



Coronavirus Local Fiscal Recovery Fund

BASIC OVERVIEW & PLANNING

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Overview of Program

CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS: OVERVIEW OF THE *FINAL RULE*

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, (ARPA) delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The program ensures that governments have the resources needed to:

- 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, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.



The Final Rule

THE FINAL RULE DELIVERS **BROADER FLEXIBILITY** AND **GREATER SIMPLICITY** IN THE PROGRAM, RESPONSIVE TO FEEDBACK IN THE COMMENT PROCESS. AMONG OTHER CLARIFICATIONS AND CHANGES, THE FINAL RULE PROVIDES THE FEATURES BELOW.

OPTION 1

Replacing Lost Public Sector Revenue

- Referred to as the “Standard Allowance”
- Most flexible spending category

OPTION 2

Public Health and Economic Impacts

- Use for capital expenditures that support and eligible COVID-19 public health or economic response.
- Specific requirements and not easily applicable to small, rural, communities



Standard Allowance for Revenue Loss

THE STANDARD ALLOWANCE FOR REVENUE LOSS OF UP TO \$10 MILLION, ALLOWS THE TOWN OF UNDERHILL TO UTILIZE OUR ENTIRE AWARD AMOUNT OF \$922,599.21 FOR "GOVERNMENT SERVICES; GENERALLY, SERVICES TRADITIONALLY PROVIDED BY RECIPIENT GOVERNMENT ARE GOVERNMENT SERVICES, UNLESS TREASURY HAS STATED OTHERWISE. ALSO THE STANDARD ALLOWANCE HAS STREAMLINED REPORTING REQUIREMENTS."



Standard Allowance for Revenue Loss

All recipients have only ONE CHANCE to elect the standard allowance and that's as part of the reporting that is due APRIL 30th, 2022. Taking the Standard Allowance doesn't change the amount of award or constitute an obligation of funds for a project... It simply says " We intend to use some or all of our award under Revenue Loss up to the Standard Allowance."

-From VLCT



First Reporting Period

- ❑ Report annually each March; First Report was due 4/30/22
- ❑ That first reporting period was for 3/3/2021-3/30/2022
- ❑ Reported expenditures of \$226,370.66 of the \$922,599.21 during that period.

Stated Expenditure Category: Revenue Replacement

Stated Expenditure Subcategory: Provision of Government Services

Stated Project Description: Upgrades to town office to support hybrid meetings, remote work and energy improvements; investments in highway and sidewalk infrastructure.



First Reporting Period

Explanation of how revenue replacement funds were allocated to government services:

During the reporting period funds were utilized to maintain continuity of governmental required services during the pandemic. Technology improvements and audio/visual equipment for remote and hybrid meetings and remote working capabilities. Funding was shared with the Energy Committee to further their mission; assessment tool for residents homes purchased to assist residents in making their homes more energy efficient to reduce their costs. Additionally funds were used to cover costs in paving and sidewalks maintaining the safety and navigation of our town for vehicles and pedestrians.



First Reporting Period

☐ Technology \$15,939.04

☐ Energy \$3,893.06

☐ Road Repairs/Paving \$81,411.24

☐ Sidewalk Infrastructure \$125,127.32

Total Expenditures \$226,370.66

Where We Stand Now

We have \$696,228.55 to spend on eligible activities with-in the town government and also to assist nonprofits, small businesses, public health, households, impacted industries and more.

Can not use funds to address pension liabilities, replenish financial reserves, make payments on bonds or other debt services; or payments required by settlement, judgement or consent decree.

Obligate the funds by December 31, 2024

Expend the funds by December 31, 2026

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

Recommendations

- ❖ Survey – Already Completed –
- ❖ Review Surveys from other Towns – ongoing
- ❖ Form a ARPA/SLFRF Committee – by July 1, 2022
- ❖ Request members, elect members – Selectboard – July 31, 2022
- ❖ Committee sets criteria for project requests – August 15, 2022
- ❖ Committee receives requests, makes recommendations to Selectboard – August 31, 2022
- ❖ Selectboard chooses projects and commits dollars to them. – Starting by September prior to budgeting for FY24.

Helpful Links

- Final Rule – FAQ's <https://home.treasury.gov/system/files/136/NEU-FAQs.pdf>
- Overview of Final Rule <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>
- VLCT Summary & Analysis <https://www.vlct.org/resource/arpacslfrf-final-rule-summary-and-analysis>

