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*Sarah Clark, Interim Secretary*

## MEMORANDUM

**TO:** Honorable Members of the County and Regional Governance Study Committee

**FROM:** Sarah Clark, Interim Secretary of Administration

**DATE:** September 16, 2024

**SUBJECT:** Act 118 Section 3 Report

DocuSigned by:  
*Sarah Clark*  
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Act 118 of 2024 Section 3 requires the Secretary of Administration, or designee, to report to the County and Regional Governance Study Committee on federal funding opportunities resulting from the disaster declaration for the major flooding events of 2023 in the State, including the received federal funds, the status of pending applications for funding, and potential avenues for additional funds. The Secretary, or designee, is also required to provide an analysis of the impact of Vermont’s lack of robust county or regional governance on the receipt of federal emergency funding. An informal update was provided through testimony to the Committee by Douglas Farnham, Chief Recovery Officer, on August 23rd, 2024, and the purpose of this report is to summarize and expand on that testimony to meet the full requirements of Section 3 of Act 118.

### Federal Funding Opportunities

Following the presidential disaster declaration of flooding which occurred between July 7-21 (designated as DR-4720), Governor Scott appointed Douglas Farnham from the Agency of Administration to serve as Chief Recovery Officer. A small recovery team was formed to coordinate recovery efforts with existing resources across state government and engage with federal partners. The primary federal partner in this effort was the Interagency Coordination (IRC) Division of the Federal Emergency Management Agency (FEMA) which, due to the authorities granted in the Stafford Act, was capable of assigning tasks or missions to facilitate discussions with various federal partners. Between September of 2023 and June of 2024, the recovery team explored various options with the IRC and identified two primary opportunities for federal assistance in evaluating Vermont’s organizational structure.

The first opportunity was the emergency management planning grant program through FEMA. Unfortunately, federal funding for this program was reduced from the prior fiscal year in the continuing resolution passed by Congress and, although the subject would be appropriate for the grant, funds were not available.



The second opportunity was to apply for an Economic Development Authority (EDA) planning grant. After discussions with the EDA, it was determined that approaching the EDA as the sole funder for this work would not produce a valuable product, as the EDA would require the study to be strongly focused on economic factors and would not be able to cover the full, or even a significant portion of, scope identified in Act 118.

Additional opportunities did not arise primarily because a federal disaster supplemental has not been passed by Congress for disasters occurring in 2023 or 2024. With the continuing resolution reducing existing federal funding streams, priority has been given to minimizing the operational impact of those cuts on our emergency management structures.

### **Potential Avenues for Additional Funds**

While the Agency was unsuccessful in identifying a new opportunity for federal funding, the University of Vermont has been open to discussing research support in this area. Further discussions with the University are the most likely avenue for at least partial support of the Committee's charge. The Agency will continue to track the status of disaster supplemental legislation at the federal level and, if a supplemental is passed, review the program funding to determine if this study could be supported.

### **Impact of County Government Structure on IRA and BIL Dollars Received by Vermont**

The Vermont State Legislature seeks to understand how Vermont's limited county government structure may impact the state's competitiveness in securing federal funding. As a preliminary analysis, the Agency of Administration (AOA) examined Vermont's experience to date with federal programs under the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA). In summary, this examination resulted in the following observations:

- Vermont's limited county government structure does not result in Vermont being categorically ineligible for any programs under the BIL or IRA because no programs are specifically restricted to county applicants.
- Vermont's limited county government structure is more likely to impact competitiveness for BIL programs, which include programs for state and local governments, than IRA programs, which are predominantly awarded to state governments.
- BIL programs consist of both formula grants and competitive grants. Competitive BIL programs primarily fund public transportation, infrastructure, broadband, and environmental planning projects.
- This analysis focused on competitive or semi-competitive BIL programs in which states (including Vermont), local governments, and counties are eligible. These reviewed programs provide for approximately \$3.6B in competitive or semi-competitive federal grant funding.
- Of this subset of programs, Vermont has received \$5M in competitive grant dollars, all awarded to the Vermont Agency of Transportation (AOT). AOT then distributed these funds to local public transportation projects. Local and regional governments did not receive any competitive BIL funds.
- Of this subset of programs, other New England states have received approximately \$129M in competitive grant funding with \$103M, or 80% of the total awarded, through or in partnership with county applicants. The counties that received competitive grants were a mix of rural and urban, and some were awarded the funding as part of a cooperative agreement with the state, another government, or a nonprofit. For example, one rural NH county bordering Vermont, Grafton County, secured a \$12M federal award for the middle-mile broadband program.



The observations above suggest that Vermont's county government structure may impact its ability to apply for and win competitive grants, particularly to fund local or regional projects. Additional research could determine whether the county government structure limits the competitiveness of local and regional applications, the capacity to apply at all, or both.

### **Limitations and Opportunities for Further Research**

This memorandum examined the following BIL programs: Urbanized Area Formula Grants; Formula Grants for Rural Areas; Enhanced Mobility of Seniors and Individuals with Disabilities; Bus and Bus Facilities Bus and Bus Facilities Formula, Competitive Grants and Low or No Emission (Bus) Grants; Pilot Program for Enhanced Mobility; Middle Mile Grant Program; Northern Border Regional Commission: Infrastructure Program; State of Good Repair Formula Grants; Northern Border Regional Commission: State Economic & Infrastructure Development (SEID) Program; Watershed And Flood Prevention Operations; Watershed Rehabilitation Program; and the following IRA programs that were ultimately excluded: Availability of High-Assay Low-Enriched Uranium (HALEU); Energy Infrastructure Reinvestment Financing; Funding for Department of Energy Loan Programs Office; Implementation of the American Innovation and Manufacturing Act; Methane Emissions Reduction Program; Clean Heavy-Duty Vehicles; Climate Pollution Reduction Grants; and Greenhouse Gas Reduction Fund. Other IRA and BIL programs were excluded because of their focus on state-level projects, Vermont's ineligibility due to program restrictions, or because counties were not eligible to apply.

Research for this memorandum does not include unsuccessful applications submitted for funds through BIL and IRA. Surveying Vermont's Regional Planning Commissions could provide further insight into local capacity and competitiveness for earning federal dollars.

Some programs examined also existed before the BIL. Before FY21, Vermont received approximately \$195M from these existing programs, including \$10.2M awarded to Chittenden County through the Green Mountain Transit Authority.

BIL funding available was pulled from 2023 data. Funding Vermont received is from USASpending.gov and is accurate as of September 10, 2024.

### **Additional Information**

The recovery team is working with the IRC to create regional recovery networks. Meetings are being coordinated by IRC staff between September and December of 2024 to pull stakeholders together from each region (attachment A) and discuss the creation of regional recovery networks, adjust geographic regions if necessary, and identify additional stakeholders to involve. Now that the July 9-11 flooding has received a presidential disaster declaration the IRC is supporting recovery efforts for both events and, if another declaration is received for the three counties impacted on July 29 and 30, that event will be rolled into recovery planning.





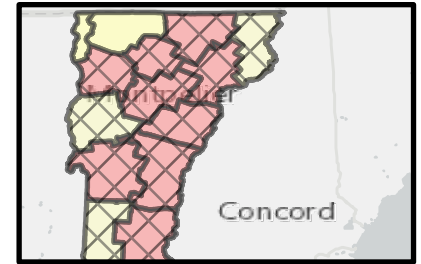
# FEMA-4720-DR-VT: Severe Storms, Flooding, Landslides, and Mudslides

## Vermont - Recovery Regions Areas

**For Official Use Only**



FEMA



**Data Layer / Map Description:**  
This product illustrates the Recovery Regions Areas in the State of Vermont. Legend shows what counties belong to the Recovery Region.

All counties in the State of Vermont are eligible to apply for assistance under the Hazard Mitigation Grant Program.

**Data as of 03/26/2024.**

**Inset Map:** Red area with lines are declared for PA and IA with Categories for PA A-G; Yellow area with lines are declared for PA with Categories A-G; Yellow area with no line are declared for PA with Categories A-B in reference. Pink outline is the area in reference.

**Rivers Main Stem**

Vermont Recovery Region Areas

- Counties in NW Region
  - Grand Isle
  - Franklin
- Counties in NEK-N Region
  - Orleans
  - Essex
- Counties in Lamoille Region
  - Lamoille
  - Franklin
  - Caledonia
- Counties in NEK-S
  - Essex
  - Caledonia
- Counties in Central Region
  - Chittenden
  - Washington
  - Orange
- Counties in SW Region
  - Addison
  - Rutland
- Counties in SE Region
  - Addison
  - Rutland
- Counties in South Region
  - Bennington

