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**Vermont League
of Cities & Towns**

American Rescue Plan Act Local Fiscal Recovery Funds

Information Session

Town Energy Committees VECAN

March 16, 2022

What We'll Cover:

- Background
- Vermont's Share
- Final Rule Basics
- Spending
- The "Standard Allowance"
- VT and Nationally
- Public Engagement
- ARPA and Energy Initiatives



- **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



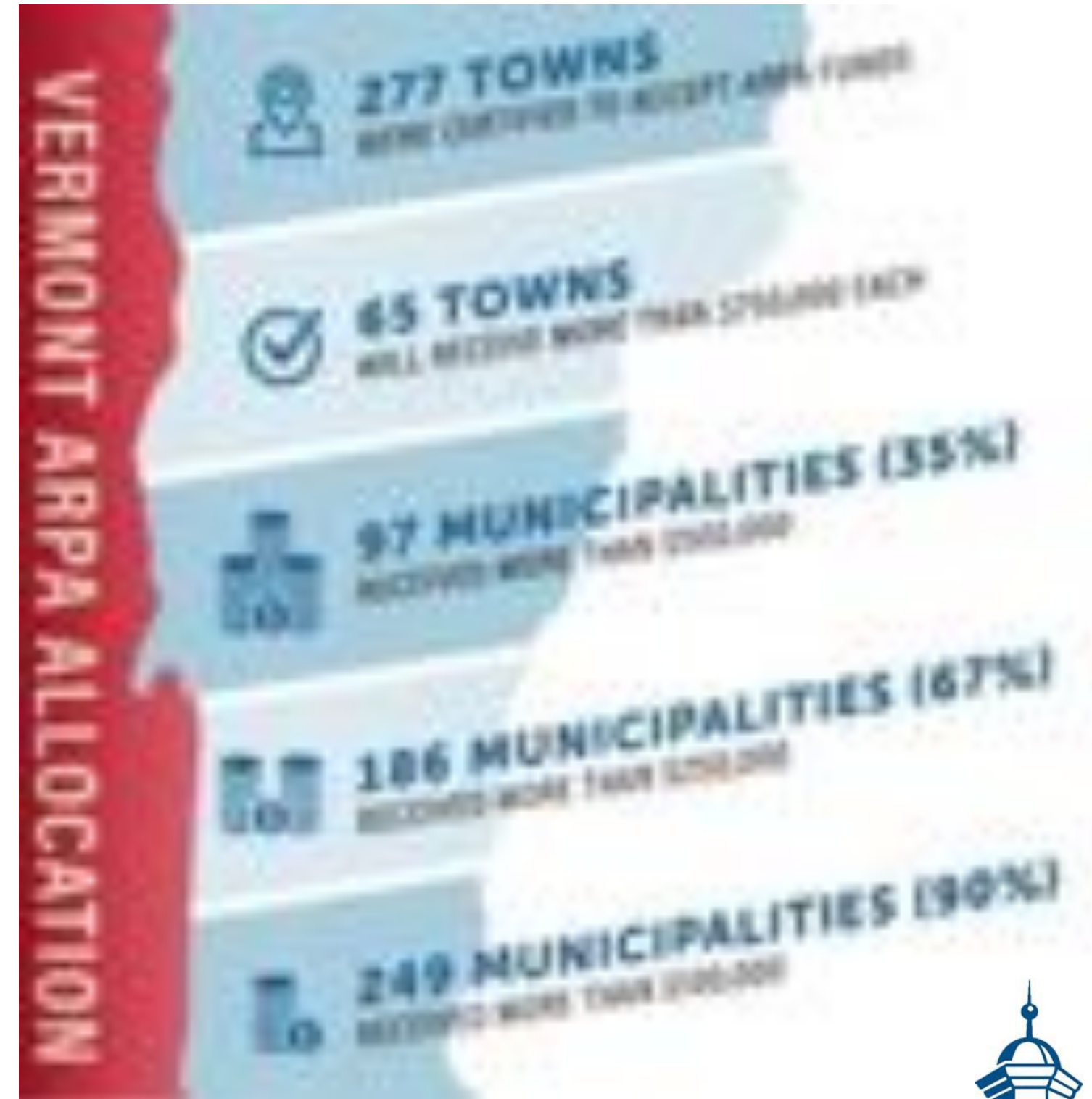
American Rescue Plan Act

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



The final rule takes effect April 1, 2022; recipients can follow it now with no penalty



All funds obligated by 12/31/2024 and expended by 12/31/2026



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 cannot “directly fund”:

- ✗ Deposits into pension funds
- ✗ Contributions to reserve funds
- ✗ Debt service

Except for 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!)



What You CAN Spend \$ On

The Final Rule:

Same Expenditure Categories but
broader uses with more clarity

Appendix 1: Expenditure Categories

Expenditure categories are provided to assist in the reporting of expenditures for the purposes of the Act. Expenditure categories are provided to assist in the reporting of expenditures for the purposes of the Act. Expenditure categories are provided to assist in the reporting of expenditures for the purposes of the Act.

Expenditure Category	2017	2018
Administrative Expenses		
Administrative Expenses - General		
Administrative Expenses - Information Technology		
Administrative Expenses - Legal		
Administrative Expenses - Marketing		
Administrative Expenses - Travel		
Administrative Expenses - Training		
Administrative Expenses - Other		
Capital Expenses		
Capital Expenses - Buildings		
Capital Expenses - Equipment		
Capital Expenses - Information Technology		
Capital Expenses - Other		
Program Expenses		
Program Expenses - General		
Program Expenses - Information Technology		
Program Expenses - Legal		
Program Expenses - Marketing		
Program Expenses - Travel		
Program Expenses - Training		
Program Expenses - Other		
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The \$10M Standard Allowance

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.

Really??



Expenditure Category 6 *Revenue Replacement*

- The **entire amount of a municipality's ARPA award** up to \$10M may be claimed as lost revenue
- Treasury **"presumes"** this amount is revenue loss – there is no need to calculate/document it
- **EC 6.1 Government services generally include any service traditionally provided by a government, unless** Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive:
 - General government administration, staff, and administrative facilities
 - Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)
 - Road building and maintenance, and other infrastructure
 - Environmental remediation
 - *****Improvements to municipal buildings*****
- **EC 6.2 Non-federal Match for Other Federal Programs** (newly added in the final rule)





ARPA - Vermont

Based on the thousands 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:

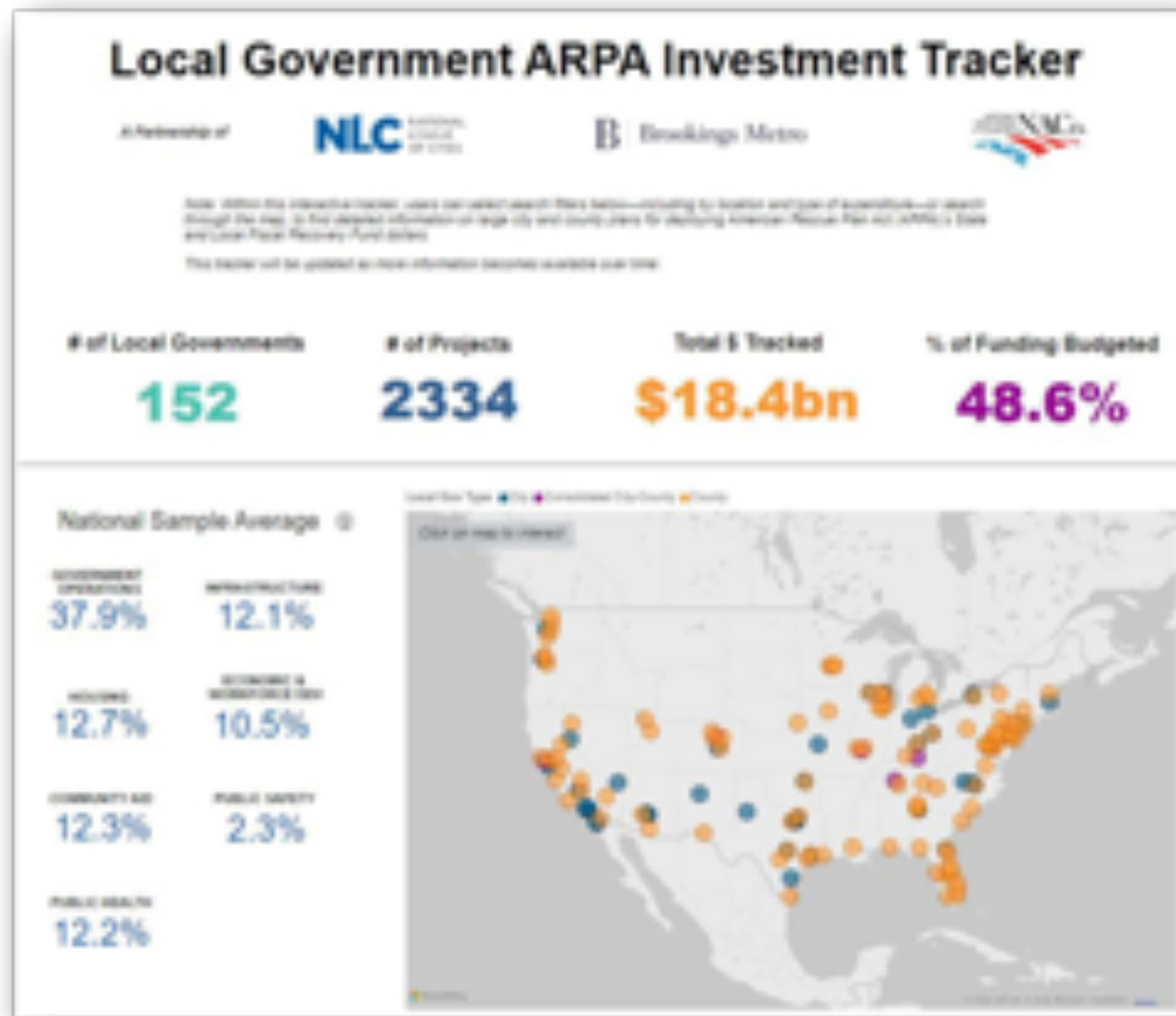
- Outdoor recreation (trails, parks, green spaces, recreational facilities, etc.)
- Diversity, equity, inclusion (DEI)
- High-quality affordable childcare
- Measures to support housing development to grow the tax base
- Bike and pedestrian safety
- Community gathering spaces
- Support for local non-profits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



ARPA - Nationally

National League of Cities:

Local Government ARPA Investment Tracker



U.S. Department of the Treasury :

- [Early Reporting Highlights – Coronavirus State and Local Fiscal Recovery Funds \(October 14, 2021\)](#)
- [October Blog Post – Early Data Shows State and Local Government Are Committing Recovery Funds to Build an Equitable Recovery \(October 14, 2021\)](#)

ICMA Survey Research:

- [ARPA Local Fiscal Recovery Fund Spending Priorities Survey](#)



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, Northfield, St. Johnsbury, Westminster, [Westford](#), [South Hero](#), [Franklin](#),



ARPA Advisory Committees

Are they a great way to help gather information and community input, and share the work?

YES!!!

Are they “public bodies”?

Yes. They are created by legislative bodies therefore they are public bodies.

Do they have to follow Open Meeting Law?

Yes. The law applies to every “public body” of the municipality (see OML FAQ [here](#)).

Want to learn more about forming an ARPA Advisory Committee?

Yes! Check out VLCT’s [ARPA Advisory Committee Formation Toolkit](#)



**Q. So how can energy initiatives
fit into local ARPA spending plans?**

A. Any way your community decides!



Improve Public Buildings

Use local ARPA awards to...

Make improvements to buildings for the prevention and mitigation of COVID-19 and future health emergencies, such as ventilation/HVAC and modifications to allow for safe spacing.

POTENTIAL FUNDING OPPORTUNITY:

H. 518 – "An act relating to the creation of the Municipal Fuel Switching Grant Program" (Municipal Energy Resilience Grant Program):

- Municipally owned buildings
- Funding for energy assessments AND “weatherization, thermal efficiency and to supplement or replace heating systems with more efficient renewable energy heating systems” AND community engagement.
- Funds available for grants (if passed): **\$46,000,000***

AND... <https://www.encyvermont.com/towns>



***Ask your legislators to support this bill!**

Home Weatherization

Help eligible households reduce their energy usage, lower their utility bills, and improve the comfort and safety of their homes. Priority for funding could be given to households receiving Seasonal Fuel Assistance; high-energy use homes; families with young children; older Vermonters; and people with disabilities.
(Included in the VT [SLFRF Recovery Plan Performance Report](#), pg. 18*)

PAIR WITH THIS FUNDING OPPORTUNITY:

- Weatherization Repayment Assistance Program (WRAP)
- Pilot targeting low- and moderate-income Vermonters
- Energy audit showing 10% or more of savings
- Loan to the utility meter of the home (whoever pays the bill) – the savings pays the loan payment, with more savings projected than costs repaid (“tariff on bill” repayment)
- Administered by: VHFA, Efficiency Vermont, other utilities
- Program Funds: **\$9,000,000+**



*State ARPA dollars have since been swapped out with general funds.



Affordable Community-Scale Renewable Energy

Creating affordable community scale renewable energy consistent with parameters of the Clean Energy Development Fund, to support the creation of renewable energy projects for Vermonters with low-income.

(Included in the VT [SLFRF Recovery Plan Performance Report](#), pg. 17)

How can we make energy a priority for our local ARPA funds?

Be part of the local ARPA conversation. (period)

- Does your town have an ARPA Advisory Committee?
If so, then ask for a member of the Energy Committee to serve on the ARPA Committee. If there is no representation of the Energy Committee on the ARPA Committee, then have an Energy Committee member attend each ARPA Advisory Committee meeting (they are public meetings).
- If no ARPA Committee...
Then ask your Selectboard about their ARPA process and attend all their meetings at which ARPA will be discussed. Bookmark the Selectboard agenda webpage as a favorite!
- If your town has no ARPA process identified yet...
Then ask to be added to an upcoming Selectboard agenda and create a thoughtful, engaging presentation of the Energy Committee's ideas for ARPA spending.



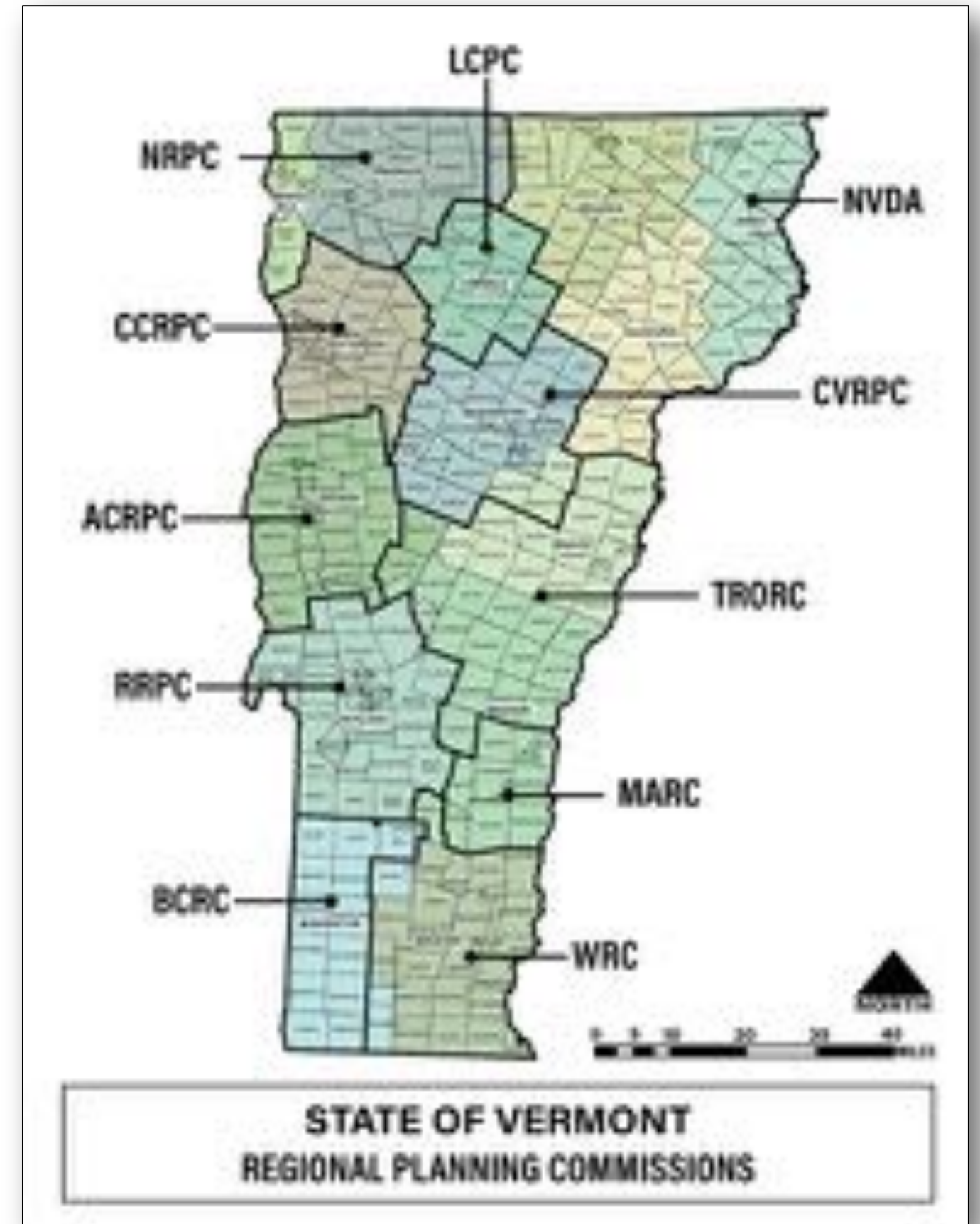
ARPA Assistance and Coordination Program

- Guidance and project eligibility analysis
- Webinars, targeted trainings, technical assistance, best practices
- In-person and virtual meetings with local officials and staff
- Guidance with compliance, reporting, financial management, internal controls, audit prep, transparency, etc.
- Assistance in identifying additional funding sources for projects
- Answer questions (arpa@vlct.org)
- ARPA resources main webpage: <https://www.vlct.org/arpa>



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





Thank You!

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