



# Vermont State Climate Spending: FY24 and Beyond

Prepared by the Agency of Natural Resources' Climate Action Office <sup>1</sup>

*Rain throughout the summer of 2023* in Vermont caused severe flooding, leaving lasting damage throughout the state. Research shows that due to climate change, storms, and weather patterns like this are the new normal, and Vermonters will continue to be impacted by the hazards caused by severe storms. While flooding is front of mind, this summer saw increased periods of prolonged drought, extreme temperatures, and wildfire smoke that make the need for investment to address the myriad impacts of climate change increasingly urgent.

As Vermonters work to recover from the recent floods, we should prioritize investments in resilience and adaptation that meet our goals (Figure 1) while continuing to invest in strategies that address our climate pollution, which left unchecked will worsen the impacts of climate change. With Vermont able to access unprecedented funding through the Bipartisan Infrastructure Law Infrastructure Investment and Jobs Act (IIJA), the American Rescue Plan (ARPA), and the Inflation Reduction Act (IRA) for programs like the Climate Pollution Grant Program and Solar for All, state spending will look to continue to complement these and other federal resources.

## Investment Goals

- Support Vermonters most vulnerable to the impacts of climate change.
- Safeguard the health of Vermont’s human and natural communities.
- Minimize disruptions to Vermont’s economy.
- Minimize impacts on infrastructure.

Figure 1

<sup>1</sup>Prepared with support from the Inter-Agency Advisory Board to the Climate Action Office. Learn more at <https://anr.vermont.gov/about-us/secretary-office/climate-action-office>



Attached, you will find a compilation of climate investments made in the FY24 State Budget. This list is not exhaustive, but rather spotlights new or expanded programs resulting from additional resources that are advancing Vermont towards meeting its climate goals. Specific federal funds secured by State Agencies to direct climate action are included in the attachment as well—as such, state funding appears much larger than usual. Much of this federal funding is implemented as state funding and will conclude in FY26.

As the state develops a [Resilience Implementation Strategy](#) over the next 18 months, the Climate Action Office in consultation with the Inter Agency Advisory Board will conduct an audit of existing programs to identify and prioritize needs and evaluate the sufficiency of currently available funding. The Strategy will build off considerable work done to date; a brief overview is provided here (Figure 2). The funding list compiled here is a start to that work and illustrates the vulnerability and fragility of climate resources in public health and emergency management, which both rely on grants or one-time funding. A comprehensive overview will be critical to building a resilient and adaptive state.

## Current Resilience Plans and Initiatives

- Watershed and river corridor plan 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

Figure 2



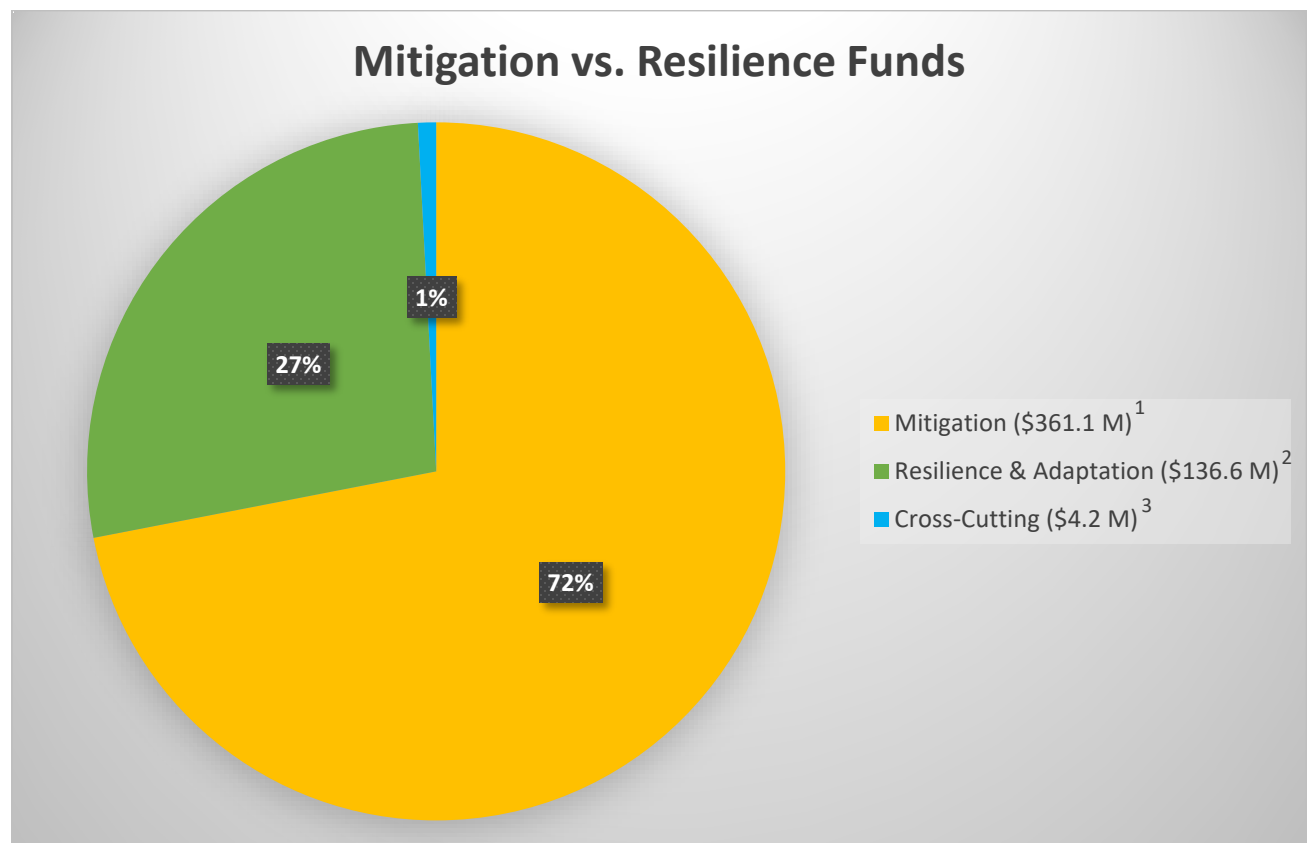
Community engagement is foundational to ensuring that climate investments respond to the needs and concerns of Vermonters.

## FY 24 Climate Action Funding in Vermont

Climate action funds representing new and expanded resources in Fiscal Year 2024 total \$501,963,654.\*

Much of the increase in state funding was supported through federal funding that passed through to state Agencies as state dollars, especially funding from the American Rescue Plan Act. As such, it is important to note that without further allocations, funding will begin to dry up as soon as FY26.

*\*This number includes \$11,680,000 of pending or anticipated funding.*

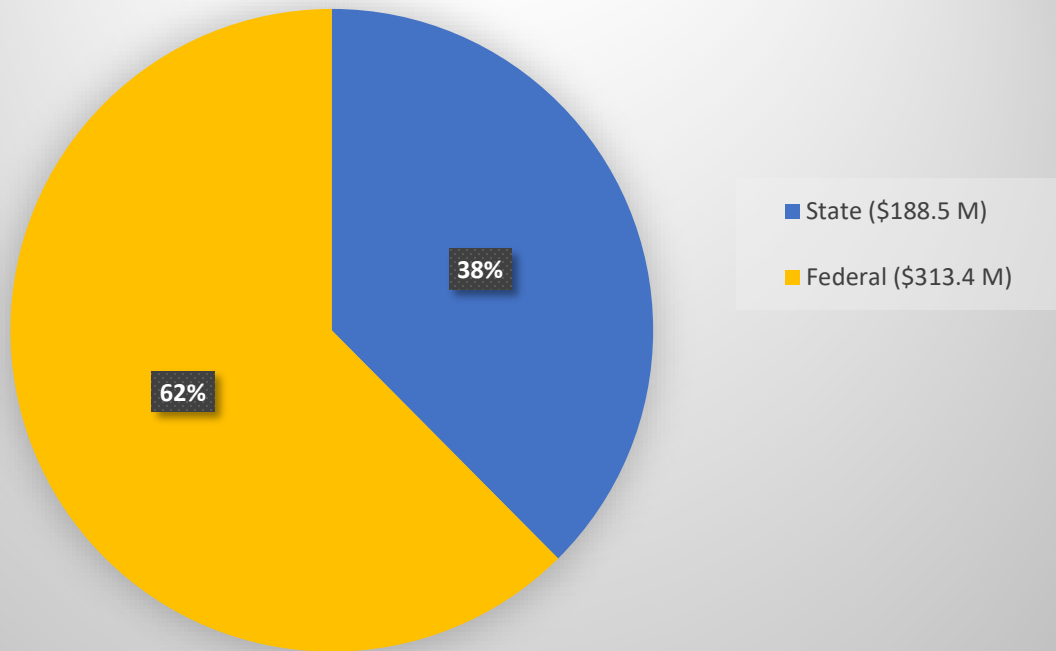


<sup>1</sup> **Mitigation:** Actions that reduce greenhouse gas emissions or remove carbon from the atmosphere.

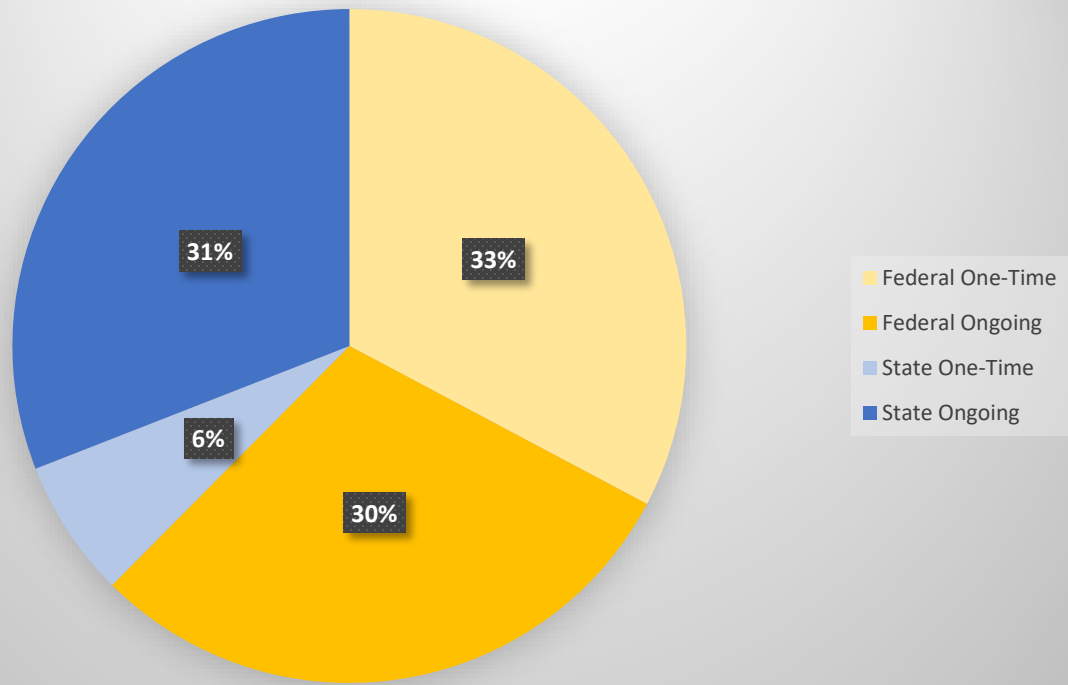
<sup>2</sup> **Resilience & Adaptation:** Actions that promote the ability of human and natural communities to withstand and recover from the harmful effects of climate change.

<sup>3</sup> **Cross-cutting:** Actions that have benefits for both mitigation and resilience & adaptation.

## State vs. Federal Funds



## One-Time vs. Ongoing Funds



Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
Agency of Natural Resources	Municipal Vulnerability Index Implementation	Resources for the Regional Planning Commissions to train and support municipalities in using the Municipal Vulnerability Index	Resilience & Adaptation	State	\$150,000	One-time
	Resilience Investment Analysis	Review of economic impacts of investments in municipal resilience measures	Resilience & Adaptation	State	\$100,000	One-time
	Measuring and Assessing Progress Tool	Plan for the development of a tool to measure and assess indicators of progress related to reducing GHG emissions and increasing resilience and adaptation to a changing climate in Vermont, as well as the implementation of actions in the CAP. Build and launch the tool	Resilience & Adaptation	State	\$250,000	One-time
	Flood Recovery and Fuel Switching	Support for contractor incentives to optimize fuel efficient heating infrastructure replacement in flood-impacted homes	Mitigation	State	\$200,000	One-time
	Refrigerant Management	Provide funding towards the purchase and installation of a Leak Detection Systems (LDS) for refrigerants, which would incentivize facilities to participate in the LDS program	Mitigation	State	\$700,000	One-time
	Heat Vulnerability	Study to look at congregate care facilities and heat vulnerabilities	Resilience & Adaptation	State	\$60,000	One-time

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	Climate Resilience Review Designation	Resources to support the additional review of climate resilience criteria for Vermont's designation reform study being led by ACCD	Resilience & Adaptation	State	\$45,000	One-time
	Municipal Planning Framework	Development of a planning framework that serves as a roadmap for municipalities to connect planning across all sectors and climate impacts to create comprehensive climate action plans will help build local capacity needed to implement climate actions and identify shovel ready climate projects	Resilience & Adaptation	State	\$95,000	One-time
	Climate Pollution Reduction Grant	Planning grant to support key deliverables and access to a 4.6 billion dollar program, created under the Inflation Reduction Act and administered through the EPA, to help state and regional governments reduce and sequester greenhouse gases	Mitigation & Sequestration	Federal	\$3,000,000	One-time
	Community Engagement and Facilitation Services	Contractor assistance to roll out climate engagement across Vermont	Cross-Cutting	State	\$200,000	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

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	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 energy work including Innovation grants to Regional Planning Commissions, municipalities, energy committees, and small utilities, equity and engagement for energy initiatives, and workforce training to build the climate workforce.	Cross-Cutting	Federal	\$3,000,000	one-time (over 5 years)
	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 ARPA funded

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	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 ARPA funded
	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
	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	\$6,361,432	one-time (over 4 years)



Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
Vermont Emergency Management	Flood Resilient Communities Fund	The Flood Resilient Communities Fund (FRCF) was established by the Vermont Legislature under Act 74 in May of 2021 with the intent of improving landscape and community resilience and reducing the future public safety and water quality impacts of climate-related flood hazards in Vermont, focusing on buyouts of flood-vulnerable properties and floodplain restoration.	Resilience & Adaptation	Federal	All funding currently obligated to projects	One-time ARPA funded
	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.	Resilience & Adaptation	Federal	\$75,000,000	Ongoing
	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.	Resilience & Adaptation	Federal	\$2,000,000	Ongoing
	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	\$40,000,000	One-time

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
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, thru 2026 (subject to annual federal appropriations)
	Environmental Justice Government-to-Government	<b>PENDING:</b> 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, anticipated award in early 2024
	Building Resilient Infrastructure in Communities	<b>PENDING:</b> Grant from the Federal Emergency Management Association to inventory cooling capabilities and vulnerabilities in congregate residential facilities.	Resilience & Adaptation	Federal	\$180,000	One-time, anticipated award in early 2024
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	\$10,000,000	One-time

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	Designation Program Reform	Amends the State Designation program reform project to include evaluation and recommendations to integrate climate adaptation topics into the Designation Program.	Resilience & Adaptation	State	\$45,000	One-time
Agency of Transportation	Bike/Pedestrian Grant Program	Program goal: to provide safe and convenient facilities Vermonters seeking alternative transportation opportunities. SFY 24 funds are allocated to 33 bike and pedestrian construction projects; 18 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; 15 scoping studies.	Mitigation	Federal with state supplement	\$13,040,000	Ongoing
	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. In SFY 24 funds will support 202 new State-owned spaces.	Mitigation	State	\$2,266,000	Ongoing

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	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 24 funds are allocated to 22 transportation alternatives construction projects; 19 transportation alternatives design, right-of-way, or design and right-of-way projects; and seven studies, including scoping, historic preservation, and connectivity. Of these 48 projects, 29 involve bicycle and pedestrian facilities.	Mitigation	Federal	\$5,195,000	Ongoing
	Carbon Reduction Formula Program	Established through the IIJA to reduce transportation emissions through the development of statewide carbon reduction strategies and by funding projects designed to reduce emissions. VT will receive \$32 million from FFY 22-26. For SFY 24 funds are allocated to bike and pedestrian grants, transit electrification through e-sprinter vans and related charging infrastructure, and public fleet electrification.	Mitigation	Federal	\$12,600,000	Annual, through 2026 (subject to annual federal appropriations)

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	The Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program	Established through the IIJA to help make surface transportation more resilient to natural hazards. VT will receive \$37 million from FFY 22- 26. SFY 24 dollars went to the development of a Resilience Improvement Plan to identify and prioritize high risk infrastructure locations.	Resilience & Adaptation	Federal	\$76,000	Annual, through 2026 (subject to annual federal appropriations)
	The National Electric Vehicle Infrastructure (NEVI) Formula Program	Established through the IIJA to provide dedicated funding to states to deploy electric vehicle charging infrastructure along key interstate and state highway corridors. VT will receive \$22 million form FFY 22-26.	Mitigation	Federal	\$7,625,000	Annual, 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.	Mitigation	State	\$14,200,000	One-time; over several years
	Rail Programs	The VTrans 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. Rail infrastructure improvements promote resilience and rail serves to move goods and people as an alternative to trucks and passenger vehicles.	Mitigation	State	\$43,008,000	Ongoing



Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	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 Transit Program includes Go! Vermont and the Mobility and Innovations (MTI) Grants Program which serve to improve mobility and access for transit dependent Vermonters, reduce greenhouse gas emissions, and reduce the use of single occupancy vehicles. Approximately one third of the Transit budget has a climate nexus.	Mitigation	Federal	\$49,645,000	Annual appropriation
	General Infrastructure Programs	VTrans has several Bridge and Roadway programs that provide resilient infrastructure, (culvert and bridge span expansion, slope stabilizations, etc.) on both state and local routes.	Resilience & Adaptation	Federal and State		
	PROTECT Discretionary	<b>PENDING:</b> This grant application addresses the need to enhance the resiliency of five bridge structures located along an approximate 8.5 mile stretch of Vermont Route 12 in the Towns of Worcester and Elmore. This proposed project improves infrastructure resilience and provides for improved biodiversity by creating safer means of passage for a protected species.	Resilience & Adaptation	Federal	\$7,200,000	One-time

Administering Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	Wildlife Crossing Pilot Discretionary Grant	This grant award will fund the design of a wildlife crossing to reduce WVCs and reestablish wildlife connectivity in the heart of the Green Mountains, between some of the largest and least fragmented forest blocks in the northeastern U.S. The proposed underpass will reduce WVCs, improve road safety, and increase habitat connectivity for large animals such as black bears, white-tailed deer, and moose, as well as small aquatic animals such as salamanders and wood turtles.	Resilience for biodiversity	Federal	\$1,600,000	One-time
Agency of Agriculture, Farms, and Food Markets	Maple Agriculture Development Grants	Grants for the maple industry will fund production or processing projects that address at least one of the following priorities: climate resiliency, operational efficiency, and/or food safety and quality. This could include projects such as infrastructure, equipment, storage and processing upgrades, or training. Maple producers or processors, including sap-only operations, are eligible to apply.	Resilience & Adaptation	State	\$540,000	One-time

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	Meat and Produce Agriculture Development Grants	The Agency of Agriculture is implementing the meat and produce ADG grant by focusing investments on three priority areas: Climate Resiliency; Infrastructure, Operations, and Capacity Growth; Worker and Food Safety and Product Quality	Resilience & Adaptation	State	\$1,600,000	One-time

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	Capital Equipment Assistance Program (CEAP); Farm Agronomic Practices (FAP) Program; Pasture and Surface Water Fending Program (PSWF); Grassed Waterway and Filter strip (GWFS) Program	<p>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.</p> <p><b>The Farm Agronomic Practices (FAP) Program</b> 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.</p> <p><b>The Pasture and Surface Water Fencing (PSWF) Program</b> provides pasture management technical assistance and financial assistance to Vermont farmers to improve water quality and on-farm livestock exclusion from surface waters statewide.</p> <p><b>The Grassed Waterway and Filter Strip (GWFS) Program</b> can provide technical and financial assistance to Vermont farmers for in-field agronomic best practices to address critical source areas, erosion, and surface runoff.</p>	Mitigation	Federal	\$3,600,000	One-Time

Administering Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. 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.				
	Municipal Energy Resilience Program (MERP)		Mitigation	Federal	\$45,000,000	One Time
	Municipal Energy Resilience Program (MERP)	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



Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	State Energy Management Program (SEMP)	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	\$95,000,000	Ongoing
	BGS Fleet	Any Hybrid/electric that are on order and likely to be delivered by June 30, 2024.	Mitigation	State	\$2,352,574	Ongoing
	BGS Fleet	All hybrid/electric vehicles that have already been delivered in FY 2024 (since 7/1/2023)	Mitigation	State	\$2,845,068	Ongoing
	Design and Construction Major Maintenance Projects	<b>PENDING:</b> 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 proposed
Department of Children and Families	HWAP Weatherization (Wx) Program	state funded weatherization of homes	Mitigation	State	\$6,988,634	ongoing
	DOE Wx Program	DOE Weatherization Program	Mitigation	Federal	\$1,782,985	ongoing
	ARPA Wx	Weatherization of homes with ARPA SFR Funds	Mitigation	Federal	\$13,879,246	one time, ends June 20, 2026

Administrating Agency	Program	Description	Primary Action Type	State vs. Federal	FY24 Allocation	One-time vs. Ongoing
	ARPA VHR Plus	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	\$1,666,667	one time, ends June 20, 2026
	LIHEAP Funded Wx (swap with HWAP Funds)	Part of HWAP Wx Grants (LIHEAP Swap)	Mitigation	Federal	\$3,067,000	ongoing

**TOTAL**    \$501,963,654