

STATE AUDITOR DOUG HOFFER

Press Release

Contact: State Auditor Doug Hoffer; Deputy State Auditor Andrew Stein

Phone: 802.828.2281; 802.828.1094

E-mail: Doug.Hoffer@vermont.gov; Andrew.Stein@vermont.gov

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New Report: “Where’s the Money Flowing? Cost-Effectiveness of Lake Champlain Cleanup Efforts”

MONTPELIER, VT – Vermont State Auditor Doug Hoffer today released the findings of a months-long analysis evaluating the cost efficiency, or “bang for the buck,” of \$66 million spent in the Lake Champlain Basin on clean water efforts between fiscal years 2016 to 2018.

Vermont’s lakes and streams are critical to public health, vital to sustaining Vermont’s ecosystems, and they attract hundreds of millions of dollars to the economy through tourism, real estate, and business investment. However, phosphorus pollution is compromising the quality of Vermont’s waterways and poses a risk to the State’s health, environment, and economy.

“In recent years, the conversation about raising revenues for clean water initiatives has taken center stage in the discussion about how to clean up Lake Champlain,” Auditor Hoffer said. “Meanwhile, tens of millions in public dollars have been spent on clean water efforts. My team and I wanted to identify the highest value areas for clean water investment and determine whether taxpayer dollars have been targeted there.”

The exercise produced two main findings. First, a majority of clean water funding was allocated to low-impact infrastructure projects instead of the cost-effective sectors of agriculture and natural resources, which contribute the majority of phosphorus to Lake Champlain. Wastewater and stormwater projects received 53% of funding, even though they are among the least cost-effective solutions to reduce phosphorus. Though such projects are necessary in certain locations, their comparatively poor cost-effectiveness raises important questions about the allocation of scarce clean water funds. The Legislature charged the Clean Water Board with achieving “the greatest water quality gain for the investment,” and these investments do not seem to meet this charge.

Second, the analysis identified data quality problems for assessing the impact of clean water projects. State agencies cannot yet measure phosphorus reductions for certain project types, and they did not consistently measure reductions for others. Furthermore, 95 percent of state clean water expenditures did not yield measurable phosphorus reductions. These data limitations

preclude the State Auditor's Office and State agencies from verifying whether the State of Vermont is meeting federally mandated phosphorus reduction targets at the lowest possible cost.

“The purpose of this analysis is to help guide the efforts of the State in addressing the urgent issue of Vermont's water quality,” Auditor Hoffer said. “Many talented state officials are making important progress on these matters. But, with limited public dollars available, the State needs to make more cost-effective use of its investments to address this problem.”

The report begins with an overview of phosphorus sources in the Lake Champlain Basin and then summarizes expenditures across land-use sectors and watersheds. It continues by describing the types of projects in each sector and identifies their costs. Using these data, the State Auditor's Office calculated the cost-effectiveness of clean water projects across sectors and watersheds.

To view the report, please [click here](#).