

MEMORANDUM

To: House and Senate Committees on Appropriations
Senate Committee on Government Operations
Senate Committee on Economic Development, Housing and General Affairs
House Committee on Government Operations and Military Affairs
House Committee on Commerce and Economic Development

From: Kristin L. Clouser, Secretary of Administration

Date: January 15, 2024

Subject: Act 3 Sec. 95 Status Report (Municipal Technical Assistance)

Section 95 of [Act 3](#) of the 2023 Legislative Session appropriated \$3 million of general fund dollars to the Agency of Administration (“the Agency”) to provide technical assistance to municipalities with the goal of expanding access to State and federal funding. Due to the abnormally high amount of State and federal funds currently available to municipalities and the short timeframes on many federal programs, Section 95 included the requirement for three reports to Legislative committees on April 1, 2023, July 1, 2023, and January 15, 2024. This report is the third and final of those three reports.

Program Review

The Agency, with the support from procurement staff from the Agency of Transportation and the Office of Purchasing and Contracting within the Department of Buildings and General Services, published a Request for Proposals (RFP) on March 22, 2023. The purpose of the RFP was to establish the retainer agreement contracts with commercial entities and grants to regional planning commissions (RPCs), or other interested non-profit or statutorily created entities, to provide technical assistance to eligible municipalities with a minimum administrative burden. The RFP was closed with responses due by May 31, 2023. The Agency has received and evaluated bids from multiple not-for-profit and for-profit entities and is establishing contracts on an ongoing basis.

The Agency finalized the consolidated grant agreement with the Two Rivers-Ottawaquechee Regional Commission (TRORC) serving as the primary grantee, and other similarly established regional commissions and the Vermont League of Cities and Towns (VLCT) operating as subgrantees. Monthly reports will be submitted to the Agency by the regional planning commissions to optimize Agency oversight and administer the program.

Initial outreach efforts to the 61 original prequalified towns were completed by June 30, 2023 with many opting to participate in the program. Between May and June of 2023, many of the original prequalified municipalities received Community Needs Assessments, a strategic look at town resources, goals, and challenges related to growth and development.

In July of 2023, the state experienced historic levels of inundation flooding, leaving many communities and areas devastated. In the wake of these floods, the state received feedback from the organizations partnered under MTAP that they had activated a memorandum of understanding with Vermont Emergency Management to support municipal flood response needs and needed to prioritize that over driving forward MTAP in its intended timeframe. Out of concern for communities to participate in flood recovery but not lose the opportunity for traditional technical assistance, the Agency encouraged providers and municipalities to focus on flood recovery, moving out the timeline and spending for MTAP in the process.

In September of 2023 MTAP partners and municipalities had addressed much of the initial and immediate response to the July floods, and the Agency of Administration began a renewed push to move MTAP forward. Unfortunately, the Agency was not seeing projects identified by the 61 original communities at a level that would fully utilize MTAP. As a result, in October of 2023 the Agency of Administration made the determination to expand MTAP eligibility to the next quartile of communities on the Vermont Community Index (VCI), in addition to communities that were found to be exceptionally flood impacted by the July floods with a VCI score of 25 or higher. As a result of the October 2023 expansion, now more than 120 of Vermont's municipalities are eligible for the Municipal Technical Assistance.

As part of this expansion, the Agency of Administration entered into grant agreements with the Vermont Housing & Conservation Board (VHCB) and the Vermont Council on Rural Development (VCRD). These agreements primarily serve to bolster technical assistance to MTAP eligible communities that was already being provided by VHCB under the Rural Economic Development Initiative (REDI) and additional VCRD community forums to identify potential projects and build community support.

The Municipal Technical Assistance webpage ([Municipal Technical Assistance | Department of Finance and Management \(vermont.gov\)](#)) continues to serve its intended outreach and coordination purposes. All reports, instructions, and other relevant documents are available on this site. Municipalities that are not prequalified may request evaluation of a project or request by completing the "Municipal Assistance Request" found on the webpage. The Agency has received and approved numerous requests from qualified municipalities.

Current Status

As of December 31, 2023, all 61 original prequalified towns have participated in outreach discussions on the opportunities provided by the MTAP program, with many choosing to receive Community Assessments, and over 30 projects identified. Of the 69 municipalities that were granted eligibility under the October 2023 expansion, 35% have had outreach discussions with MTAP Providers.

The Agency is currently obligated through the grant agreements with TRORC and VHCB \$1.87M of the \$3M appropriation under Act 3 Sec. 95. The Agency has additional grant agreements in progress for another \$0.68M, which are anticipated to be finalized this month, January 2024. As of November 30, 2023 eligible municipalities have received \$112,833 of direct administrative support consisting of Community Needs and Opportunity Assessments and have entered into agreements under the MTAP program to provide an additional \$168,788 of long-term support to identified projects.

The Agency anticipates initial outreach efforts for municipalities granted eligibility under the October 2023 expansion to be completed by January 2024. Following this, the Agency anticipates Community Needs and Opportunity Assessments to continue into Spring 2024, at which point the program focus will shift from assessments to establishing long-term support for identified projects.

Continuing Development and Improvement

In the initial scoping of the program concerns were identified by both MTAP providers and the Agency that the smallest communities would not have the same development focused goals that the MTAP project categories focus on. This concern proved to be accurate as many towns on the higher end of the VCI chose not to pursue projects or assistance from MTAP, as the MTAP project categories did not match community goals. Many of these small communities were focused on preserving their small community rather than the growth focused projects of MTAP such as housing, wastewater, and economic development. This was confirmed in late September when the Agency had not received enough projects identified to fully utilize the appropriation. After expanding to the next quartile and severe flood impacted towns, the Agency received a much stronger response as municipalities in this range generally have community goals that better align with development focused project categories of MTAP. As an ongoing measure to ensure small communities are aware of the opportunities within the program, we are working with VLCT to write and provide use cases guidance to assist those communities in identifying eligible projects that address their community's needs. The Agency is now confident that the full appropriation can be utilized while still focusing on the legislative focus of prioritizing municipalities with a higher VCI score.

In its evaluation of outreach and program implementation, the Agency provided a brief survey to 61 municipalities in the original prequalified group with a response rate of 56%. Over 65% of municipalities agreed that they felt well informed in their community's decision to accept or waive MTAP, with 88% of communities who accepted MTAP having done so following a selectboard discussion. Based on these responses, the Agency feels confident that its outreach was impactful, and we will extend that same level of service to those municipalities which were part of the October 2023 expansion.

Summary

While the July event significantly disrupted progress against expectations established for program implementation during the legislative session, the statewide disaster has also catalyzed resiliency discussions in communities across the state and climate resilience is an eligible category for MTAP. Significant momentum began to build in December which should allow all funds to be fully dedicated by the end of the fiscal year. This has only been possible due to the exceptional partnership and proactive approach of the regional planning commissions and VLCT, with TRORC performing the heavy lift of balancing centralized coordination with the local knowledge and relationships. The Agency feels confident in meeting the legislature's goals for this program as we establish more long-term support agreements for projects identified by municipalities.

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