White River
Natural
Resources
Conservation
District

28 Farmvu Drive
White River Junction, VT 05001
www.whiterivernrcd.org
whiterivernrcd@gmail.com
(802) 369-3167

Testimony of Jennifer Byrne, District Manager, White River Natural Resources Conservation District

Before the Vermont Senate Committee on Natural Resources and Energy
On S.174 – An act relating to the study of Green Bank models

January 29, 2026

Chair, Vice Chair, and members of the Committee,

Thank you for the opportunity to testify today. For the record, my name is Jennifer Byrne, and I am the District Manager of the White River Natural Resources Conservation District. Our District serves 26 towns across Orange, Windsor, Addison, and Rutland counties. I appreciate the Committee's leadership in exploring new financial tools to support climate mitigation, agricultural resilience, and natural resource protection in Vermont.

I want to say at the outset that my background is in agriculture, natural resources and the environment, not finance. I'm here today because our district has been working through questions of public finance and banking with partners across Vermont, the region, and the country, as part of our effort to better support farmers and long-term conservation. I know this bill is focused on Green Bank models. My purpose today is to introduce public banking as a complementary approach, and to encourage a closer look at how it differs in function and purpose, particularly when we're thinking about long-term sustainability and local control.

I offer this testimony from the perspective of a locally led conservation district that works every day with farmers, communities, and partner agencies to turn policy into practice on the land. I'll briefly describe the role of conservation districts as locally led public institutions, share some context on how money and credit function, and highlight why public banking is a necessary part of this conversation alongside Green Bank models.

What conservation districts are, and why they matter here

Conservation districts were created in response to the Dust Bowl of the 1930s, when it became clear that soil erosion, flooding, and land degradation were not isolated farm problems, but system-wide failures of land use. The response was not only regulation from above, but the creation of locally led, democratically governed institutions organized around watersheds and working landscapes. Today,

more than 3,000 conservation districts exist nationwide in every U.S. state and territory, including Vermont's 14 districts established under the Vermont Soil Conservation Act of 1939.

From the beginning, conservation districts were designed to work at the scale conservation actually happens: across farms, forests, watersheds, and communities. They are governed by local boards accountable to their communities and bring farmers, land stewards, municipalities, and agencies together around shared resource concerns. Their role is to translate and align local, state, and federal conservation goals and coordinate funding into solutions that work on the ground.

That role continues today. In Vermont, conservation districts lead the Locally Led Conservation process, which is formally recognized in federal guidance and relied on by USDA and NRCS. Through this process, districts convene Local Working Groups—structured forums where farmers, land managers, municipalities, and partners identify priority soil, water, and land-use concerns based on real conditions in their landscapes. The priorities identified through these groups help guide how public conservation dollars are targeted locally.

Because districts work so closely with farmers and communities, we also see clearly where conservation delivery breaks down, especially around financing. Even when conservation practices are cost-shared, farmers and land stewards are often asked to pay significant costs upfront, carry debt while waiting for reimbursement, absorb interest costs for projects that largely benefit the public, and navigate multiple programs with different timelines and rules. This financial risk discourages participation and innovation, particularly for smaller, diversified, or transitioning farms.

At the same time, conservation districts and Local Working Groups identify conservation needs at the scale of whole farms and watersheds, while most financial tools operate project by project. This creates a gap between locally identified conservation priorities and the capital available to support them.

Based on our work with farmers and communities throughout the White River District, questions of public finance and banking have become an important area of focus as a practical question of how to better align money, timing, and risk with how conservation actually happens on the land. That brings me to the next part of my testimony: how money and credit function, and why that matters for conservation.

A deeper look at money: what it is and how it is created

As you consider different financing tools under S.174, I want to take a moment to talk about something basic but important: how money actually enters the economy.

Many people assume that money is created directly by the government and then spent into circulation. Historically, that was often true. Public authorities issued money or credit to pay for productive work such as building infrastructure, supporting agriculture, or responding to crises, and then accepted that money back through taxes and fees. That shared system of issuing money and taking it back is what gave money its value and stability.

In today's economy, however, most money is created in a different way. It comes into existence through lending. When a bank makes a loan, it doesn't simply move existing money from one account to another. It creates new money in the form of credit, based on a promise to repay. That money circulates, supports real economic activity, and is later repaid, reused, or retired (destroyed).

Over time, the authority to create most money and credit shifted away from public institutions and toward private banks. That system works well for some purposes, especially short-term or high-return investments, but it often struggles to support long-term public needs, where benefits are shared, cumulative, and unfold over decades.

Soil health, clean water, flood resilience, climate adaptation, and farm viability all fall into that category. They are essential public goods, but they don't always fit neatly into private lending models.

The key point is this: credit is not just money that moves around. It is created somewhere, by someone, for a purpose. Where that credit is created, and whether it is created locally or far away, publicly or privately, shapes what kinds of investments are prioritized and whose needs are ultimately served.

Public banking: what we're talking about and why it matters

I want to briefly explain what people mean by a public bank and why it matters for this conversation.

A public bank is simply a bank owned by the state or another public entity. It holds public money, such as tax revenues and agency funds, and uses those deposits to support lending aligned with public goals, under clear legislative mandate and oversight.

Today, much of Vermont's public money is deposited in large, private, national banks. Those dollars don't disappear, but they are often used to support lending and investment outside the state. In effect, public funds help fuel economic activity somewhere else. A public bank changes that by keeping public money here and circulating it within Vermont's economy.

In practice, this doesn't require inventing new money or creating a complicated new program. The state could charter a bank and deposit a portion of its existing public funds into it. Under normal banking rules, those deposits would be used to support lending tied to public priorities, rather than sitting in large banks and supporting activity out of state.

Because banks create credit when they lend, a public bank does more than spend public money once. Loans are made, repaid, and lent again. The interest stays within the public institution and helps build lending capacity over time. This allows public dollars to support long-term needs without restarting funding from scratch every budget cycle. That basic idea: keeping public money local and letting it revolve and grow, is what people mean by public banking.

This idea has deep roots in agriculture. Long before cash was in hand, farmers created real value through food production and relied on credit to bridge the gap between planting and harvest. In the late 1800s and early 1900s, farmers often struggled to access affordable credit when they needed it

most. During wartime, governments issued public credit to make capital available when it was needed, with repayment expected later, often after harvest. After the wars, farmers asked a simple question: if this kind of credit worked in emergencies, why couldn't it work in everyday economic life?

That question helped fuel the populist movement, as millions of farmers called for publicly controlled credit and locally accountable banking. While many of those ideas faced resistance and were not adopted nationally, the core insight endured: who creates credit, where it is created, and what it is used for matters.

Vermont was part of that early experimentation. In the early 1800s, the state chartered public and quasi-public banks with the expectation that they would support productive activity and return value to the public. Vermont's early public bank closed during the financial instability around the War of 1812, long before modern banking safeguards existed, when banks of all kinds were failing nationwide

One place where this idea took lasting form was North Dakota. In 1919, farmers there organized to create a public bank after watching money leave the state and credit become harder to access. The bank started with just two million dollars in state capital. More than a century later, it holds over ten billion dollars in assets, is funded almost entirely by public deposits, and operates without ongoing cost to the state budget. Today, it supports agriculture, infrastructure, student lending, disaster recovery, and community investment, primarily by partnering with local banks and helping them lend more, not by competing with them. Just this year, North Dakota used its public bank to deliver roughly $400 million in support to farmers during the tariff crisis, showing the value of having a financial tool the state itself controls.

For that reason, public banks are best understood as long-term financial infrastructure, like roads or water systems, designed to serve public needs over time, including agriculture, conservation, and climate resilience.

What a public bank makes possible for conservation and agriculture

Because public banks accept public deposits and operate with a public mandate, they create several practical advantages for conservation and working lands.

First, they keep public money circulating locally, supporting farms, businesses, and communities rather than flowing out of state.

Second, lending allows public money to be reused over time. Unlike grants, which are spent once, loans are repaid and recycled, making it possible to support long-term needs without starting over each budget cycle.

Third, because banks create credit when they lend, public banks can expand the impact of public dollars within safe limits set by law. When that credit is created by a public bank, it remains tied to public priorities. Earnings are retained and recycled into future lending, building capacity over time rather than paying dividends to private investors.

Finally, public banks can provide stability. Because they are not driven by short-term profit pressures, they can continue lending during downturns, disasters, and periods of agricultural volatility, exactly when private credit often pulls back.

For natural resource conservation and agriculture, this matters. Watershed restoration, soil rebuilding, and farm transitions take time. They require patient, predictable capital that matches ecological and economic reality, not just short-term funding windows.

Why Green Banks help—but cannot do this alone

S.174 directs the State Treasurer to study Green Bank models as a way to move more money into climate, farming, and agricultural projects. It's helpful to briefly clarify what Green Banks are designed to do, and how that differs from a public bank.

A Green Bank is not a bank in the everyday sense. It does not hold deposits or create money through lending. Instead, it is typically set up as a financing program that helps good projects move forward when financing is a barrier, by improving loan terms, lowering costs, sharing risk, or helping with upfront expenses. Because Green Banks rely on periodic capitalization through appropriations, bonds, or federal programs, they function more like targeted programs than permanent financial institutions.

In practice, this can be very useful. In agriculture or conservation, a Green Bank might help a farmer, municipality, or business move ahead with an energy upgrade or infrastructure project that would otherwise be difficult to finance. Green Banks can reduce risk and move money into priority areas more quickly.

A public bank works at a different level. Rather than spending down a fixed pool of funds, it functions as long-term financial infrastructure. It holds public deposits, keeps those funds local, and uses them to support lending over time. Because loans are repaid and earnings are retained, that capacity can be reused and strengthened year after year.

Another key difference is mandate. Green Banks often work alongside private investors and respond to market conditions. A public bank, because it is publicly owned, can focus more directly on long-term public benefit, even when projects don't align neatly with short-term market returns.

A simple way to think about it is this: Green Banks help specific projects move forward, while public banks are designed to keep public money circulating locally and supporting long-term needs at scale. These are not competing ideas, but different tools that can be strongest when designed to complement one another.

Learn from Vermont's Local Investment Advisory Committee

As the Committee further considers S.174, it's also worth noting that Vermont already has an existing tool for directing public funds toward local investment through the Local Investment Advisory Committee, or LIAC.

Under current law, the State Treasurer is authorized to use up to 10 percent of the State's average daily cash balance for local investment. LIAC, which is chaired by the Treasurer, reviews proposals and prioritizes investments intended to support Vermont's economy, including infrastructure, agriculture, and other local development needs.

This framework is important because it reflects a key principle behind today's discussion: public money can be intentionally directed to serve local public purposes, rather than being invested entirely out of state. In the context of tools like LIAC and public banking, the focus is on what happens to public money *before* it is spent, and how its benefits remain local through where it is held and used.

At the same time, LIAC is more limited than the models previously discussed. It is a committee that does not take deposits, it does not create revolving credit through lending, and it is not designed to operate as permanent financial infrastructure. In that sense, it functions more as a targeted investment program than as a bank.

For that reason, LIAC may be best viewed as a foundation to build on, rather than an alternative to Green Bank or public banking ideas. Its authority and experience could help inform how these tools are designed and coordinated, particularly for agricultural and conservation investments with long timelines and public benefits.

Considerations for S.174: aligning finance with conservation delivery

With that context, I offer the following considerations as S.174 moves forward.

1. Consider studying public banking alongside Green Bank models

As Vermont studies Green Bank approaches, it is important to also examine public banking models that accept public deposits and provide long-term, revolving capital. Green Banks are often effective at helping projects move forward quickly, but public banks are designed to ensure that capital remains available over time, without needing frequent injections of appropriations from the legislature. Looking at both together allows Vermont to distinguish between tools that accelerate projects and institutions that sustain investment, and may help Vermont build something that works now and lasts.

2. Consider how deposits and local credit creation could support resilience

Accepting public deposits allows money to stay in Vermont, be reused over time, and support more lending than one-time spending alone. When that money is guided by a clear public mission, it can

support long-term conservation and working lands, where progress happens steadily over many years rather than in short bursts.

3. Consider whether financial tools match conservation timelines

Conservation work does not happen all at once. It unfolds over time, across properties and watersheds, and often requires upfront investment before public benefits are fully realized.

As financing models are evaluated, it may be useful to ask a few practical questions:

- Do these tools help bridge timing gaps between when investments are made and when reimbursement or benefits occur?
- Do they support work at the scale conservation actually happens, such as whole farms, watersheds, and landscapes?
- Do they reduce financial risk for those delivering public benefits on behalf of the broader community?

Financial tools that align with how conservation actually unfolds are more likely to support durable, long-term outcomes.

4. Consider how conservation districts and NRCC could inform local investment decisions

As the Committee and the Legislature continue work on S.174 and other natural resource and energy initiatives, I would encourage a consistent effort to include Vermont's Natural Resources Conservation Districts as part of the conversation and to recognize the value of the locally led conservation voice.

Conservation districts are locally governed public entities that work directly with landowners, municipalities, and communities to translate conservation policy into action on the ground. Through the locally led conservation process, including Local Working Groups, districts already convene farmers, land managers, and partners to identify priority resource concerns and help inform how local, state, and federal conservation dollars are directed. In practice, districts are already part of the infrastructure that guides public investment where it meets real landscapes and working lands.

At the state level, the Natural Resources Conservation Council, our overarching state agency, plays a coordinating role across districts, agencies, and programs, helping align conservation priorities, funding sources, and delivery. Together, conservation districts, Local Working Groups, and NRCC form an existing, democratically grounded system that Vermont already relies on to understand local needs and assess what is working and what is not.

As Vermont considers new financial tools under S.174, it may be useful to consider how this existing structure could also help inform local investment decisions related to conservation and agriculture. In other public banking models, such as North Dakota's, public banks operate with clear public oversight

and draw on advisory input from legislators and community stakeholders to help guide priorities, while professional staff retain responsibility for financial decisions.

A similar approach in Vermont could build on what already works: elevating locally grounded, democratically accountable input to inform priorities, without asking conservation bodies to become financial institutions themselves or politicizing lending decisions, and with recognition that sustaining this locally led role depends on adequate and stable capacity.

Conservation districts were created during a time of national crisis to protect land and water through locally led, democratically accountable stewardship of place. That core idea that people closest to the land should help shape the decisions that affect it - remains just as relevant as Vermont responds to climate change, water challenges, and the future of its working landscapes.

Conclusion

As S.174 moves forward, Vermont has an opportunity to look beyond individual financing tools and consider how our financial systems, conservation goals, and locally led delivery structures can work together over time. The Committee has heard thoughtful testimony about using existing programs, partnering with private lenders, and moving capital efficiently to priority projects. Those perspectives matter, and they reflect real strengths in Vermont's current system.

What I hope to add is a complementary way of thinking about public finance itself. Green Bank tools and targeted investment programs can be effective at helping projects move forward. Public banking operates at a different level: as long-term financial infrastructure that determines where credit is created, how long it circulates, and what public purposes it is meant to serve.

Experience elsewhere shows that publicly owned banks tend to invest more consistently in climate and infrastructure - not because they take more risk, but because their mandate allows them to focus on long-term public benefit rather than short-term returns. That distinction matters for conservation, agriculture, and working lands, where progress depends on steady investment over time, not one-time infusions of funding.

By examining public banking models, Green Bank tools, and mechanisms like the Local Investment Advisory Committee alongside Vermont's locally led conservation process, the state can explore approaches that are stable, mission-driven, and grounded in real landscapes and communities. A well-designed public bank could support conservation delivery while also keeping public dollars generating and working in Vermont to meet broader long-term needs: from water infrastructure and flood resilience to housing, agriculture, and community development, under clear public oversight.

Thank you for the opportunity to share these perspectives. I appreciate the Committee's engagement and look forward to continued conversation as this work progresses. I would also be glad to connect you with my colleagues and mentors who may be willing to share additional insight into this conversation.