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Vermont League
of Cities & Towns

ARPA Information Session

Town of Moretown

April 13, 2022

What We'll Cover:

- Background
- Vermont's Share
- Final Rule Basics
- Spending
- The "Standard Allowance"
- VT and Nationally
- Public Engagement & Your Award
- VLCT and RPCs



- **American Rescue Plan Act (ARPA)** - \$1.9 trillion stimulus package signed into law March 11, 2021
- **Coronavirus State and Local Fiscal Recovery Funds** (“CSLFRF” or “ARPA”) - \$350 billion for eligible state, local, territorial and Tribal governments
- **Purpose** – To support governments in their response to and recovery from the COVID-19 public health emergency
- **U.S. Department of the Treasury** (“Treasury”) will distribute the funding
- **Final Rule**, issued by Treasury on January 6, 2022 (replaces the “interim final rule”) lays out the requirements of CSLFRF/ARPA funding

American Rescue Plan Act

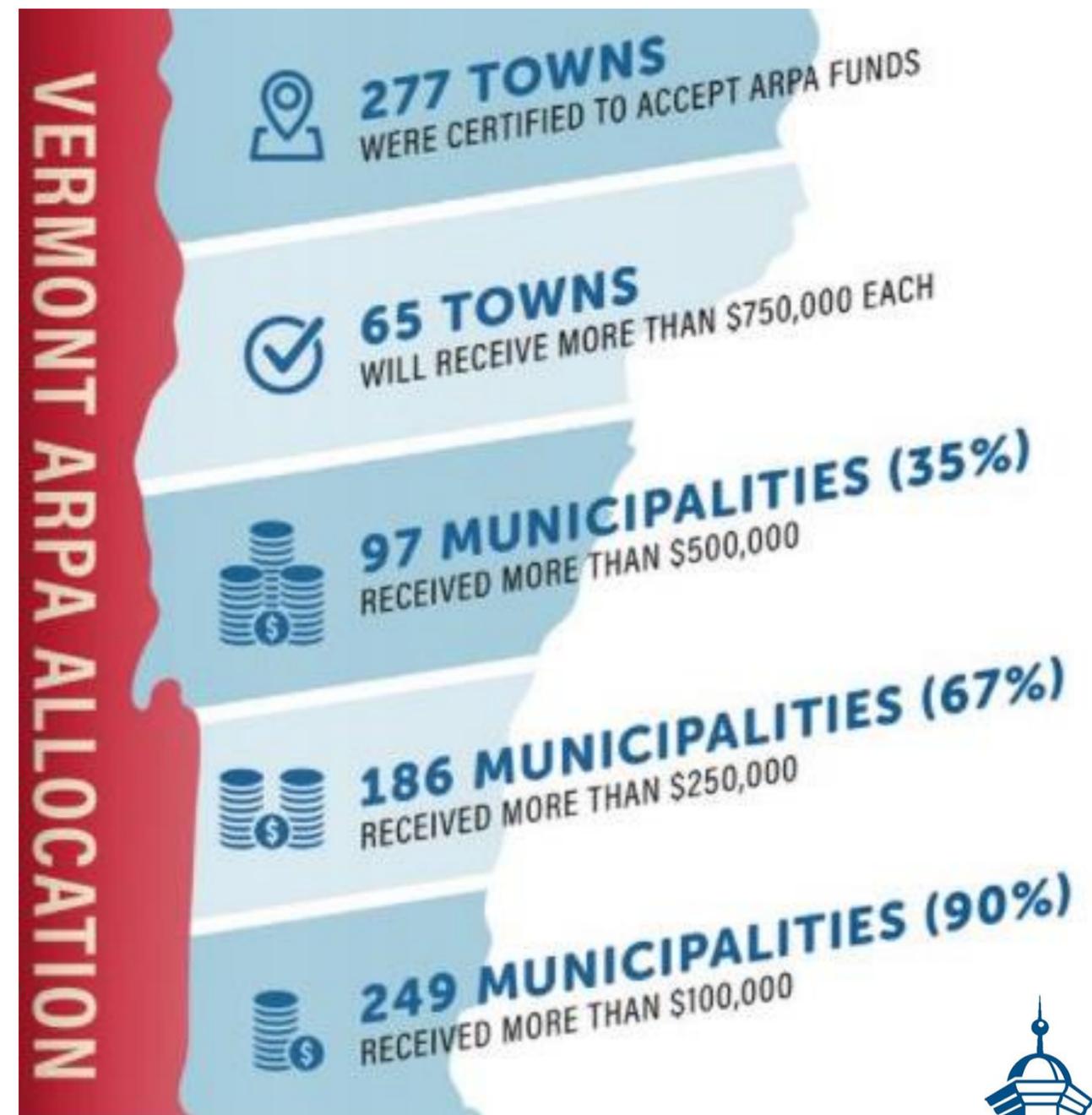


ARPA - Vermont's Share

Local ARPA Funds:	
Metro Cities	\$20,721,902
Non-Entitlement Units of Government (NEUs)	\$58,788,245
Counties*	\$121,202,550
TOTAL Local ARPA Funds:	\$200,712,697
State of Vermont**	\$1,049,287,303
TOTAL VERMONT ARPA:	\$1,250,000,000

* County money has been reallocated to municipalities. Payments (local and county) can be found by clicking [HERE](#).

** Only half the State money has been allocated. The remaining half will be allocated during the 2022 legislative session.



The Final Rule

General Information



Issued January 6th, it took effect April 1, 2022, and replaces the Interim Final Rule, which had been in effect since May 17, 2021



The award period of performance ends December 31, 2026; all funds must be expended by this date



The **legislative body** of a municipality is the **ultimate arbiter** of how funds will be spent; there is no higher authority or approval process



All municipalities will be required to report on their spending **directly to Treasury** using an online portal



All municipalities, excluding Burlington, have an annual reporting schedule, due by April 30th each year, 2022-2027





What You **CAN NOT** Spend \$ On

Changes Between the Interim Final Rule and the Final Rule

You still cannot “*directly fund*”:

- ✗ “Extraordinary” deposits into pension funds
- ✗ Contributions to rainy day funds, reserve funds, or satisfaction of a settlement or judgement
- ✗ Outstanding Debt service

But now you can fund this:

- ✓ Non-Federal Match is now allowed, explicitly for IIJA/BIL programs, but also generally as it is included under **Section G., page 368 of the [final rule](#)**, up to the amount of the recipient’s reduction in revenue; there is a new [Expenditure Category](#) for it – *6.2 Non-Federal Match for Other Federal Programs*.

(Why do we ❤️ this change? Because it allows towns to stretch their local ARPA awards!)



Appendix 1: Expenditure Categories

Treasury's final rule provides greater flexibility and simplicity for recipients to fight the pandemic and support families and businesses struggling with its impacts, maintain vital services amid revenue shortfalls, and build a strong, resilient, and equitable broader set of eligible uses and associated Expenditure Project and Expenditure Report. The table below includes as a reference to previous Expenditure Categories used in the

The Expenditure Categories (EC) listed below must be used as described in Part 2 above. The term "Expenditure Category" refers to the categories (e.g., EC 2.1 for COVID-19 Vaccination). When referred to as a category (e.g., EC 2.1), it refers to that level.

*Denotes areas where recipients must identify the area of evidence-based interventions (see Use of Evidence Based Interventions)

^Denotes areas where recipients must report on the impact on disproportionately impacted communities (see Project and Expenditure Report details)

Expenditure Category
1: Public Health
COVID-19 Mitigation & Prevention
COVID-19 Vaccination [^]
COVID-19 Testing [^]
COVID-19 Contact Tracing [^]
Prevention in Congregate Settings (Nursing Homes, Prisons, Dense Work Sites, Schools, Child care facilities, etc.) [^]
Personal Protective Equipment [^]
Medical Expenses (including Alternative Care Facilities)
Other COVID-19 Public Health Expenses (including Case Investigation, Isolation/Quarantine) [^]
COVID-19 Assistance to Small Businesses [^]
COVID-19 Assistance to Non-Profits [^]
COVID-19 Aid to Impacted Industries [^]
Community Violence Interventions
Community Violence Interventions [^]
Behavioral Health
Mental Health Services [^]
Substance Use Services [^]
Other
Other Public Health Services [^]
Capital Investments or Physical Plant Changes to Public Health Facilities to Respond to the COVID-19 public health emergency
2: Negative Economic Impacts
Assistance to Households
Household Assistance: Food Programs [^]
Household Assistance: Rent, Mortgage, and Utility Aid [^]
Household Assistance: Cash Transfers [^]

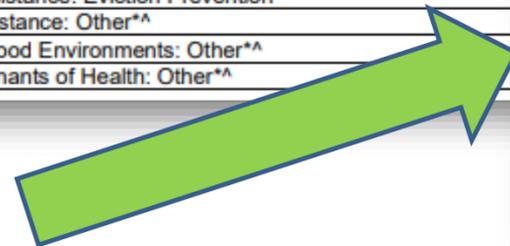
Expenditure Category	EC ²⁷	Previous EC ²⁸
Household Assistance: Internet Access Programs [^]	2.4	2.4
Household Assistance: Paid Sick and Medical Leave [^]	2.5	-
Household Assistance: Health Insurance [^]	2.6	-
Household Assistance: Services for Un/Unbanked [^]	2.7	-
Household Assistance: Survivor's Benefits [^]	2.8	-

Unemployment Benefits or Cash Assistance to Unemployed Workers
Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives) [^]
Healthy Childhood Environments: Child Care [^]
Healthy Childhood Environments: Home Visiting [^]
Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System [^]
Healthy Childhood Environments: Early Learning [^]
Long-term Housing Security: Affordable Housing [^]
Long-term Housing Security: Services for Unhoused Persons [^]
Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities [^]
Housing Support: Other Housing Assistance [^]
Social Determinants of Health: Community Health Workers or Benefit Navigators [^]
Social Determinants of Health: Lead Remediation [^]
Medical Facilities for Disproportionately Impacted Communities [^]
Strong Healthy Communities: Neighborhood Features that Promote Health and Safety [^]
Strong Healthy Communities: Demolition and Rehabilitation of Properties [^]
Addressing Educational Disparities: Aid to High-Poverty Districts [^]
Addressing Educational Disparities: Academic, Social, and Emotional Services [^]
Addressing Educational Disparities: Mental Health Services [^]
Addressing Impacts of Lost Instructional Time [^]
Contributions to UI Trust Funds [^]
Assistance to Small Businesses
Loans or Grants to Mitigate Financial Hardship [^]
Technical Assistance, Counseling, or Business Planning [^]
Rehabilitation of Commercial Properties or Other Improvements [^]
Business Incubators and Start-Up or Expansion Assistance [^]
Enhanced Support to Microbusinesses [^]
Assistance to Non-Profits
Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]
Aid to Impacted Industries
Aid to Tourism, Travel, or Hospitality [^]
Aid to Other Impacted Industries [^]
Other
Economic Impact Assistance: Other [^]
Household Assistance: Eviction Prevention [^]
Education Assistance: Other [^]
Healthy Childhood Environments: Other [^]
Social Determinants of Health: Other [^]

Expenditure Category	EC ²⁷	Previous EC ²⁸
3: Public Health-Negative Economic Impact: Public Sector Capacity		
General Provisions		
Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	3.1	1.9
Public Sector Workforce: Rehiring Public Sector Staff	3.2	2.14
Public Sector Workforce: Other	3.3	-
Public Sector Capacity: Effective Service Delivery	3.4	7.2
Public Sector Capacity: Administrative Needs	3.5	-
4: Premium Pay		
Public Sector Employees	4.1	4.1
Private Sector: Grants to Other Employers	4.2	4.2
5: Infrastructure		
Water and Sewer		
Clean Water: Centralized Wastewater Treatment	5.1	5.1
Clean Water: Centralized Wastewater Collection and Conveyance	5.2	5.2
Clean Water: Decentralized Wastewater	5.3	5.3
Clean Water: Combined Sewer Overflows	5.4	5.4
Clean Water: Other Sewer Infrastructure	5.5	5.5
Clean Water: Stormwater	5.6	5.6
Clean Water: Energy Conservation	5.7	5.7
Clean Water: Water Conservation	5.8	5.8
Clean Water: Nonpoint Source	5.9	5.9
Drinking water: Treatment	5.10	5.10
Drinking water: Transmission & Distribution	5.11	5.11
Drinking water: Lead Remediation, including in Schools and Daycares	5.12	5.12
Drinking water: Source	5.13	5.13
Drinking water: Storage	5.14	5.14
Drinking water: Other water infrastructure	5.15	5.15
Water and Sewer: Private Wells	5.16	-
Water and Sewer: IJJA Bureau of Reclamation Match	5.17	-
Water and Sewer: Other	5.18	-
Broadband		
Broadband: "Last Mile" projects	5.19	5.16
Broadband: IJJA Match	5.20	-
Broadband: Other projects	5.21	5.17
6: Revenue Replacement		
Provision of Government Services	6.1	6.1
Non-federal Match for Other Federal Programs	6.2	-
7: Administrative		
Administrative Expenses	7.1	7.1
Transfers to Other Units of Government	7.2	7.3
Transfers to Non-entitlement Units (States and territories only)	-	7.4

What You **CAN** Spend \$ On

The Final Rule: Same Categories but broader uses with more clarity and this.....





Category 6: Revenue Replacement

You can either calculate your *actual* revenue loss using this formula.....



$$\text{Max } \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t ; 0 \}$$



Or Take the **\$10 Million** Standard Allowance!

(YES, you most definitely should!)



Replacing Lost Public Sector Revenue

The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.





Expenditure Category 6 Revenue Replacement

- Recipients will make “a ***one-time, irrevocable election*** to utilize either the revenue loss formula or the ***standard allowance***”
- For NEUs, the ***entire amount of your municipality’s ARPA award*** may be taken as lost revenue
- Treasury “***presumes***” this amount is revenue loss – there is no need to calculate, demonstrate or document it
- **EC 6.1 Government services** generally include *any service* traditionally provided by a government

You only have one chance to take the Standard Allowance



If your town/city/village will take the standard allowance approach, you **MUST** make this election during the April 30, 2022 reporting period.



ARPA - Vermont

Based on the hundreds of municipal inquiries VLCT has received to date regarding local ARPA funding, here is a non-exhaustive list of items that many communities throughout Vermont are considering in their spending plans...

Investments to improve *municipal business operations*:

- Cybersecurity, IT Upgrades, town websites
- Hybrid meeting equipment
- Connect public buildings to broadband
- Digitize land records
- Capital improvements to municipal buildings:
 - Ventilation and energy
 - ADA accessibility, fire protection, general code upgrades
- Create a formal Capital Plan
- Seeding positions - town administrator, economic development coordinator



ARPA - Vermont (continued)

Investments that *revitalize a community*, making it a better and safer place to live for existing residents and to help in attracting new ones:

- Outdoor recreation (trails, parks, green spaces, recreational facilities, etc.)
- Diversity, equity, inclusion (DEI)
- High-quality affordable childcare
- Measures to support housing development to grow the tax base
- Bike and pedestrian safety
- Community gathering spaces
- Support for local non-profits doing excellent work that benefits residents



ARPA - Nationally

Local Government ARPA Investment Tracker

A Partnership of



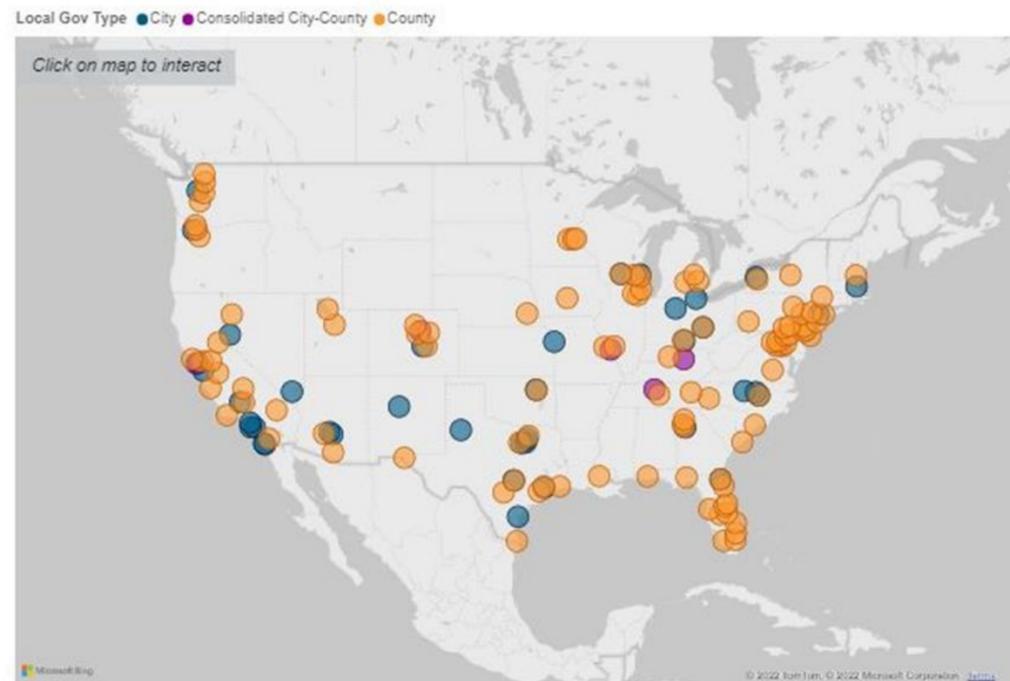
Note: Within this interactive tracker, users can select search filters below—including by location and type of expenditure—or search through the map, to find detailed information on large city and county plans for deploying American Rescue Plan Act (ARPA)'s State and Local Fiscal Recovery Fund dollars.

This tracker will be updated as more information becomes available over time.

# of Local Governments	# of Projects	Total \$ Tracked	% of Funding Budgeted
152	2334	\$18.4bn	48.6%

National Sample Average ⓘ

GOVERNMENT OPERATIONS	INFRASTRUCTURE
37.9%	12.1%
HOUSING	ECONOMIC & WORKFORCE DEV
12.7%	10.5%
COMMUNITY AID	PUBLIC SAFETY
12.3%	2.3%
PUBLIC HEALTH	
12.2%	



National League of Cities:

[Local Government ARPA Investment Tracker](#)
[Brookings Companion Article Feb 3, 2022](#)

Other Articles:

[ARP Data and Evidence Dashboard](#)



ARPA – Vermont Public Engagement & Outreach

VLCT has seen communities hold dedicated selectboard meetings aimed at seeking community input, issue community surveys, and form ARPA advisory committees of interested citizens

- Examples from a few Vermont towns:
 - **Charlotte:** public meetings and a [webpage](#) to submit residents' input
 - **St. Albans Town:** working with neighboring towns to potentially pool funds
 - ***Jericho:** ARPA [webpage](#), survey, discussion forum, post ideas
 - **Montgomery:** [Community Survey](#)
 - **Rutland Town:** ARPA listening sessions
 - **ARPA Advisory Committees:** [Plainfield](#), Craftsbury, [Richmond](#), Fairfax, Lyndon, Moretown, Northfield, Randolph, St. Johnsbury, Westminster, [Westford](#), [South Hero](#), [Franklin](#),

For additional resources on community engagement, please visit VLCT's ARPA webpage: <https://www.vlct.org/arpa>



Your ARPA Award

*Continue To Be Patient.
Prioritize good governance.
Leverage your ARPA aid.
Invest in best uses for long-term recovery.*

Your decisions should prepare your community for the next disaster, position future generations for success, and, whenever possible, help grow your Grand List.

As you make plans to spend your ARPA award, think of these as your guide:

Stretch your ARPA dollars.

Look for opportunities to leverage your ARPA award. Your ARPA award can now serve as match that will be necessary for other grant programs (both forthcoming new ones and existing ones) to achieve community goals

Use your existing tools.

You already have goals identified in your Town Plan, and any other plans, reports or studies carried out by your town, that will help you prioritize your spending

Don't reinvent the wheel.

Look to other agencies and organizations that already have existing programs/resources stood up that you can point your residents to for assistance in recovering from the pandemic (ex. [Housing Resources for Vermonters in Need](#)).



Planning Framework for Maximum Impact and Best Use of Municipal ARPA Funds



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1. PRIORITIZE GOOD GOVERNANCE

- Convene all Stakeholders & Build Consensus
- Follow Allowable Uses Under ARPA
- Meet all Accounting & Reporting Rules
- Comply w/ all Local & State Laws/Ordinances
- Ensure Transparency Throughout
- Do Not Create Future Budget Deficits

2. LEVERAGE YOUR ARPA AID

- Use a Thoughtful Strategic Planning Process
- Leverage w/ ARPA, FEMA & Other \$ Fed Sources
- Coordinate w/ Other State & Local Programs
- Collaborate w/ Community Partners & Orgs
- Use Existing Delivery Systems for Efficiency
- Don't Reinvent the Wheel: Learn from Others

3. INVEST IN BEST USES FOR LONG-TERM RECOVERY

- Invest in Urgent Health and Economic Needs
- Prioritize Short-Term Investments w/ Lasting Benefits
- ID and Address Pre-COVID Inhibitors to Growth
- Measure Progress Throughout to Inform Ongoing Plans

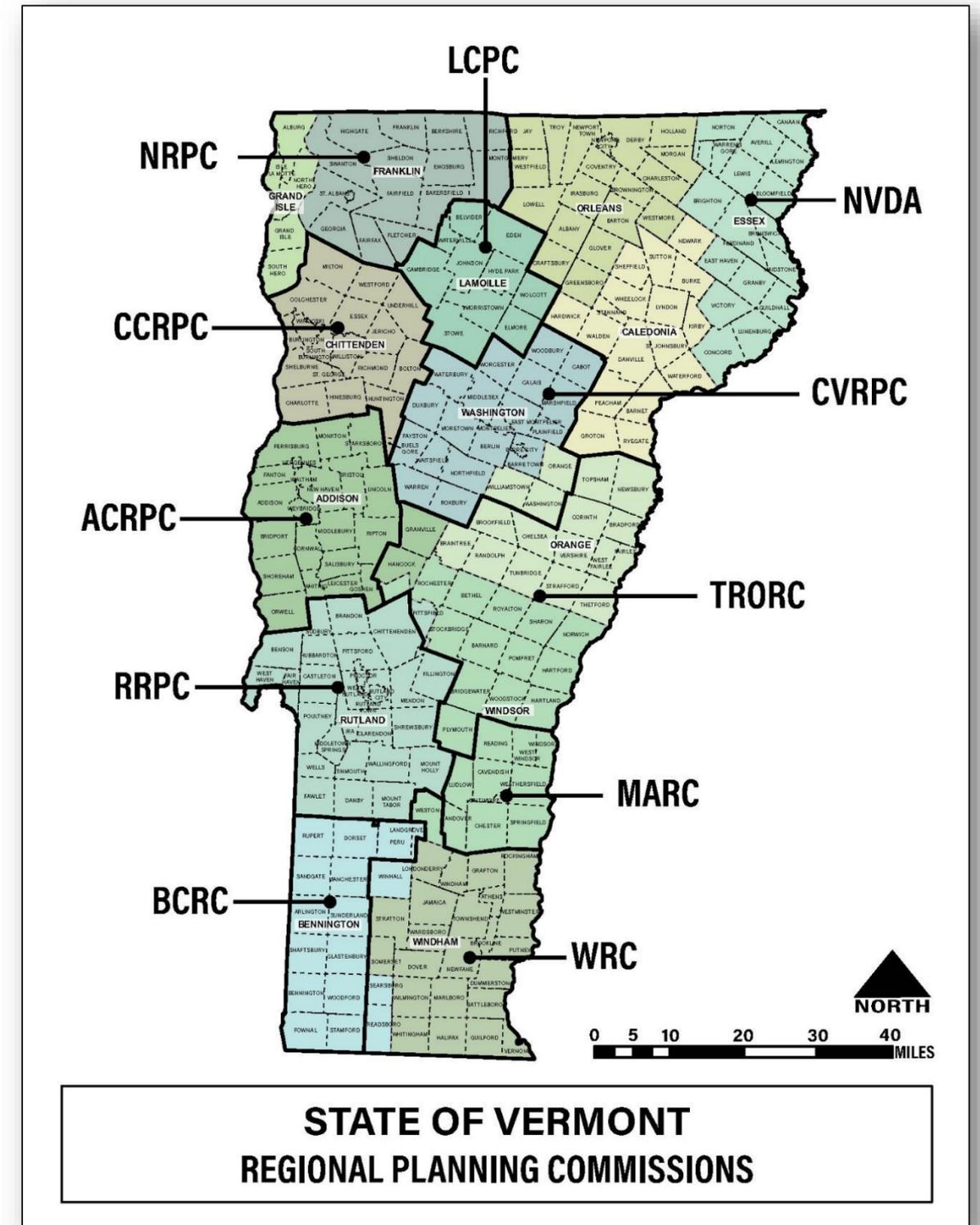


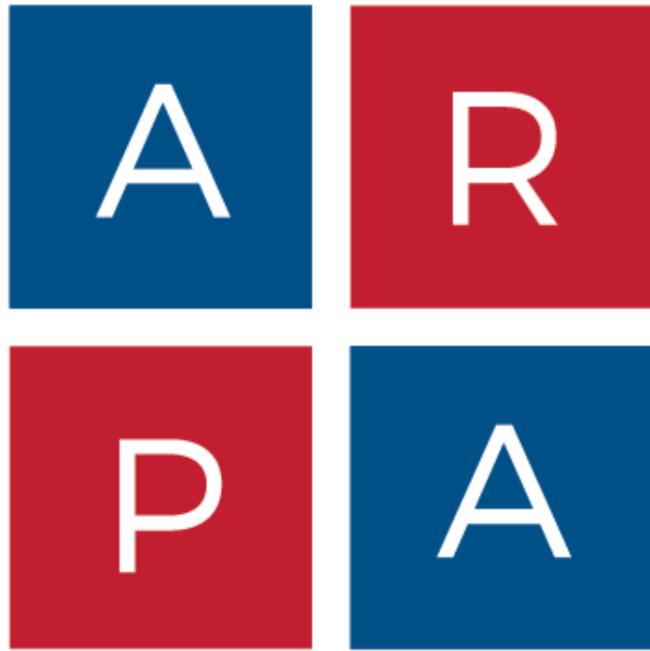
ARPA Assistance and Coordination Program

- Guidance and project eligibility analysis
- Webinars, targeted trainings, technical assistance, best practices
- In-person and virtual meetings with local officials and staff
- Answer questions (arpa@vlct.org)
- Guidance with compliance, reporting, and transparency
- Collaboration/partnerships with RPCs, SOV, RDCs, statewide non-profits, private consultants, etc. to ensure needs of municipalities are met related to project ideation, implementation and management
- ARPA resources webpage:
 - <https://www.vlct.org/resources/american-rescue-plan-information>

Regional Planning Commission Assistance

- Identify needs and top priorities for designing and building projects that are consistent with existing State, regional and local plans.
- Respond to inquiries on eligibility to facilitate local discussions among stakeholders on specific projects.
- Provide other assistance as needed from local communities in coordination with VLCT.
- Work with VLCT, regional development corporations, and private consultants working with municipalities to ensure needs of local communities are met, especially related to project development and management.
- For more information on the State of Vermont's 11 Regional Planning Commissions visit: www.vapda.org





AMERICAN RESCUE
PLAN ACT
2021

Thank You!

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