



Testimony of the Vermont League of Cities and Towns
Ted Brady, Executive Director
House Government Operations
Regarding H. 140 (State of Vermont Grant Administration)
January 19, 2024

My name is Ted Brady, and I am the Executive Director of the Vermont League of Cities and Towns, a non-partisan, nonprofit organization comprised of all 247 cities and towns in Vermont. Another 144 units of local government – such as our villages, fire districts, and regional planning commissions are our associate members. We exist to serve and strengthen local government. I appreciate that the committee wanted to hear our opinion on H. 140 – a bill that deals with making changes to the way the state administers grants to municipalities, non-profits and for-profit businesses.

Municipalities Need Better Access to State and Federal Funding

First and foremost, any bill that makes it easier to find, apply for, and administer grants has our attention. In our 2023 VLCT Membership Survey – completed by more than 300 municipal officials – the 2nd and 3rd most-requested trainings were grant administration and grant writing. As our municipalities largely depend on the ever-shrinking capacity of the property tax to fund their entire operations, they are increasingly looking to federal and state grants to help maintain their roads, operate their public safety systems, and build the infrastructure necessary to facilitate healthy community. There is little if any capacity left to raise property taxes to keep up with the cost of running government – more revenue streams are needed. Unfortunately, most federal and state grants fail to meet municipalities where they are – run by volunteers that don't have the background or time to digest complicated requests for proposals, long applications, and low success rates (even on great applications).

Before I share a few perspectives on this bill, let me say the best way to get money into the hands of municipalities to make infrastructure improvements and conduct the work you've charged them to do is to give it to them through some sort of revenue sharing program. Grants are inherently inequitable, only accessible to those with the capacity to apply. This bill may improve accessibility, but it will not resolve the inherent inequities in the grant making process.

VLCT's Experience Assisting Municipalities Access Grants

We have some experience with the inequities of these programs. Thanks largely to a Legislative appropriation of \$250,000 to fund the VLCT Federal Funding Assistance Program, VLCT has been able to help municipalities access some of these grants. This funding allowed us to hire a former town administrator, Katie Buckley of Guilford, and a former regional planning commission director, Bonnie Waninger, to help cities, towns and villages access federal grants. We are putting on regular webinars on how to access and manage grants, we compiled a federal funding guidebook that

highlighted the most-relevant federal infrastructure grants (a readers digest version of a White House guidebook), and we maintain an up-to-date listing of open state and federal grant opportunities on our website at <https://www.vlct.org/resource/open-funding-opportunities>. We also provide one-on-one sessions to help with ideation and development of projects. We conduct this work in coordination with the state's regional planning commissions – the real workhorses of municipal grant writing, who can often actually write grants for municipalities.

VLCT Supports Several Aspects of H. 140

1) *Municipalities welcome any process that standardizes grant application and reporting processes, and would hope the creation of a common application could be the goal.* Municipalities often have to apply to multiple state agencies to complete a project. For example, a wastewater project might include funding from the Department of Environmental Conservation, the Department of Economic Development, the Department of Housing and Community Development, and the Agency of Transportation. There is little, if any, attempt by these agencies to coordinate the application process or reporting process, understandably because the federal or state sources of funding have vastly different purposes, and therefore different qualifiers. The committee may wish to talk to the Joint Fiscal Office about their recently-completed report on municipally-funded infrastructure, as I believe they included some research on common grant applications in their analysis.

2) *Increasing allowable indirect rates may not immediately help municipalities, but does better reflect the real cost of administering a grant.* Few municipalities benefit from indirect rates, as they require complex calculations. However, those that do or will in the future would appreciate a directive allowing them to use an established rate that actually reflects recovery of their actual indirect costs as the 10 percent de minimis rate is an arbitrary rate.

3) *H. 140 would make it easier for municipalities to find grant opportunities.* The provision requiring a listing for state-funded grants available to municipalities would be a welcome change. Currently VLCT maintains a partial list, the Chittenden County Regional Planning Commission maintains a very comprehensive list, and other organizations attempt to aggregate data. A directive requiring state agencies to post to a state grant site would reduce duplicative efforts and allow municipalities to easily find available grants.

Thank you for asking VLCT for its opinion on this legislation. We'd be happy to work with you and any stakeholders to advance this legislation forward.