

# Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

## *ISSUE BRIEF*

Date: As of June 17, 2021  
Prepared by: Joyce Manchester

### **Addendum to the Issue Brief on ARPA Funds to Vermont Counties: FAQs on American Rescue Plan Act (ARPA) Local Fiscal Recovery Funds**

#### **Funds designated for small cities and towns**

**1. How will small cities and towns apply for ARPA Local Fiscal Recovery Funds?**

The State of Vermont has a portal to facilitate application for the Local Fiscal Recovery Funds from the state. Small cities and towns must use the form to request payment from the state or to indicate they would like to transfer their share of funds to the State for redistribution. ARPA language also allows a transfer of ARPA funds to a private nonprofit organization, a public benefit corporation involved in transportation, or a special-purpose unit of state or local government. The application form can be accessed through the state's web page at <https://finance.vermont.gov/covid-19-guidance> (see **Local Fiscal Recovery Funds**), or

[https://forms.office.com/Pages/ResponsePage.aspx?id=0500IK26PE0cAnDtzHVZxqgsvo1\\_xrhKjXIGZ78CjBdUQIVQNEFSTFIHMDRHMjJMqjlaSzhTQzBEQiQIQCN0PWcu](https://forms.office.com/Pages/ResponsePage.aspx?id=0500IK26PE0cAnDtzHVZxqgsvo1_xrhKjXIGZ78CjBdUQIVQNEFSTFIHMDRHMjJMqjlaSzhTQzBEQiQIQCN0PWcu)

**2. When will small cities and towns receive their Local Fiscal Recovery Funds?**

States must make an initial distribution of funds to small cities and towns no later than 30 days after receiving a payment from Treasury for purpose of distribution to small cities and towns, unless the State requests and receives an extension. Vermont plans to certify its request for ARPA funds in the latter part of June. See page 6 of the NEU Guidance: [https://home.treasury.gov/system/files/136/NEU\\_Guidance.pdf](https://home.treasury.gov/system/files/136/NEU_Guidance.pdf)

**3. Will all Local Fiscal Recovery Funds be paid at once?**

The ARPA legislation specifies that funds will be paid in two tranches. The first half of the amount allocated likely will be paid in the summer of 2021, and the second half will be paid about 12 months later. See pages 5-6 of the NEU Guidance: [https://home.treasury.gov/system/files/136/NEU\\_Guidance.pdf](https://home.treasury.gov/system/files/136/NEU_Guidance.pdf)

#### **Funds designated for counties**

**1. Will Vermont counties receive the funds allocated to them by the U.S. Treasury?**

We do not know if Vermont counties will receive the funds allocated to them. The Vermont Congressional delegation is in discussion with the U.S. Treasury as to whether

Vermont counties are “units of general local government.” If Vermont counties do receive the ARPA funds, they may transfer them to a private nonprofit organization, a public benefit corporation involved in transportation, or a special-purpose unit of state or local government. In addition, counties may transfer ARPA funds to the state. See the JFO Issue Brief: [https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/a1dab18a4f/Issue\\_Brief\\_ARPA\\_funds\\_far\\_surpass\\_county\\_budgets.pdf](https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/a1dab18a4f/Issue_Brief_ARPA_funds_far_surpass_county_budgets.pdf)

**2. What happens to county funds in states like Connecticut that do not have active county governments?**

In states where counties are not units of general local government such as Connecticut, ARPA directs the U.S. Treasury to pay the county allocation to the state, and the state is further directed to distribute the county allocation to the units of general local government within the county. See the JFO Issue Brief: [https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/a1dab18a4f/Issue\\_Brief\\_ARPA\\_funds\\_far\\_surpass\\_county\\_budgets.pdf](https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/a1dab18a4f/Issue_Brief_ARPA_funds_far_surpass_county_budgets.pdf)

**3. Can the legislature direct the distribution of the county funds?**

No, the Legislature does not have the authority to direct distribution of these funds.

**4. How would the ARPA funds for counties compare to the size of the county annual budgets?**

On June 8, the Joint Fiscal Office released an Issue Brief on this topic. Of the eleven county budgets examined thus far, the ARPA funds range from five to 26 times the size of the annual county budgets.

[https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/a1dab18a4f/Issue\\_Brief\\_ARPA\\_funds\\_far\\_surpass\\_county\\_budgets.pdf](https://ljfo.vermont.gov/assets/Publications/Issue-Briefs/a1dab18a4f/Issue_Brief_ARPA_funds_far_surpass_county_budgets.pdf)

**5. If Vermont counties are eligible to receive Local Fiscal Recovery Funds, how will they apply?**

If Vermont counties are deemed eligible, they can apply through the Treasury Submission Portal at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/request-funding>.

## Resources

### U.S. Treasury Guidance on Coronavirus State and Local Fiscal Recovery Funds

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

See links for the Interim Final Rule, Fact Sheet, FAQs, and Quick Reference Guide as well as Non-Entitlement Unit Information for small cities and towns

In particular, the FAQs from Treasury address many questions across broad subject areas:

1. Eligibility and Allocations
2. Eligible Uses – Responding to the Public Health Emergency/Negative Economic Impacts
3. Eligible Uses – Revenue Loss
4. Eligible Uses – General
5. Eligible Uses – Premium Pay

6. Eligible Uses – Water, Sewer, and Broadband Infrastructure
7. Non-Entitlement Units (NEUs)
8. Ineligible Uses
9. Reporting
10. Miscellaneous
11. Operations

State of Vermont American Rescue Plan – State and Local Fiscal Recovery Fund Guidance  
<https://finance.vermont.gov/covid-19-guidance>

Vermont League of Cities and Towns – Information on the American Rescue Plan Act  
<https://www.vlct.org/resources/american-rescue-plan-information>

Links on this website include the National League of Cities Revenue Loss Calculator and the National League of Cities FAQ.