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**AMERICAN RESCUE
PLAN ACT**

2021



Vermont League
of Cities & Towns

ARPA Information Session

Town of Northfield
ARPA Committee
March 11, 2022

What We'll Cover:

- Background
- Vermont's Share
- Final Rule Basics
- Timeline & Planning
- 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

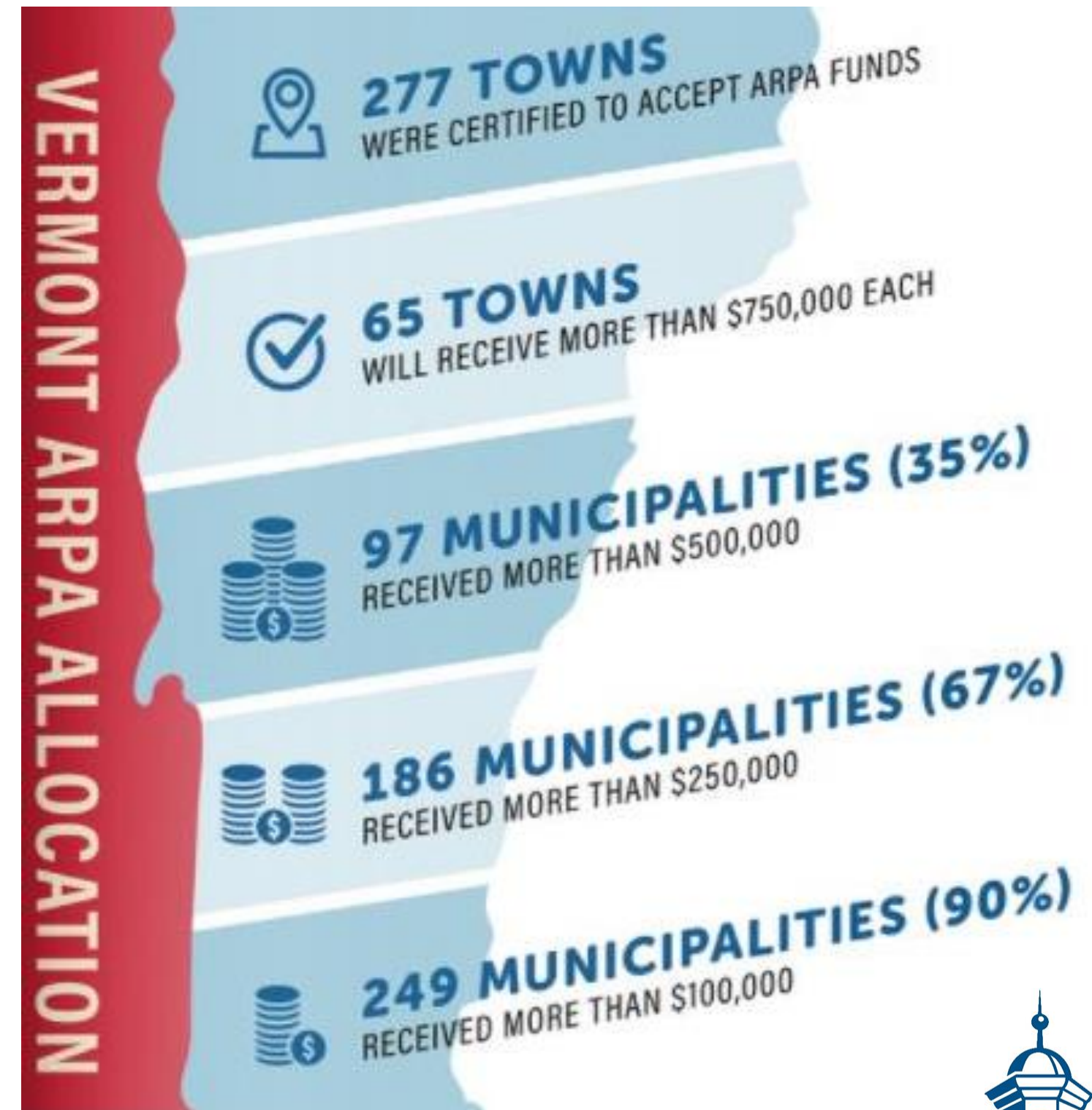
TOTAL Local ARPA Funds: \$200,712,697

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.





State ARPA Local ARPA Same Rules Apply

State *and* Local ARPA – follow the same timeline and rules (Final Rule)

Timeline – The Final Rule includes a specific schedule:

- 1st payment (local and county) August 2021
- 2nd payment (local and county) summer 2022
- All funds must be ***obligated*** by December 31, 2024
- All funds must be ***expended*** by December 31, 2026
- Any funds not spent by December 31, 2026, must be returned to Treasury

The Final Rule

General Information



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



The final rule promises “streamlined reporting and compliance requirements.”



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

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



Vermont League
of Cities & Towns

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



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 IJJA/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*.



What You CAN Spend \$ On



The Final Rule: Same Expenditure Categories but broader uses with more granularity

Appendix 1: Expenditure Categories

Treasury's final rule provides guidance on how to use the new expenditure categories to support families and businesses, address shortfalls, and build a strong, resilient economy. The broader set of eligible uses and the Project and Expenditure Report as a reference to previous Expenditure Categories.

The Expenditure Categories (ECs) are listed in Part 2 above. The term "Expenditure Category" is used throughout this report to refer to that level.

*Denotes areas where recipient evidence-based interventions (see Appendix 2) are used.

^Denotes areas where recipient disproportionately impacted communities (see Appendix 2) are used.

Expenditure Category
1: Public Health
COVID-19 Mitigation & Prevention
COVID-19 Vaccination [^]
COVID-19 Testing [^]
COVID-19 Contact Tracing [^]
Prevention in Congregate Settings, Dense Work Sites, Schools, Child Care, and Other Settings
Personal Protective Equipment
Medical Expenses (including Airfare)
Other COVID-19 Public Health Expenses
Enforcement, Isolation/Quarantine
COVID-19 Assistance to Small Business
COVID-19 Assistance to Non-Profit
COVID-19 Aid to Impacted Industries
Community Violence Intervention
Community Violence Intervention
Behavioral Health
Mental Health Services ^{^*}
Substance Use Services ^{^*}
Other
Other Public Health Services [^]
Capital Investments or Physical Plant
respond to the COVID-19 public health emergency
2: Negative Economic Impact
Assistance to Households
Household Assistance: Food and Nutrition
Household Assistance: Rent, Mortgage, and Utilities
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	-

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

Treasury has prepared the additional guidance below to support recipients in implementing the new expenditure categories. This table includes only those previous expenditure categories that are changing under the new structure, aligned with the final rule.

January 2022 Expenditure Categories		April 2022 Guidance
1: Public Health		
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency	EC removed, capital expenditures can be designated in any relevant PH-NEI EC (e.g., new hospital wing would be tracked under EC 1.4)
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)	EC is 1.7
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19	EC is 3.1
1.10	Mental Health Services [*]	EC is 1.12
1.11	Substance Use Services [*]	EC is 1.13
1.12	Other Public Health Services	EC is 1.14
2: Negative Economic Impacts		
2.5	Household Assistance: Eviction Prevention	EC is now included as part of 2.2
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers [*]	EC is 2.9
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives) ^{^*}	EC is 2.10
2.8	Contributions to UI Trust Funds	EC is 2.28
2.9	Small Business Economic Assistance (General) ^{^*}	

Public Sector Workforce: Rehiring Public Sector Employees
Public Sector Workforce: Other
Public Sector Capacity: Effective Service Delivery
Public Sector Capacity: Administrative Needs
4: Premium Pay
Public Sector Employees
Private Sector: Grants to Other Employers
5: Infrastructure
Water and Sewer
Clean Water: Centralized Wastewater Treatment
Clean Water: Centralized Wastewater Collection
Clean Water: Decentralized Wastewater Treatment
Clean Water: Combined Sewer Overflows
Clean Water: Other Sewer Infrastructure
Clean Water: Stormwater
Clean Water: Energy Conservation
Clean Water: Water Conservation
Clean Water: Nonpoint Source
Drinking water: Treatment
Drinking water: Transmission & Distribution
Drinking water: Lead Remediation, including
Drinking water: Source
Drinking water: Storage
Drinking water: Other water infrastructure
Water and Sewer: Private Wells
Water and Sewer: IJJA Bureau of Reclamation
Water and Sewer: Other
Broadband
Broadband: "Last Mile" projects
Broadband: IJJA Match
Broadband: Other projects
6: Revenue Replacement
Provision of Government Services
Non-federal Match for Other Federal Programs
7: Administrative
Administrative Expenses
Transfers to Other Units of Government
Transfers to Non-entitlement Units (States and Territories)

January 2022 Expenditure Categories		April 2022 Guidance
3.6	Healthy Childhood Environments: Child Care ^{^*}	EC is 2.11
3.7	Healthy Childhood Environments: Home Visiting ^{^*}	EC is 2.12
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System ^{^*}	EC is 2.13
3.9	Healthy Childhood Environments: Other ^{^*}	EC is 2.37, collected under Other Economic Impact
3.10	Housing Support: Affordable Housing ^{^*}	EC is 2.15
3.11	Housing Support: Services for Unhoused Persons ^{^*}	EC is 2.16
3.12	Housing Support: Other Housing Assistance ^{^*}	EC is 2.18
3.13	Social Determinants of Health: Other ^{^*}	EC is 2.37, collected under Other Economic Impact
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators ^{^*}	EC is 2.19
3.15	Social Determinants of Health: Lead Remediation ^{^*}	EC is 2.20
3.16	Social Determinants of Health: Community Violence Interventions ^{^*}	EC is 1.11
5: Infrastructure		
5.16	Broadband: "Last Mile" projects	EC is 5.19
5.17	Broadband: Other projects	EC is 5.20
7: Administrative		
7.2	Evaluation and Data Analysis	EC is 3.4 and has been renamed Effective Service Delivery
7.3	Transfers to Other Units of Government	EC is 7.2
7.4	Transfers to Non-entitlement Units (States and territories only)	To be separately reported as part of NEU/Non-UJGLG module. Refer to Part 2 Section D.



**Why struggle with all those
Expenditure Categories and reporting
requirements when the Final Rule now
allows you to do this....**



Take 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.



Seriously??



Take the **\$10M** Standard Allowance*!



*Electing the standard allowance does not increase or decrease a recipient's total allocation.

Expenditure Category 6 Revenue Replacement

- \$10 million standard allowance is for the entire performance period (through December 26, 2026)
- Recipients will make “a ***one-time, irrevocable election*** to utilize either the revenue loss **formula** or the standard allowance.”
- The **entire amount of a municipality’s ARPA award** may be claimed as lost revenue (for everyone except Burlington)
- 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
 - Health services
 - Environmental remediation
- Newly added is ***EC 6.2 Non-federal Match for Other Federal Programs***



With the Final Rule... Much Remains the Same



Terms and Conditions still apply.

We are waiting on additional guidance to ensure there aren't any unintended potential pitfalls.



The message remains the same: take time, be patient, think bigger.

More grant opportunities are on the way for municipalities to consider:

- *State ARPA \$500 million* will be appropriated in the 2022 legislative session
- [Infrastructure Investment and Jobs Act](#) - *+\$2.2 billion for Vermont (over 5 years)*
- *And more....*



Engage your community.

You no longer are scratching your head for ARPA eligible uses - your entire award just became discretionary money.



Play the long-game.

We waited a few months for the Final Rule, and it brought \$10 million of flexibility – worth the wait, right? Wait a bit more to see what other information will be released that provides more opportunities and less headaches.



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:

- Implement **cybersecurity** measures
- Purchase **hybrid meeting** equipment
- **Connect public buildings to broadband**, as appropriate
- **Digitize land records**
- Make **capital improvements to municipal buildings**: ventilation, weatherization, fire safety (as appropriate - sprinklers, centrally monitored alarm systems), code upgrades including ADA compliance and measures to ensure continuity of operations during future disasters
- Implement **IT changes** to streamline operations and enable remote work
- Create or enhance official **town websites** to strengthen communications with residents
- Create a formal **Capital Plan**
- **Seed a town administrator** position to source grant opportunities to help fund projects in your community and coordinate efforts between local officials for deep efficiency and impact



ARPA - Vermont (continued)

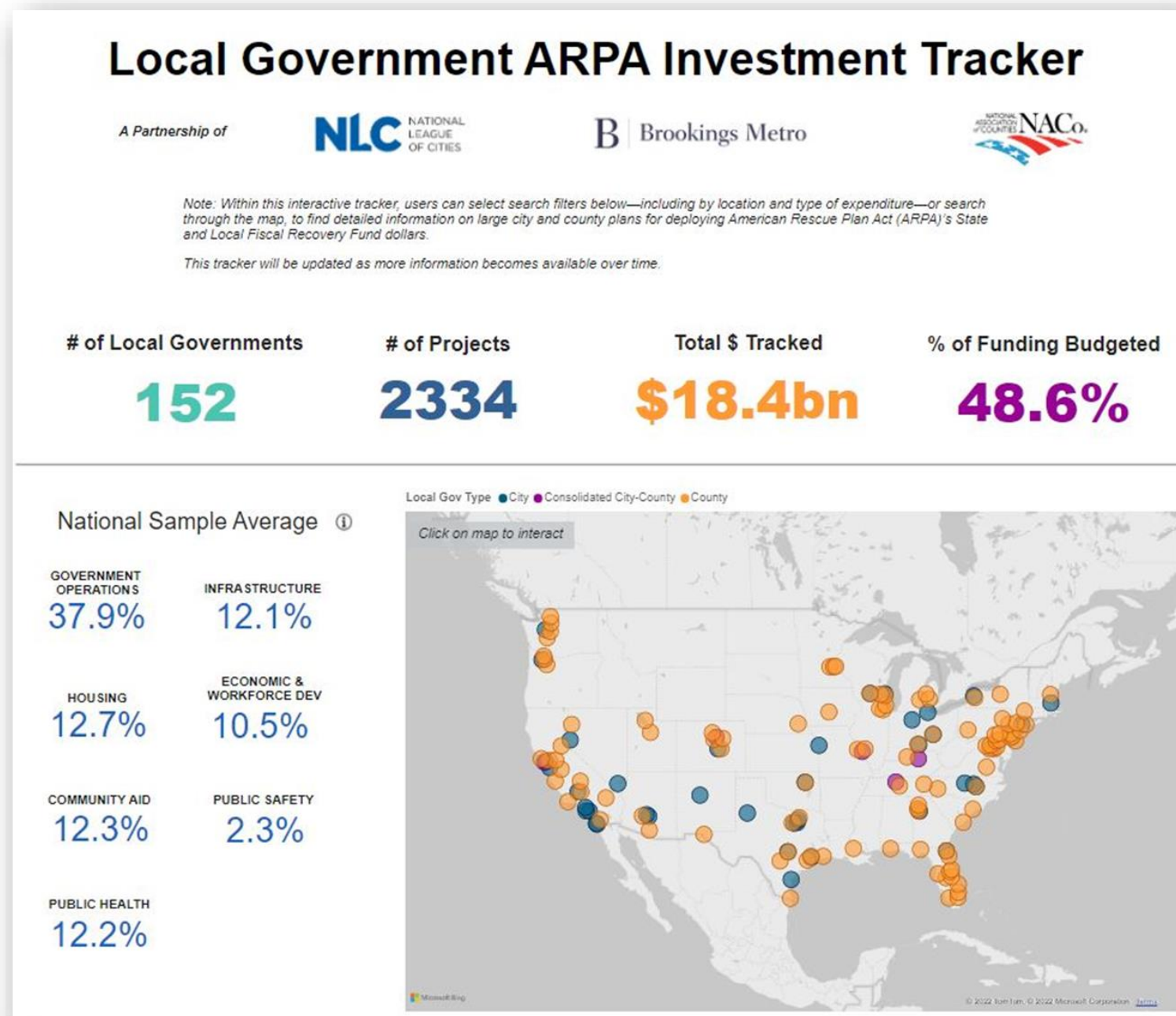
Investments that **revitalize a community**, making it a better and safer place to live for existing residents and to help in attracting new ones:

- **Outdoor recreation** (trails, parks, green spaces, recreational facilities, etc.)
- **Diversity, equity, inclusion** (DEI) measures to make a community more welcoming so everyone feels like they belong
- High-quality affordable **childcare** to support working residents
- Landbanking and other measures to support **housing** development to grow the tax base
- Acquisition and rehabilitation of abandoned properties to create **green spaces**
- Improvements to **bike and pedestrian safety**
- Improvements to **community gathering spaces**
- Support for **local non-profits** doing excellent work that benefits residents



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, Norwich, 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](#)



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, you might consider:

- Opportunities to **leverage your ARPA award** – save some of your ARPA award to serve as match that will be necessary for other grant programs (both forthcoming new ones and existing ones) to achieve community goals
- Goals identified in your **Town Plan** to help prioritize your spending
- If carrying out infrastructure projects with your ARPA funds, what **future planning** can be incorporated into the project concept and design **to achieve multiple priorities** – like laying conduit for fiber, sidewalks, considerations for a future public water or sewer system, etc.



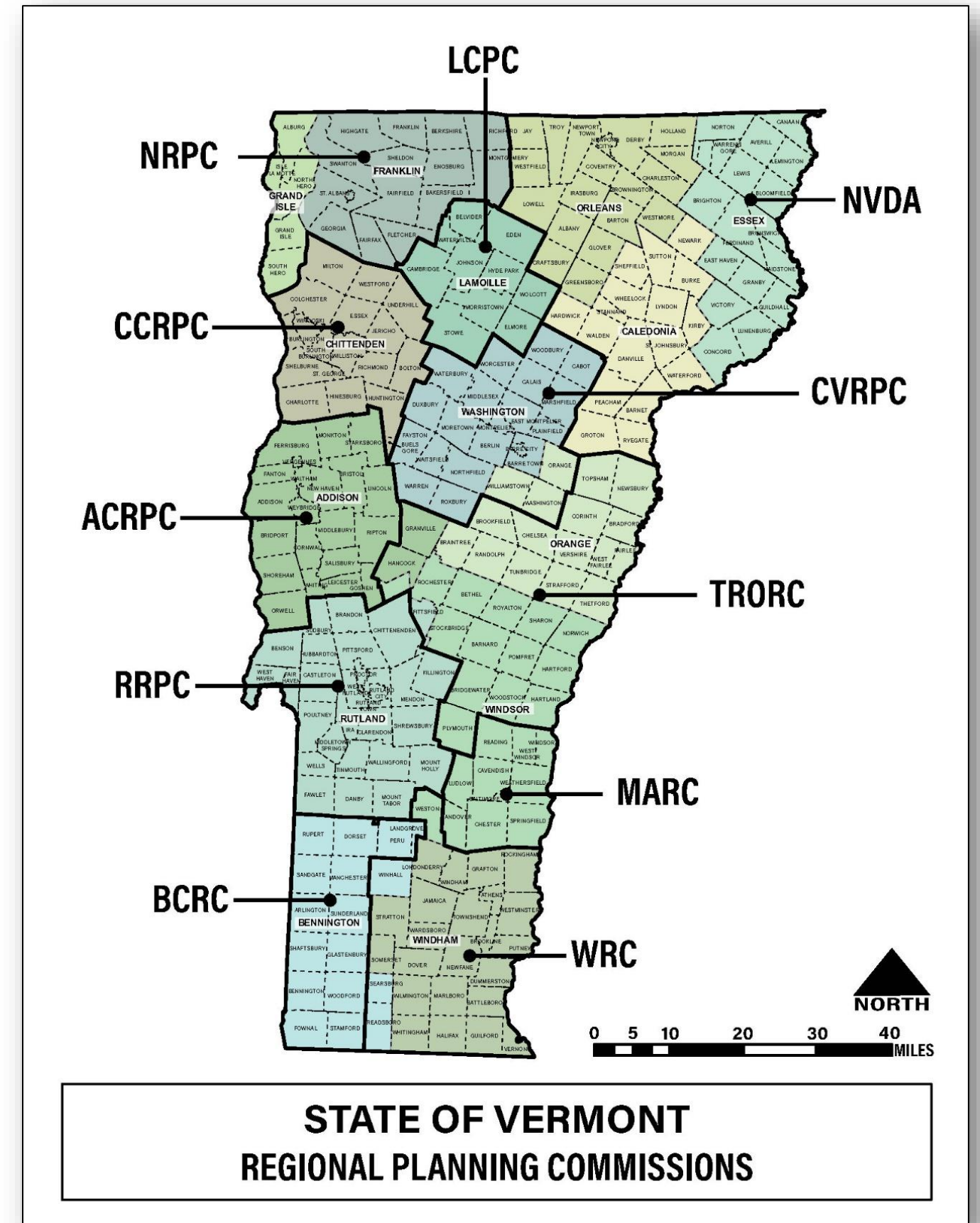


ARPA Assistance and Coordination Program

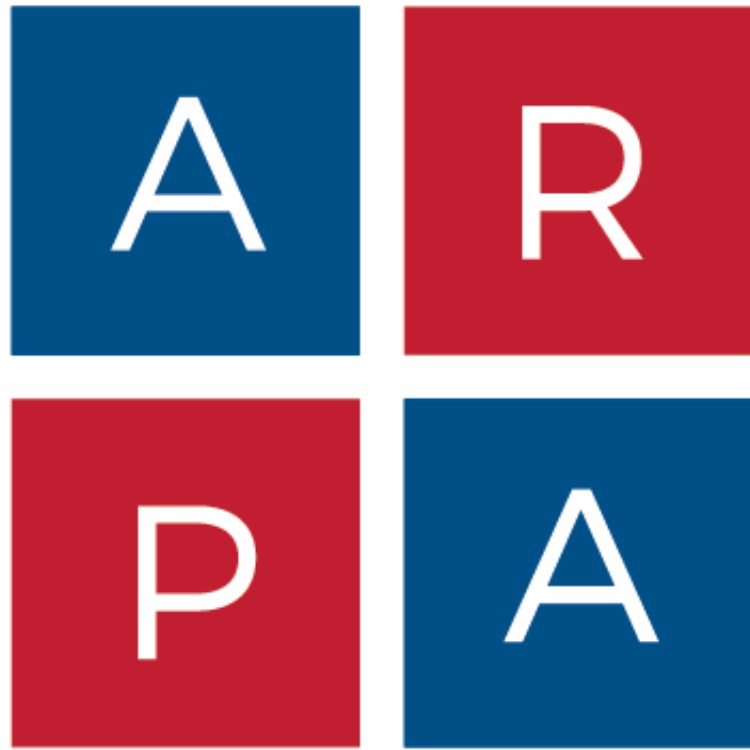
- Guidance and project eligibility analysis
- Webinars, targeted trainings, technical assistance, best practices
- In-person and virtual meetings with local officials and staff
- Answer questions (arpa@vlct.org)
- Guidance with compliance, reporting, and transparency
- Collaboration/partnerships with 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



Thank You!



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