



Town of
Cavendish

March 6, 2023



AMERICAN RESCUE PLAN ACT (ARPA)

- The American Rescue Plan Act (ARPA) is a \$1.9 trillion package that includes direct relief to states, counties, cities, and towns, as well as public utilities, libraries, and transit agencies.
- From that package, \$350 billion was allocated for states, municipalities, counties, tribes, and territories.
- Vermont's cities, towns, and villages will receive about \$200 million in total.
- This January, the U.S. Department of Treasury released a Final Rule, outlining eligibility criteria for the use of funds, compliance and financial reporting.

AMERICAN RESCUE PLAN ACT (ARPA)

- Cavendish is entitled to receive \$421,631.
- Funds must be obligated or encumbered by December 31, 2024.
- All funds must be spent by December 31, 2026, which provides recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

USE OF FUNDS AS DETERMINED BY ARPA

According to the Treasury Rules, recipients may use ARPA Funds:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- For the provision of government services to the extent of the reduction in revenue due to COVID–19; and
- To make necessary investments in water, sewer, or broadband infrastructure.

USE OF FUNDS AS DETERMINED BY ARPA

Treasury guidance allows small town recipients to elect a "standard allowance." Then they may use the award (up to \$10 million) on the "provision of government services."

Government services generally include any service traditionally provided by a government. Here are some common examples, although this list is not exhaustive:

- **Construction of schools and hospitals**
- **Road building and maintenance, and other infrastructure**
- **Health services**
- **General government administration, staff, and administrative facilities**
- **Environmental remediation**
- **Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)**

Cavendish elected the standard allowance, so we can use the ARPA funds for government services.



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



EXAMPLE PROJECTS

Text from Treasury's Rules . . .	Example Project
<p>Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;</p>	<p>Upgrades to cybersecurity hardware and software to combat ransomware attacks.</p>
<p>Support healthy living environments and neighborhoods conducive to mental and physical wellness.</p>	<p>Investments in park facilities, green spaces, and recreation programs to increase options for outdoor physical activity while social distancing.</p>
<p>Expenses for communication related to COVID-19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID-19.</p>	<p>Upgrade of Town website and communications systems, such as town-wide email.</p>
<p>Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment.</p>	<p>Purchase and replacement of outdated emergency services equipment to increase first responder safety and on-the-scene patient assessment.</p>
<p>Respond to negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality</p>	<p>Investment in our shared public spaces to enhance and enable greater access to outdoor dining, for example.</p>

INELIGIBLE USES

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies ineligible uses of funds:

- Pay down unfunded pension obligation liabilities
- Apply as matching funds towards other federal grants
- Pay interest or principal on outstanding debt
- For consent decrees/ legal settlements
- Contribute to rainy day funds

COMPLIANCE AND REPORTING RESPONSIBILITIES

Compliance and Reporting Responsibilities

Treasury released Compliance and Reporting Guidance.

- Reporting recipients will need to align all projects to a single expenditure category. Recipients are responsible for ensuring funds are used for eligible purposes.
- Required to submit annual Project and Expenditure reports
- Financial records and supporting documents related to the award must be retained for a period of five years following the expenditure of funds.
- Comply with all local and state laws and ordinances

PRIORITIES & WHAT'S NEXT

- Discuss/address what long-term issues that we haven't had the ability to adequately deal with before.
- Invest in urgent needs. Prioritize short-term investments with long-lasting benefits.
- Gather citizen input on how those dollars may best be used by identifying community needs. Encourage maximum citizen participation.
- Collaborate with local businesses, non profits, and community partners and stakeholders.
- Develop an implementation plan outlining eligible uses.
- Meet all accounting and reporting principles.
- Ensure projects fulfill a widespread community-need.
- Ensure projects best prepare Cavendish for a bright future.