4/10/25 Testimony to Senate Appropriations Committee Regarding MTAP



Testimony to the Senate Committee on Appropriations

Regarding the Municipal Technical Assistance Program (MTAP)

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Thank you for supporting and championing the interests of so many communities throughout Vermont. The VLCT team enjoys working in partnership with you to help Vermont's cities and towns meet the obligations and functions of today's local government and take the action needed to solve the challenges of the 21st century. One of the most critical state programs which advances policy goals shared by state and local government is the Municipal Technical Assistance Program (MTAP).

The purpose of this memo is to summarize the on-the-ground impacts of MTAP and vital work of the MTAP technical assistance partners, and to advocate that you fully fund MTAP in the FY26 State budget with an appropriation of \$3 million.

History of MTAP

The Annual Budget Adjustment Act for Fiscal Year 2023, Act 3, created the Municipal Technical Assistance Program and appropriated \$3 million of general fund dollars to the Agency of Administration to provide technical assistance to municipalities to expand equitable access to

State and federal funding. These funds are intended to assist those communities with a high need for state and federal grants but lower capacity for accessing and applying for those sources.

- Towns that are automatically eligible for MTAP assistance are above the 50th percentile in the Vermont Community Index (VCI) index and select communities who were determined to be significantly impacted by the July 2023 floods such as Barre City, Middlesex, and Johnson.
 See a list of pre-approved towns by county here.
- MTAP technical assistance partners include the Vermont League of Cities and Towns, the Vermont Council on Rural Development, the Preservation Trust of Vermont, the Vermont Housing and Conservation Board, and all eleven Regional Planning Commissions.
- Eligible MTAP project types and activities include:
 - Water supply and wastewater infrastructure;
 - Housing;
 - Community recovery, workforce development, and business support;
 - Climate change mitigation and resilience; and
 - Other community economic development projects identified by a municipality and approved by the State.

MTAP and ARPA Deployment and Ongoing Compliance

MTAP funded initiatives through the Vermont League of Cities and Towns are tailored to the capacity level of the MTAP pre-approved towns but are open and accessible to all Vermont municipalities.

VLCT's Municipal Operations Support Team has assisted Vermont's 274 local ARPA recipients (towns, cities and villages) for the capture, planning, deployment, and required reporting of ARPA obligations and expenditures. That work is ongoing. While the deadline to fully obligate ARPA funds has passed, the deadline to expend all funds will be 12/31/2026 with final reporting due in April of 2027. In communities across Vermont, projects planned and funded by ARPA are very

much underway, including projects funded through State programs such as the Green Schools Initiative, Municipal Energy Resilience Program, Broadband and Connectivity Innovation Grants, Brownfield Revitalization Fund, Village Drinking Water and Sewer, and Flood Resilient Communities Fund.

VLCT continues to provide one-on-one financial management and regulatory compliance assistance to municipal officials across the state for the deployment and reporting of any federal and state funded programs, including ARPA.

MTAP Captures Millions in Investments for Vermont Communities

Through MTAP, technical assistance partners have leveraged a relatively small state investment to help municipalities capture millions more in state, federal, and philanthropic grants to complete complex funding stacks. MTAP technical assistance partners assist municipalities with project readiness, grant research and application, reporting requirements and compliance, and project management. VLCT's Municipal Operations Support Team also advises municipal officials on financial management to allow them to best leverage local monies such as through general obligation bonds and unassigned fund balances to capture grants.

VLCT has identified at least \$15,000,000 in additional funding captured through MTAP assisted projects, with other grant applications submitted and pending award. Examples of successful MTAP projects that have helped bring new investment to Vermont communities include:

- North Hero (Population 939; MHI \$84,375): The North Hero water system has several million dollars' worth of projects to complete. With VLCT's help, the Town closed its \$1.5 million funding gap for its water distribution storage tank project with NRBC Catalyst and CDS grants. VLCT coached the Town on aligning grant activities to reduce duplicative efforts and with planning for future project management capacity.
- South Burlington (Population 20,292; MHI \$83,750): South Burlington is investing in several major transportation projects to support its New Town Center. VLCT helped the City identify potential federal grant sources for the projects. The City was awarded an \$8,094,234 grant

from the US DOT Reconnecting Communities & Neighborhoods grant for construction of a bicycle and pedestrian bridge over I-89. Construction begins in 2025.

- Wolcott Village Center (Population 1,670; MHI \$38,056): The Lamoille County Planning commission assisted Wolcott Village with a project involving the planning, design, and construction of a community wastewater system in Wolcott Designated Village Center. Construction of this system will improve water quality, support housing retention and development, and expand employment and commercial opportunities in this underserved, rural community. The system is also being designed to be more flood resilient. The LCPC also provided technical assistance to complete several funding applications and the village was awarded \$2,390,000 toward a total project cost of \$4,717,830 in grants from ACCD, NBRC, and Congressionally Directed Spending.
- Craftsbury (Population 1,360; MHI: \$75,385): The Vermont Housing Conservation Board Rural Economic Development Initiative (VHCB REDI) assisted Craftsbury Saplings Childcare team with developing an action plan for project implementation, navigating the process of procuring an architect, and identifying as well as applying for funding. With VHCB REDI's assistance, the project has secured \$1,000,000 in NBRC funds towards construction of a new 7,000-square-foot \$5,300,000 childcare center.

MTAP Advances Key Statewide Policy Goal Equitably in Communities Across the State

VLCT has observed that the implementation of MTAP has allowed low-resource, volunteer-driven local governments to take on new initiatives that go above and beyond the basic obligations of municipal operations to advance statewide goals to build new housing, expand public water and sewer utilities, deliver high quality childcare, address water quality and soil contamination, and advance opportunities for rural economic development.

Recent projects funded by MTAP and managed with support from technical assistance partners related to these shared state and local policy priorities include:

- Housing in Hancock (Hancock Population 359; HMI \$72,336): Two Rivers Ottauquechee Regional Commission (TROC) assisted the Hancock selectboard to prepare a CDBG Planning Grant application, which was successful, to prepare a feasibility study for constructing affordable workforce housing on a vacant town-owned parcel adjacent to its designated village center. Local employers are struggling to recruit employees because of the housing crisis, and the Town recognizes the need to grow its population and its tax base. The Town of Hancock has lost housing inventory over each of the last two decades. The feasibility study will include market analysis, public outreach, visioning, and environmental constraints evaluation.
- School Building Revisioning in Roxbury and Windham: The Vermont Council on Rural Development (VCRD) assisted the towns of Roxbury and Windham when school closures combined with other factors led both communities to need visioning, community needs assessments and resource support. VCRD has provided facilitation services and resource connection to help the community prioritize next steps. In Windham, VLCT worked with local leadership on early project development to determine high level project feasibility based on proposed uses for the building and identify potential funding sources for a future capital stack; VCRD is using MTAP funds to pay directly for a formal feasibility study for the vacant school building.
- Multi-Village Wastewater Project Support (Greensboro, Highgate, Londonderry, Montgomery, South Hero, Waitsfield, West Burke, and Wolcott): Multiple MTAP technical assistance partners collaborated with the Department of Environmental Conservation (DEC) leadership and staff to assist eight (8) communities that were awarded significant wastewater funding through the Village Water & Wastewater Initiative. Together they planned, designed and facilitated a one-day workshop for the project leaders for wastewater projects that will likely be completed by the end of their grant period. Work has consisted of meeting with DEC staff, VLCT and environmental engineering consultants to support these projects. The workshop resulted in a wastewater project visual checklist and could lead to a cohort model that could be replicated for other project types such as for housing (like through the Senate proposal CHIP) or for childcare.

- Flood Resiliency in Wardsboro (Population 869; HMI \$91,250): With MTAP funding, Stone Environmental Inc is conducting a community needs assessment to understand inundation and erosion vulnerabilities from future storm/flood events. The assessment will result in a report and map that will help to guide community plans and budgets, grant applications for resiliency projects, and community education efforts.
- Water Quality and Chloride Contamination in Landgrove (Population 177; HMI \$55,625):

 The Bennington County Regional Commission assisted the Town of Landgrove to move its salt shed. The original location of the uncovered sand and salt pile was in a wetland area. This pile was moved to an upland site acquired by the town and the wetland was restored. A new sand and salt shed was designed, engineered, and permitted using MTAP grant monies. The town has applied for a VTrans grant to build the facility on land that they have acquired.

Recommendation

We hope that this memorandum communicates the critical services provided through the Municipal Technical Assistance Program (MTAP). The innovative and collaborative approach of MTAP allows State agencies, local governments, non-profits, and community groups to work together to equitably deploy precious state funds, capture federal investment, and advance shared priorities in Vermont's most rural and underserved communities.

With an increasingly volatile federal funding environment, this additional capacity provided to small towns is more critical than ever to assist them not only in accessing essential dollars to fund local initiatives but to remain compliant so they can keep them.

It is our recommendation that the Senate include a \$3,000,000 appropriation to MTAP in the state's FY26 budget.

Attachments

Memo used during this testimony