

**TO:** Representative Emilie Kornheiser, Chair, Joint Fiscal Committee, Senator Ann Cummings, Vice Chair, Joint Fiscal Committee  
**FROM:** Douglas Farnham, Chief Recovery Officer  
**DATE:** September 18, 2025  
**RE:** American Rescue Plan Act – State Fiscal Recovery Update

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Madams Chair and Vice Chair,

Spreadsheets with appropriation level data as of 06/30/2025 on both American Rescue Plan Act – State Fiscal Recovery (ARPA-SFR) and programs created by ARPA-SFR which are now operating using one-time general funds were transmitted to the Joint Fiscal Office for the use of the Joint Fiscal Committee on August 20, 2025. I am prepared to speak to the content of those spreadsheets, primarily in the context of anticipated expenditure rates and remaining risk to the state of federal recapture. Data will not be available to discuss the 09/30/2025 period until early November.

As of June 30, 2025, \$148,573,766 of ARPA-SFR remained unexpended with 18 months remaining to expend the funds. Analysis of those unexpended funds shows that just over \$50m of unexpended funds are with the Vermont Housing Conservation Board and the Vermont Community Broadband Board. Both of those entities started with appropriations of over \$100m and have demonstrated expenditure rates more than sufficient to spend funds down by the 12/31/2026 deadline. Approximately \$39m is spread across 38 appropriations, only two of which have over \$5m, and appear to have sufficient expenditure rates to meet the deadline or small enough amounts that the Agency of Administration (AOA) will be able to avoid recapture through reallocation. The final \$58.3m is within infrastructure programs managed by the Department of Environmental Conservation that are critical to addressing our housing crisis in a manner that aligns with Vermont's environmental priorities. Those DEC appropriations are as follows:

**Wet weather sewer overflow** – with just over \$16m at risk, this program has 11 large municipal projects scheduled for 2025 and 2026. ANR-DEC expects the payouts to exceed the linear forecast as some projects are currently under construction and incurring expenses.

**Clean water board grants** – approximately \$8m at risk with 15 projects in the construction phase this summer. Delays in processing some invoices caused expenditure



activity to slip from the 06/30 quarter into the 09/30 quarter with most of the construction related invoices expected in October and November.

**3-acre stormwater permitting** – also with \$8m at risk in 4 large projects and operationally in a similar position to the clean water board grants.

**Village wastewater** – approximately \$4m at risk in 7 projects. These projects are heavily dependent on construction cycles with an additional factor of complex funding stacks in smaller municipalities.

AOA would like to avoid any further application of the payroll replacement category but, with only \$36m of ARPA-SFR currently at risk, we should have sufficient capacity to apply unexpended funds to payroll in 2026 if we do not see the increase in expenditures that ANR-DEC is anticipating. ANR-DEC is monitoring these projects closely and would be happy to present any project-specific information or estimates to support the position that they will meet the expenditure deadlines.

