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ARPA Information

June 2022



Vermont League
of Cities & Towns

What We'll Cover:

- Background
- Vermont's Share
- Final Rule Basics
- Spending
- The "Standard Allowance"
- Planning Framework
- ARPA In Vermont
- 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

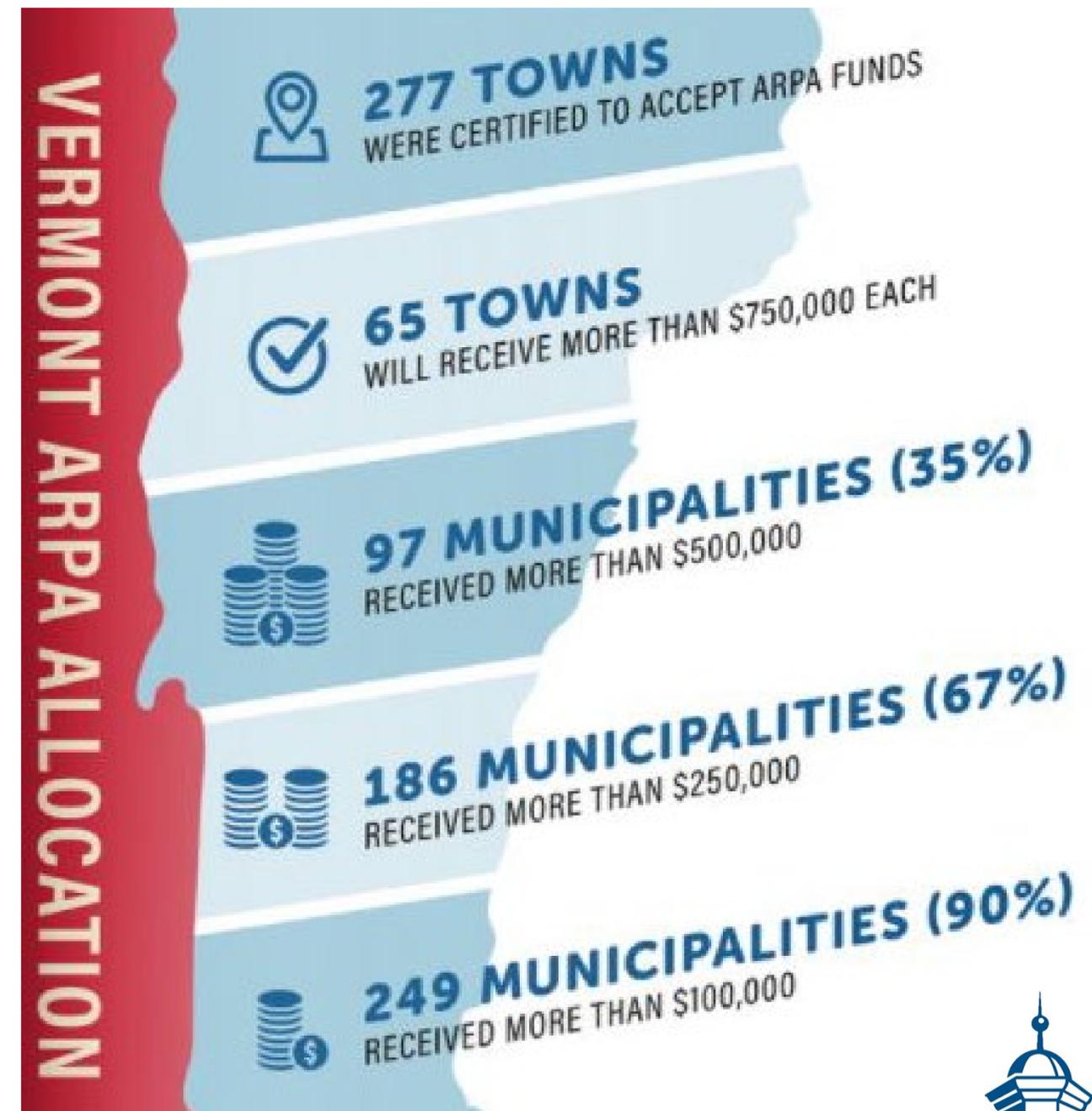


ARPA - Vermont's Share

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 has 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 *Recipient* 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 specified 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 areas where 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 Management, Enforcement, 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 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 [^]

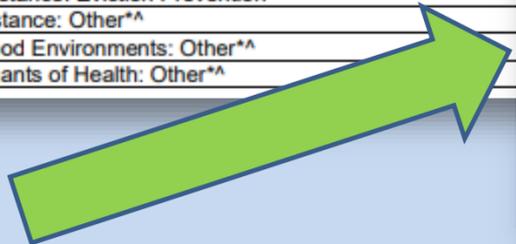
Expenditure Category	EC ²⁷	Previous EC ²⁸
Household Assistance: Internet Access Programs [^]	2.4	2.4
Household Assistance: Paid Sick and Medical Leave [^]	2.5	-
Household Assistance: Health Insurance [^]	2.6	-
Household Assistance: Services for Un/Unbanked [^]	2.7	-
Household Assistance: Survivor's Benefits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

For most Vermont towns, all spending will fall under this Expenditure Category.....



Expenditure Category 6 Revenue Replacement



- Recipients made “a ***one-time, irrevocable election*** to utilize either the revenue loss formula or the ***standard allowance***” during the April 30, 2022, reporting period
- 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
- All spending of ARPA funds up to the amount of revenue loss, regardless of purpose, will be reported under EC 6.1 Government Services.

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



Vermont League
of Cities & Towns

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:

- *Use existing tools.*
- *Don't reinvent the wheel.*
- *Stretch your ARPA dollars.*



Use Existing Tools.

*With so much flexibility in spending ARPA funds now, how do you prioritize?
Here are some ideas to help establish selection criteria. Does/Is the use:*

- Follow the intent of CSLFRF/ARPA?
 - *Fight the pandemic and support families and businesses struggling with its public health and economic impacts*
 - *Maintain vital public services, even amid declines in revenue resulting from the crisis*
 - *Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity*
- Comply with the Town Plan?
- Included in a Master Plan or any other plans, studies or reports?
- Included in a Capital Improvement Plan, if one exists?
- Set a precedent that will be difficult for the Town to fulfill for others in the future?
- Create an ongoing unfunded expense, after ARPA is exhausted?
- Have broad community benefit, or does it benefit just a few?
- Bring long-term value to the community for generations to come?
- Leverage other grant funds?
- Duplicate benefit - already funded through an existing program (State or other)?



Don't Reinvent the Wheel.

✓ *Assistance to Individuals and Households:*

- [Vermont Emergency Rental Assistance Program \(VERAP\)](#) - \$110 million in Coronavirus Relief Funds - Assistance to renters for rent and utilities.
- [Vermont Homeowner Assistance Program \(VT HAP\)](#) – \$50 million State ARPA - Assistance with overdue mortgage payments, homeowners' association fees, property taxes, and/or utilities.
- [Affordable Connectivity Program \(ACP\)](#) – \$14 billion, federally - Assistance for internet service.

✓ *Assistance to Businesses:*

- [VT Agency of Commerce and Community Development \(ACCD\)](#) - There have been numerous COVID-19 economic relief & recovery programs for business as well as existing programs.
- [Regional Development Corporations \(RDCs\)](#) – There are twelve RDCs throughout VT. They serve as “satellites” of the VT Dept. of Economic Development and provide local knowledge and facilitate assistance to support businesses in their communities.

More resources can be found here:

[Housing Resources for Vermonters in Need](#)

[ACCD Grant Opportunities Inventory Dec 2021](#)



Stretch Your ARPA Dollars.

There are billions of federal dollars pouring into Vermont – more than we will ever see again in our lifetimes. Use your ARPA dollars as grant match to leverage other programs for:

- Water and sewer
- Broadband
- Repair/rebuild roads and bridges
- Safe Streets
- EV Charging Stations
- Improvements to municipal buildings





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 to help advance local priorities and projects



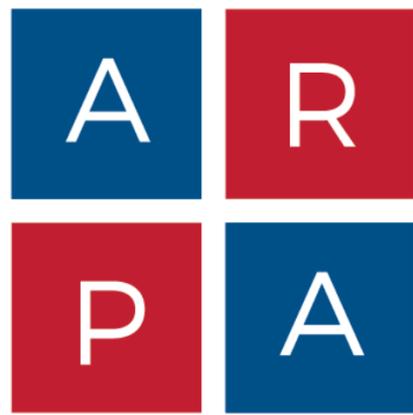


ARPA - Vermont (continued)

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
- Bike and pedestrian safety
- Community gathering spaces
- Broadband
- Support for local non-profits





AMERICAN RESCUE
PLAN ACT
2021

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
- www.vlct.org/arpa

