designated Village Centers.	Cross-Cutting	State	\$1,700,000	Annual
	BEGAP	Grants to help Vermont businesses and nonprofits repair physical damage to their property as a result of the 2023 and 2024 floods.	Resilience & Adaptation	State	\$12,000,000	One-Time
	VHIP	Offers grants for repairs needed to bring vacant rental units up to Vermont Rental Housing Health Code guidelines, add new units to an existing building, or create an accessory dwelling unit on an owner-occupied property. Program helps to meet the State housing goals in a way that aligns with climate goals (energy efficient improvements, infill development and land use efficiency etc.)	Cross-Cutting	State	\$6,000,000	One-Time. Funding is addition to FY22 \$20M allocation
	Community Partnership for Neighborhood Development	The program funded investment in municipal planning, site control, design, scoping, and surveying for new neighborhoods or infill in existing neighborhoods, leading to the development of over 1,000 housing units in smart growth locations across Vermont.	Cross-Cutting	State	\$900,000	One-Time
Agency of Transportation	Park and Ride Facilities	Provides safe and convenient parking facilities to encourage the consolidation of travelers and the reduction of single occupancy vehicles on the roads. SFY 25 funds will support 60 new State-owned spaces.	Mitigation	State	\$1,464,833	Annual
	Bike/Pedestrian Grant Program	The program goal is to provide safe and convenient facilities for Vermonters seeking alternative transportation opportunities. SFY 25 funds are allocated to 28 bike and pedestrian construction projects; 21 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; 8 scoping studies.	Mitigation	State & Federal	\$11,648,752	Annual

	Transportation Alternatives	Provides funding for projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhancing mobility, community improvement activities, and environmental mitigation, trails that serve a transportation purpose, and safe routes to school projects. SFY 25 funds are allocated to 28 transportation alternatives construction projects; 28 transportation alternatives design, right-of-way, or design and right-of-way projects; and three studies, including scoping, historic preservation, and connectivity. Of these 59 projects, 38 involve bicycle and pedestrian facilities.	Mitigation	Federal	\$5,416,614	Annual
	Public Transit	The Public Transit Section provides financial and technical assistance to transit districts, transit authorities, municipal transit systems, and non-profit public transit systems. One focus of the program is vehicle electrification. The SFY 25 Transit Program includes \$405,000 for Go! Vermont and \$3,500,000 (\$3M from Carbon Reduction Program) for the Mobility and Innovations (MTI) Grants Program which serves to improve mobility and access for transit dependent Vermonters, reduce greenhouse gas emissions, and reduce the use of single occupancy vehicles. The figure shown in this table represents a rough estimate (1/3) of the overall \$56,170,225 Transit Program budget that has a climate nexus.	Mitigation	Federal	\$18,723,408	Annual
	Rail	The VTtrans Rail Program is the steward of the State's rail network, ensuring the safe efficient movement of goods and passengers, and the management of associated assets throughout the state. The SFY 25 funding provides for intercity passenger rail service, including funding for the Ethan Allen Express and Vermonter Amtrak services, and rail infrastructure that supports freight rail and promotes resilience. The figure shown in this table represents a rough estimate (1/3) of the overall \$48,746,831 Rail Program budget that has a climate nexus.	Mitigation	State & Federal	\$16,248,943	Annual
	AOT Fleet Electrification	The SFY 25 budget calls for a \$1.1M reallocation of previous year transit program Carbon Reduction Program allocations to AOT fleet electrification.	Mitigation	Federal	\$1,100,000	Annual. Funding through 2026 (subject to annual federal appropriations)
	Electric Vehicle Charging Infrastructure	The SFY 25 budget includes expenditure of \$4.8M of National Electric Vehicle Program (NEVI) funds for corridor fast charging as well as a transfer of \$1.7M to ACCD for level 1 and 2 EVSE.	Mitigation	Federal	\$6,533,828	Annual. Funding through 2026 (subject to annual federal appropriations)
	Incentives	The Vermont Legislature has authorized four statewide vehicle incentive programs for income-qualified Vermonters plus an incentive for commercial fleets. The SFY 25 budget identifies \$3.7M of prior appropriations available for the State's vehicle incentive programs.	Mitigation	State	\$3,700,000	One-Time. Total funds distributed over several years
	Resilience	The SFY 25 budget calls for implementation of the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program funds for the construction of several bridge and culvert upsizing projects that will support a more resilient transportation system. Four of the project locations address high priority areas identified in the Agency's Resilience Improvement Plan.	Resilience & Adaptation	Federal	\$13,723,870	Annual. Funding through 2026 (subject to annual federal appropriations)
Agency of Agriculture, Food & Markets	Capital Equipment Assistance Program (CEAP); Farm Agronomic Practices (FAP) Program; Pasture and Surface Water Fencing Program (PSWF); Grassed Waterway and Filter strip (GWFS) Program	The purpose of CEAP is to provide financial assistance for new or used innovative equipment that will aid in the reduction of surface runoff of agricultural wastes to state waters, improve water quality of state waters, reduce odors from manure application, separate phosphorus from manure, mitigate greenhouse gases, and reduce costs to farmers when they apply manure. The Farm Agronomic Practices (FAP) Program utilizes state funding to help Vermont farms implement soil-based agronomic practices that improve soil quality, increase crop production, and reduce erosion and agricultural waste discharges. The Pasture and Surface Water Fencing (PSWF) Program provides pasture management technical assistance and financial assistance to Vermont farmers to improve water quality and on-farm livestock exclusion from surface waters statewide. The Grassed Waterway and Filter Strip (GWFS) Program can provide technical and financial assistance to Vermont farmers for in-field agronomic best practices to address critical source areas, erosion, and surface runoff.	Mitigation	State & Federal	\$3,143,000	One-Time
Department of Children and Families	HWAP Weatherization (Wx) Program	State funded weatherization of homes	Mitigation	State	\$6,356,004	Ongoing
	DOE Wx Program	DOE Weatherization Program	Mitigation	Federal	\$2,000,000	Ongoing

		Weatherization of homes with Bipartisan Infrastructure Law Funds	Mitigation	Federal	\$6,300,000	One-Time. \$14,710,522 total available, expect to spend the majority by June 2026
		Weatherization of homes with ARPA SFR Funds	Mitigation	Federal	\$10,304,276	One-Time
		Funds used for Home Repairs, Vermiculite Abatement, Cold Climate heat pumps, heat pump water heaters, and EPA-certified wood and pellet stoves installed in homes being Weatherized (low income Vermonters homes)	Mitigation	Federal	\$2,743,408	One-Time. Funding ends June 20, 2026
		Part of HWAP Wx Grants (LIHEAP Swap)	Mitigation	Federal	\$3,100,000	Ongoing
Buildings & General Services		MERP provides staff support, application and technical assistance, and funding to increase energy resilience, reduce energy use and operating costs, and curb greenhouse gas emissions by promoting weatherization, thermal improvements, fuel switching, renewable energy, battery storage, electric vehicle charging, and enhanced comfort in municipal buildings. Act 172 gave MERP \$45 million to support dependable and sustainable connections to critical municipal services for all Vermonters.	Mitigation	Federal	\$35,906,142	One-Time
		The Municipal Energy Resilience Program (MERP) provides staff support, application and technical assistance, and funding to increase energy resilience, reduce energy use and operating costs, and curb greenhouse gas emissions by promoting weatherization, thermal improvements, fuel switching, renewable energy, battery storage, electric vehicle charging, and enhanced comfort in municipal buildings. Act 172 allocated \$2.8m for a Municipal Loan Program.	Mitigation	Federal	\$1,800,000	Ongoing
		SEMP uses revolving loan funds to install new energy conservation measures in state owned facilities and has begun piloting other emissions reduction strategies through EVSE installations and flexible load management.	Mitigation	State	\$9,500,000	Ongoing
		Any Hybrid/electric that are on order and likely to be delivered by June 30, 2024.	Mitigation	State	\$2,352,574	Ongoing
		All hybrid/electric vehicles that have already been delivered in FY 2024 (since 7/1/2023)	Mitigation	State	\$2,845,068	Ongoing
		PENDING: Windsor District Court planned geothermal system. If test wells fail then an air source heat pump and boiler system back up will be proposed instead. Both measures are designed to reduce emissions from building HVAC system operations.	Mitigation	State	\$3,300,000	One-Time
Vermont Department of Labor		Disaster Unemployment Assistance provides financial assistance to individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster and who are not eligible for regular unemployment insurance benefits.	Resilience & Adaptation	Federal	\$104,616	One-Time
				TOTAL	\$524,508,384	

*The current federal climate has made all federal funding vulnerable to rollbacks or cuts. As of March 2025, even funds granted, contracted, or obligated to Vermont are subject to change.