



**VERMONT LEAGUE
OF CITIES & TOWNS**

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Vermont League
Governments*

MEMO

TO: House Appropriations and Government Operations Committees

FROM: Karen Horn, Director Public Policy & Advocacy (khorn@vlct.org)

RE: S. 349 Support Emergency Funding for Local Governments

DATE: June 10, 2020

In every regard, the COVID 19 pandemic has fundamentally changed the way that local governments function at the same time that resources to make necessary accommodations are declining precipitously. When the Governor issued his Executive Order 01-20 on March 14, work moved to the internet in places where on-line communication was an option. The transition happened virtually overnight as physical offices and meeting places closed down. At the same time, cities and towns were called upon to help their constituents in new and vastly different ways. In the wake of the first wave of the pandemic, local governments must reconfigure service delivery going forward, from summer recreation programs to food distribution, re-configured spaces for farmers’ markets downtowns and offices, remote meetings, providing emergency management and medical services, public works and economic recovery.

You have been tremendously helpful to local governments as we navigate the challenges that COVID-19 has thrown our way. We thank you for that support and we sincerely appreciate your attention to those local officials and employees who are on the front lines of response.

We urge you to help again by supporting S. 349. This would be the most significant allocation of aid to municipalities. The bill passed the Senate on a voice vote in response to requests from constituent local officials. S. 349 would appropriate CRF funds to reimburse expenses that local governments incur before December 30, 2020, in response to the COVID-19 emergency. The proposal would appropriate \$14,850,000 to the Agency of Administration for issuing grants to local governments (cities, towns, incorporated villages, fire districts, consolidated water or sewer districts) to reimburse them for eligible COVID-19 expenses. Expenses would include hazard pay, supplies and equipment, sanitation, facility alterations, overtime compensation, re-direction of staff for first response needs, and any other eligible expenses not covered by other funding sources, including the Federal Emergency Management Agency (FEMA). Grants would not exceed \$25 per person, as determined by census population data. An additional \$1 million would be available to counties, unorganized towns or gores, and any of the Unified Towns and Gores of Essex County and \$150,000 would be available to contract with regional commissions for technical assistance to local governments in documenting eligible expenses.

Although towns and cities don’t have good estimates yet as the landscape keeps changing, preliminary assessments off need from 168 municipalities that responded to a VLCT survey equal \$2.7 for calendar year 2020 budgets, \$7.9 million for FY20 budgets, and \$15 million for FY21 budgets. Many of those needs are due to expenses incurred due to COVID 19 (as opposed to replacement of lost revenue which is not reimbursable under the CARES Act).

The CARES Act provided for up to 45 percent of funds to go to municipalities of more than 500,000 population. No funds in the CARES Act are dedicated to smaller local governments. There are specific set-a sides for schools, disease prevention, critical facilities, elections, law enforcement through Byrne Grants, public transportation, arts, and essential services to protect citizens through FEMA. The most significant issue with the CARES Act for cities and towns in Vermont is that local governments receive no direct aid and assistance needs to come from the Coronavirus Relief Fund (CRF).

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The legislature appropriated up to \$2.7 million to the Municipal Emergency Statewide Education Property Tax Borrowing Program (H. 951) to pay interest costs incurred due to borrowing to cover COVID -19 related shortfalls in Education Fund Property Tax payments due from cities and towns to school districts and the state. That bill passed on June 2 and went to the governor for his signature on June 9. House Appropriations will likely also receive requests for funds to support increased needs for cyber-security training of local officials (House Energy and Technology) and to invest in digitizing land records, which were largely inaccessible in March, April and May (request originated in Senate Government Operations).

Thank you for your consideration of this request and for your on-going support of local governments.