



# State of SLFRF, CPF, and Flood Recovery

Joint Fiscal Office

November 2023



# AGENDA

- 1. State and Local Fiscal Recovery Funds**
- 2. Capital Projects Fund**
- 3. FEMA COVID**
- 4. Flood Recovery**



# **STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF)**



# STATE OF SLFRF

## OBLIGATIONS

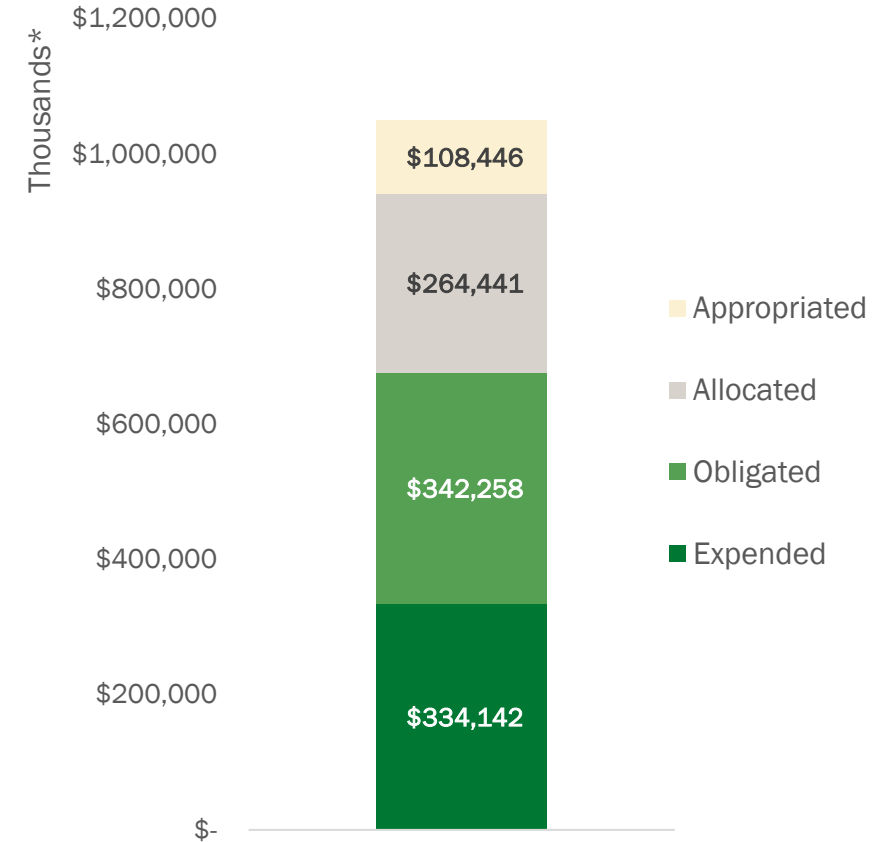
- **Deadline:** December 31, 2024
- **Obligated:** 64.5% (\$676.4M) in the past 31 months
- **To Obligate:** 35.5% (\$372.9M) in the next 13 months

## EXPENDITURES

- **Deadline:** December 31, 2026
- **Expended:** 31.8% (\$334.1M) in the past 31 months
- **To Expend:** 68.2% (\$715.1M) in the next 25 months

**Total SLFRF Award: \$1,049,287,303**

### SLFRF Dollars by Status



Source: State of Vermont Consolidated SLFRF Reporting Data, October 31, 2023

# IMPACT OF REVENUE LOSS

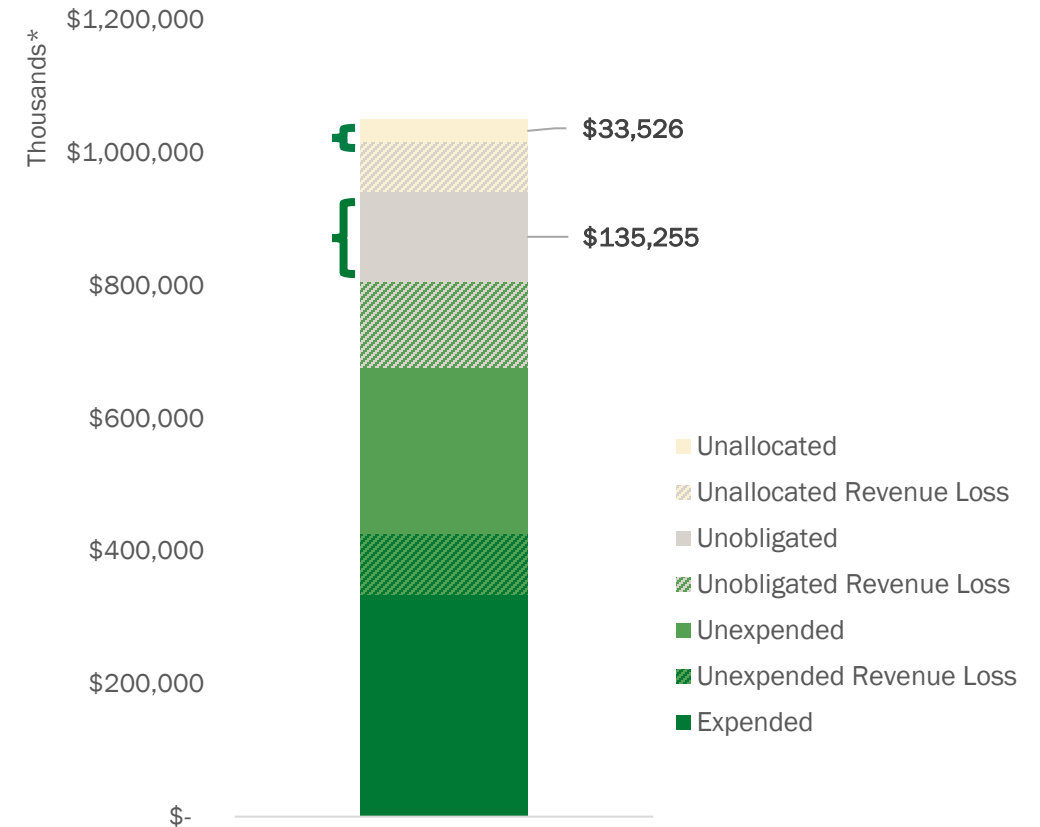
## KEY TAKEAWAYS

- Disbursed revenue loss funds are considered expended
- Unobligated/Unallocated Funds: 55% (\$204.1M) are revenue loss.
  - *Unallocated*: 69% (\$74.9M) is revenue loss.
  - *Unobligated*: 49% (\$129.2M) is revenue loss.
- Non-Revenue Loss: \$168.8M are unobligated or unallocated

**Total funds designated as revenue loss: \$236,023,200**

**Potential (undesigned) revenue loss funds: \$6,764,338\***

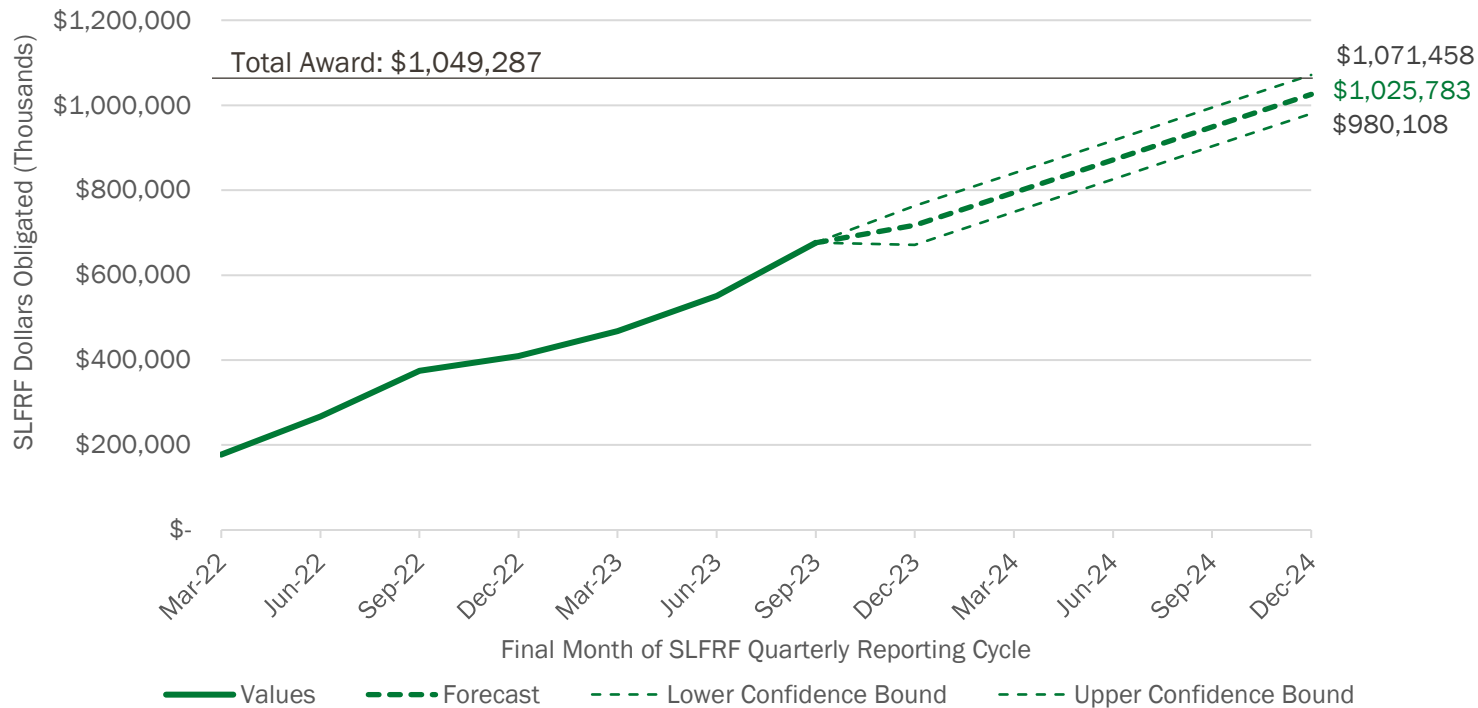
## SLFRF Dollars by Status with Revenue Loss



Source: State of Vermont Consolidated SLFRF Reporting Data, October 31, 2023

# FORECASTED OBLIGATION PROGRESS

**Projected Obligation Progress**  
*SLFRF Reporting Q1 2022 - Q4 2024\* (5% CI)*



Source: State of Vermont Consolidated SLFRF Reporting Data, October 31, 2023

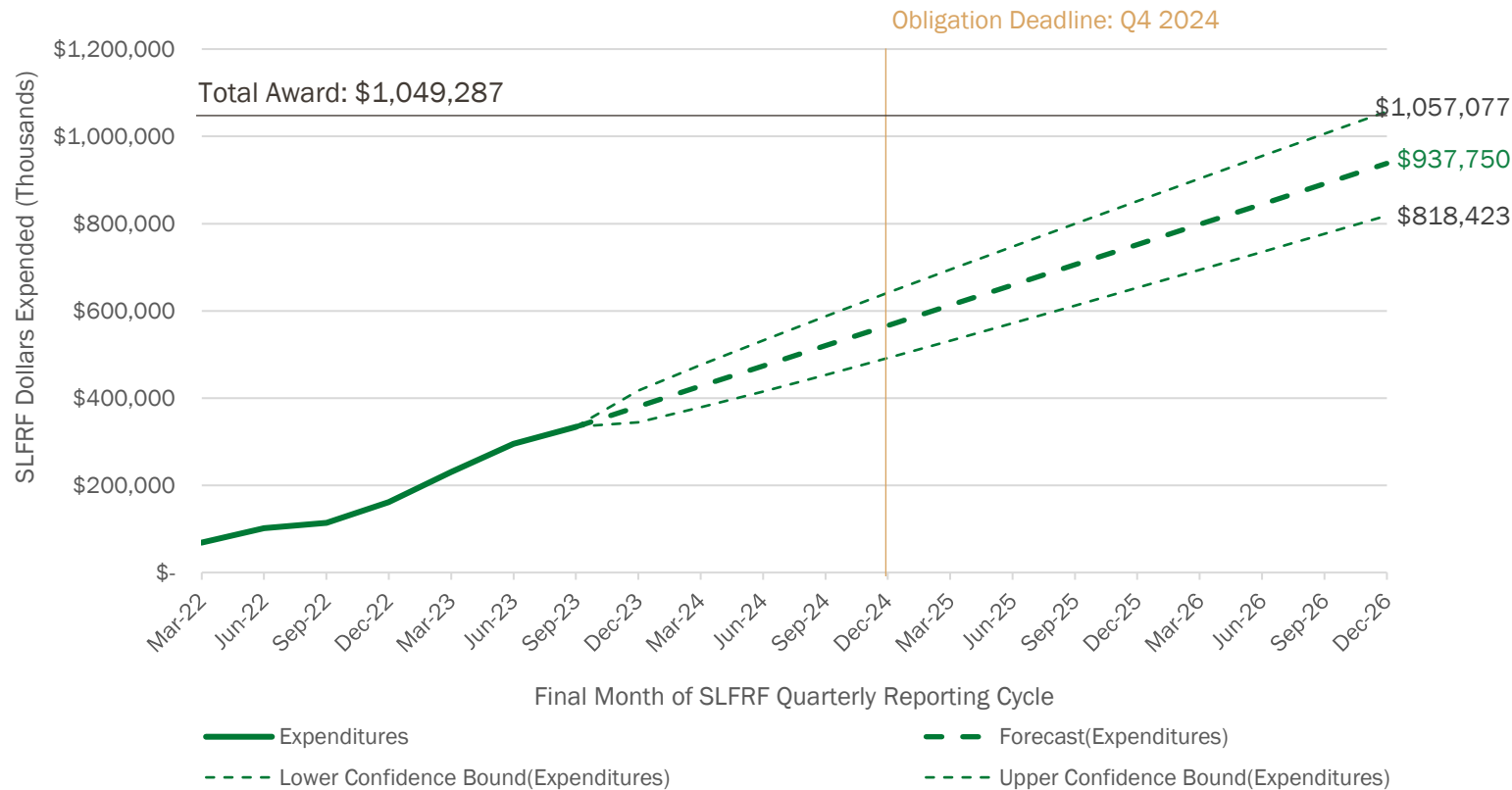
## KEY TAKEAWAYS

- Obligating at the current rate, the upper estimate has the State obligating all SLFRF by the deadline, while the lower estimate has the state falling up to **\$69.2M short**.\*\*
- The State has a **low to moderate risk** of not obligating all SFR funds by the deadline and forfeiting funds that have not been obligated.

\* All forecasts based on SLFRF reporting quarters, which end Mar. 31 (Q1), Jun. 31 (Q2), Sep. 30 (Q3) and Dec. 31 (Q4).

# FORECASTED EXPENDITURE PROGRESS

## Projected Expenditure Progress Reporting Q1 2022 - Q4 2026 (5% CI)

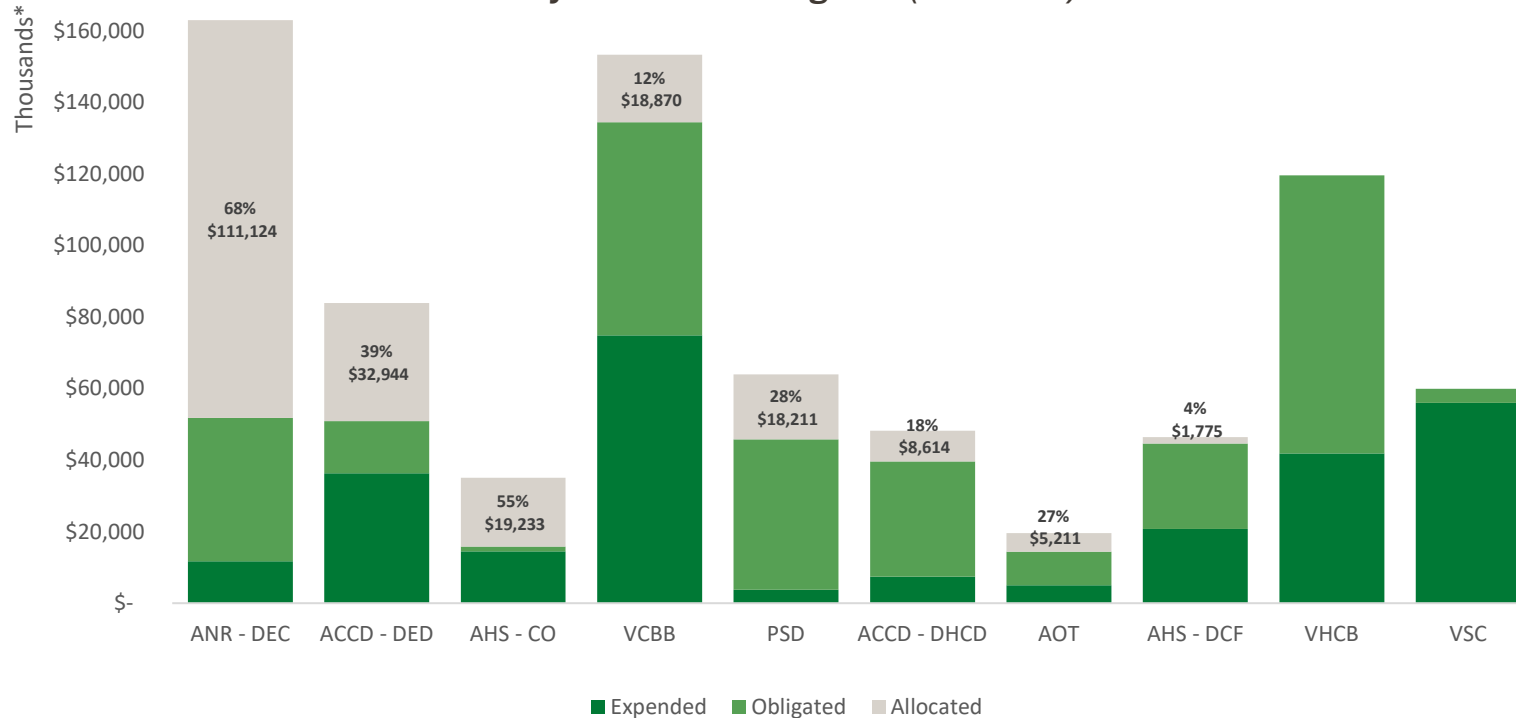


### KEY TAKEAWAYS

- Expending at the current rate, the upper estimate has the State expending all SLFRF by the deadline, while the lower bound has the State falling up to **\$230.9M short.\***
- The State has a **moderate to high risk** of not expending all SFR funds by the deadline and forfeiting funds that have not been expended. but it also has identified strategies to lower this risk.

# SLFRF STATUS AMONG KEY AGENCIES

**Key Agency Expenditures and Obligations**  
*Ordered by value of unobligated (allocated) SLFRF dollars*



Source: State of Vermont Consolidated SLFRF Reporting Data, October 31, 2023

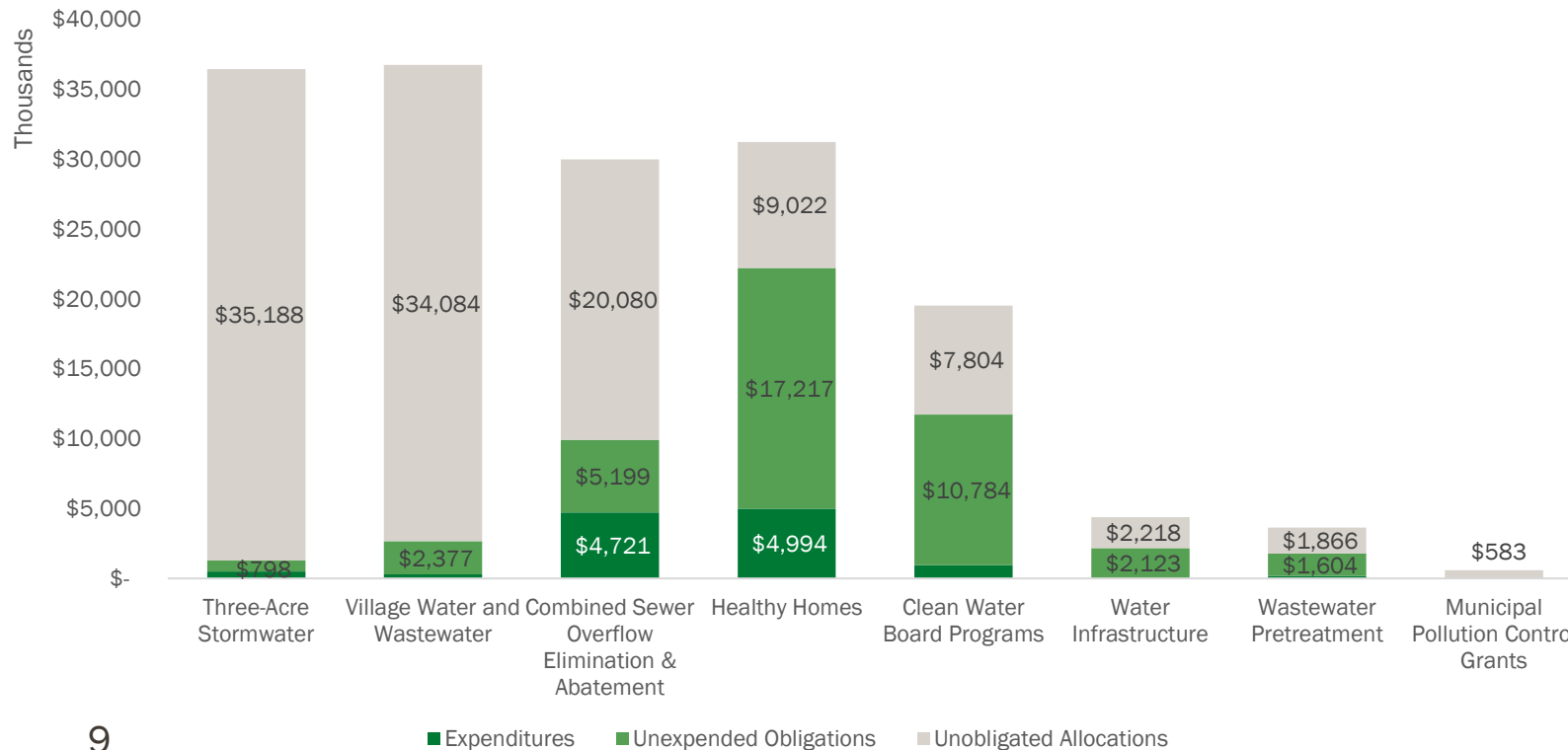
## KEY TAKEAWAYS

- Key agencies and departments represent the top 10 recipients of SLFRF funds and 76% of the State’s total allocations.
- Of these key entities, ANR-DEC, ACCD-DED, and AHS-CO have obligated the smallest portions of funds.
- VHCB and VSC have all their funds obligated because, as component units, Treasury considers them subrecipients.
- Entities responsible for large capital projects (i.e., ANR-DEC, VHCB) tend to have less funding expended than service-based agencies.



# SNAPSHOT: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

**ANR-DEC Obligation and Expenditure Progress in Key Programs**  
*Ordered by value of unobligated (allocated) SLFRF dollars*



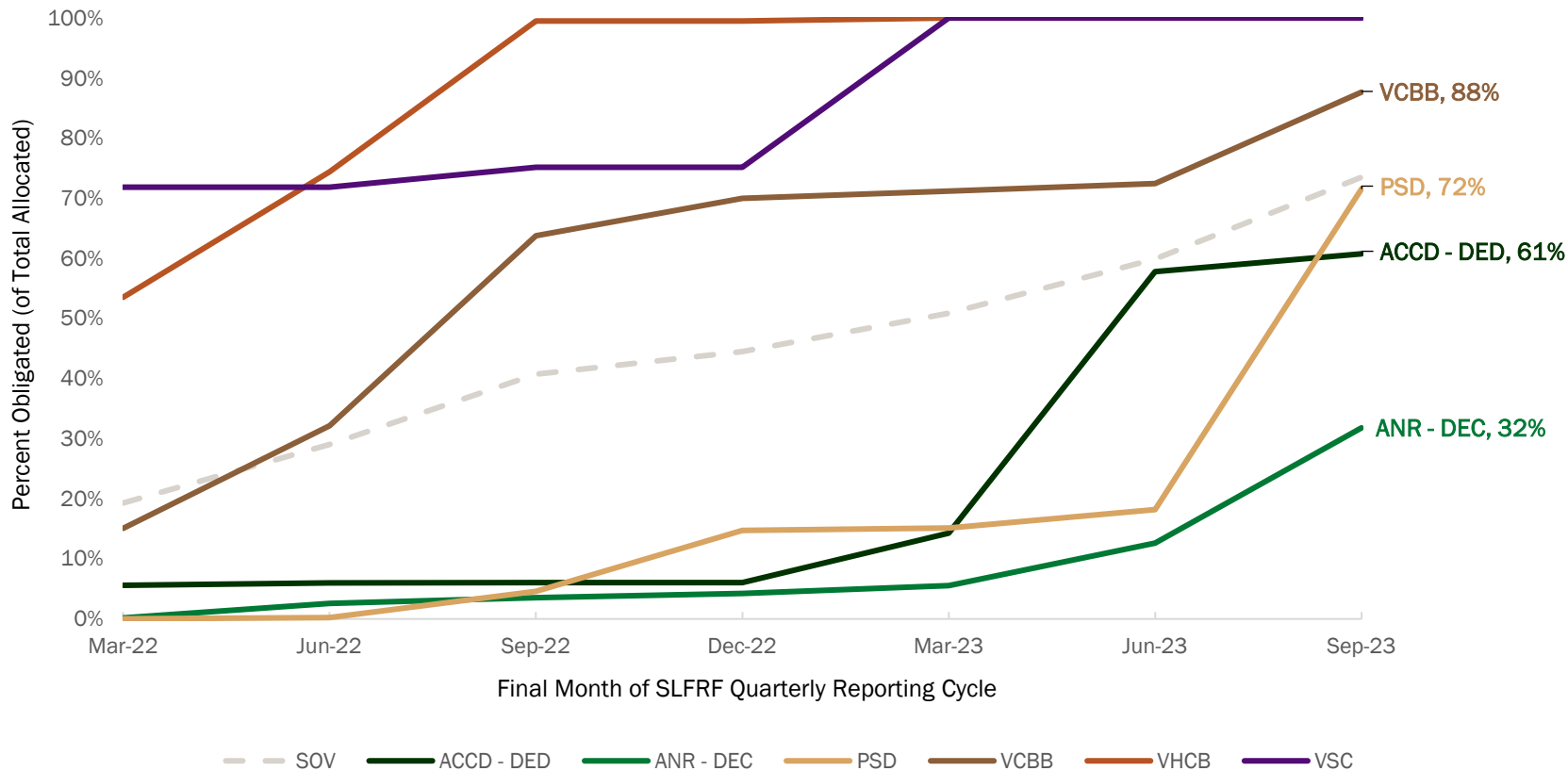
## KEY TAKEAWAYS

- ANR-DEC is implementing at least eight long-term SLFRF programs.
- ANR-DEC has the most projects of any agency in the state (111 of 360 total state projects).
- The programs with the least funding allocated address water/sewer infrastructure, which require significant pre-development.
- Only 3% (\$4,553,280) of ANR-DEC's funding is revenue loss.

**ANR-DEC Allocation: \$162,951,136**

# OBLIGATION PROGRESS FOR TOP 6 AGENCIES

Progress of Top 6 Agency Obligations  
March 2022 - Present

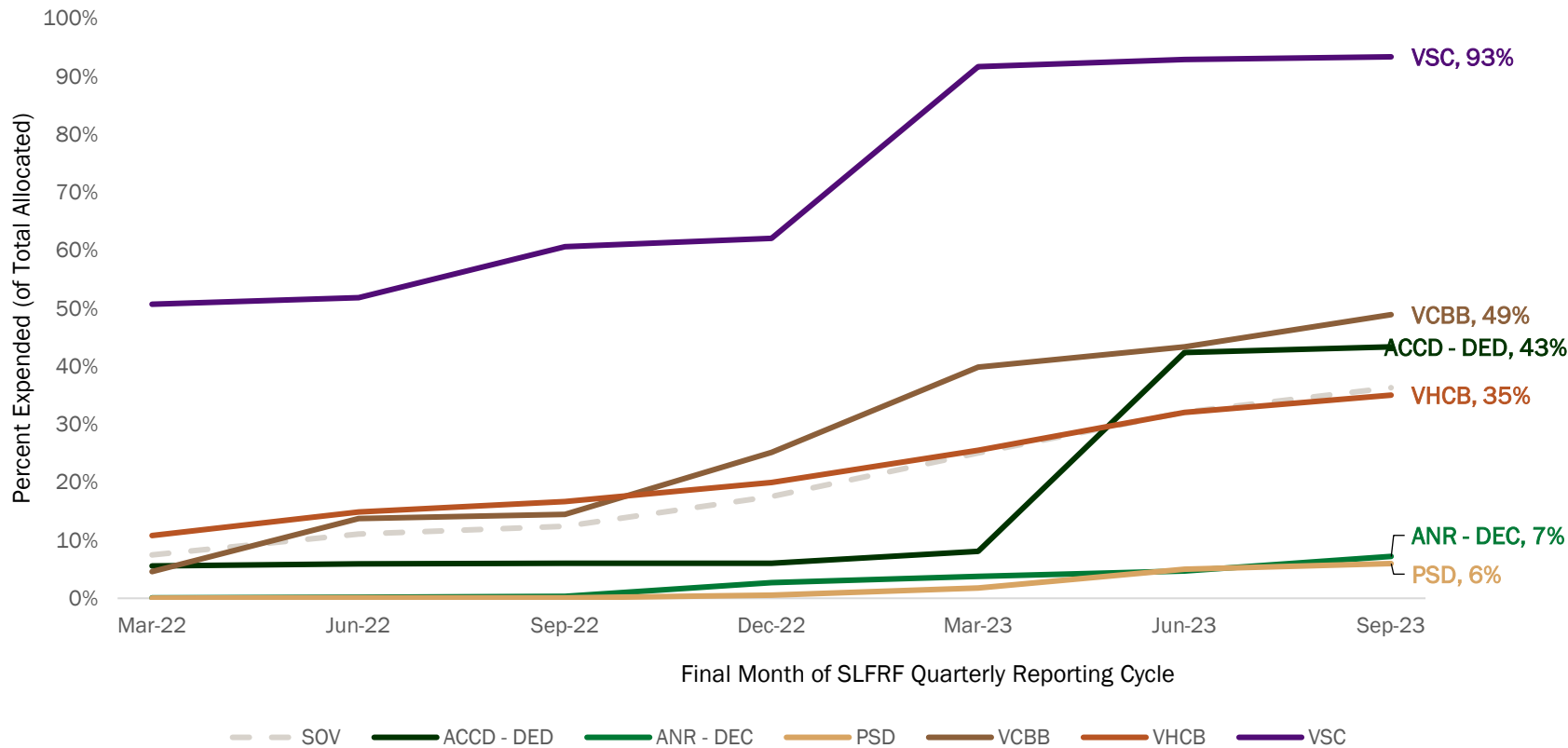


## KEY TAKEAWAYS

- Agencies and departments can significantly increase obligations between quarters by making contracts and subawards, e.g., PSD's recent obligation increase.
- Program models impact obligation timelines, e.g., VCB subawards funds to CUDs, allowing it to obligate earlier than other agencies with capital projects.

# EXPENDITURE PROGRESS FOR TOP 6 AGENCIES

Progress of Top 6 Agency Expenditures  
March 2022 - Present

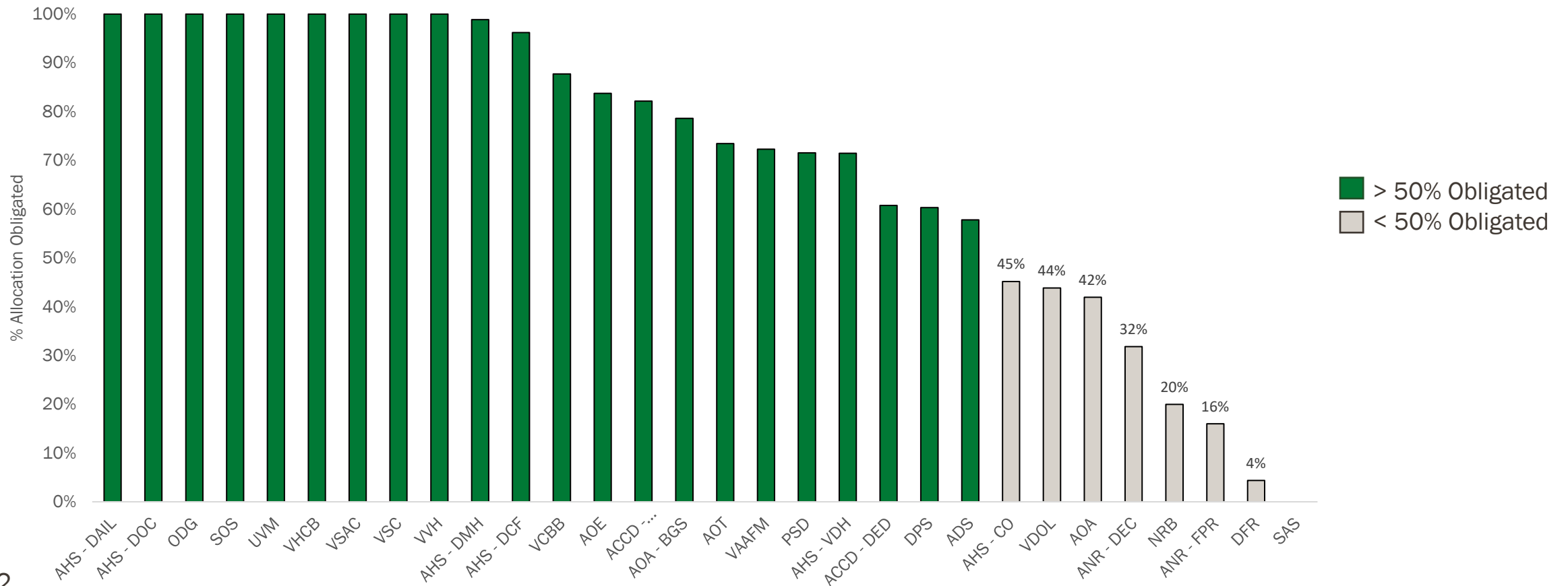


## KEY TAKEAWAYS

- Some agencies and departments with capital projects (e.g., ANR-DEC, PSD) started expending funds later.
- Like with obligations, agencies can show significant expenditure jumps between quarters (e.g., VSC, ACCD-DED).

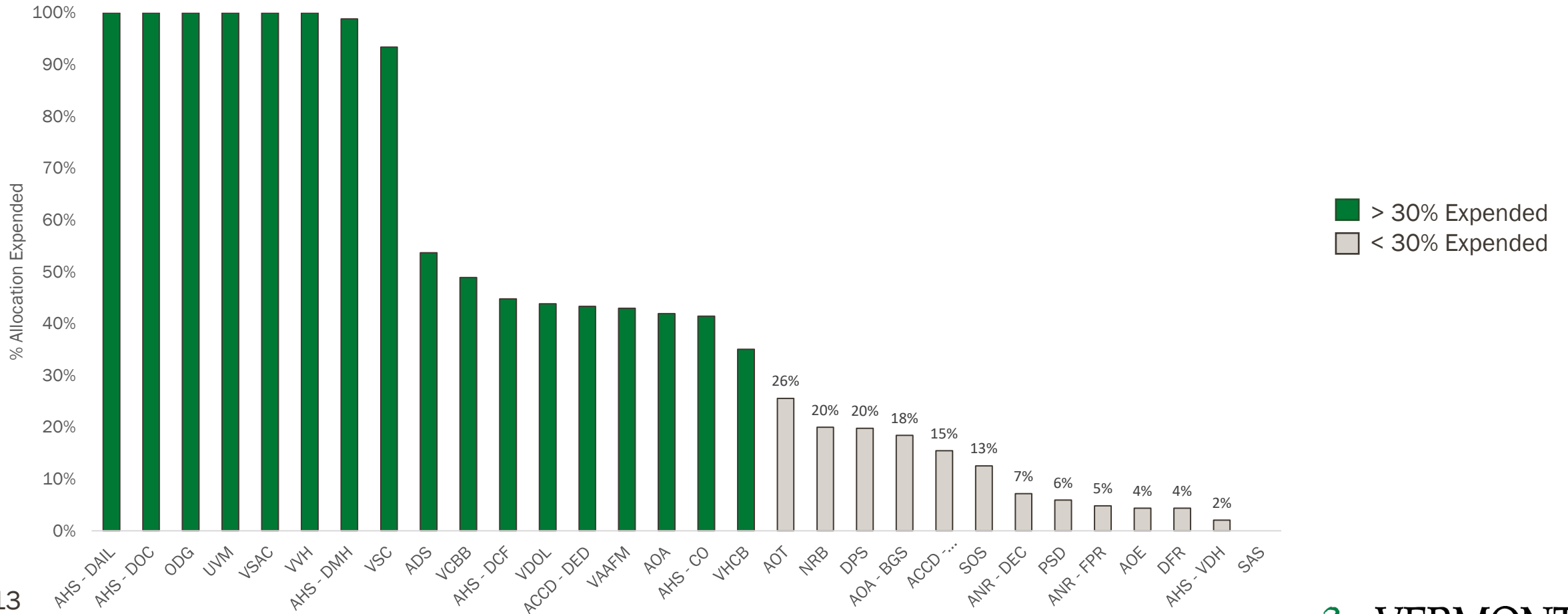
# OVERALL AGENCY PROGRESS - OBLIGATIONS

Agency Progress Obligorating SFR Funds  
as of October 31, 2023



# OVERALL AGENCY PROGRESS - EXPENDITURES

Agency Progress Expending SFR Funds  
as of October 31, 2023





# SUMMARY OF KEY TAKEAWAYS

## Obligations

The State has a **low to moderate risk** of not obligating all funds by the deadline and forfeiting SFR funds that have not been obligated.

## Expenditures

The State has a **moderate to high risk** of not expending all funds by the deadline and forfeiting SFR funds that have not been expended, but it has also identified strategies to lower this risk.

## Capital Projects

Agencies and departments with major capital projects have the biggest **obligation and expenditure lags** (e.g., ANR-DEC and PSD), but as the planning phase wanes, they should see increased obligation and expenditure rates.



# **CAPITAL PROJECTS FUND (CPF)**

# VERMONT CPF OVERVIEW

Vermont has allocated over **\$113M** to three programs that span two of Treasury's enumerated Use Codes.

## Use Code 1A: Broadband Infrastructure Projects

### VCBB – Broadband Infrastructure Projects (\$95M)

- VCBB will include CPF funds in Vermont's Broadband Construction Grant Program.
- This program provides grants to eligible providers for construction costs related to eligible broadband projects.
- CPF funds will be the second infusion of funding for this program, supplementing \$116M in SLFRF funds.
- All recipients of funds through this program are required to participate in the Affordable Connectivity Program.

### State Parks – Parks Connectivity Project (\$1.6M)\*

- This program aims to provide reliable broadband connection in state parks across Vermont.
- Targets last-mile service challenges for connectivity to support public access to parks.
- Will improve communication with emergency services at parks, improve park recruitment and retention, and provide reliable internet services to park visitors.

\*This program was shifted from use code 1B (Digital Connectivity Projects) to use code 1A and is now technically grouped under VCBB's Broadband Infrastructure Projects

## Use Code 1C: Multi-Purpose Community Facility Projects

### Dept. of Libraries – Libraries Capital Project (\$16.4M)

- This program plan was approved by Treasury this past summer.
- CPF funds will be subawarded for capital improvements to ensure public access to Vermont's libraries and their associated services.
- Funds will be made available through a competitive grant process.
- Projects that address issues of ADA accessibility will be prioritized.

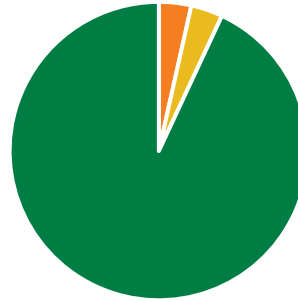
# COVID FEMA

# DR4532 (COVID-19): CURRENT STATUS

End of Incident Period: May 11, 2023

## PROJECT SUBMISSIONS: \$499,870,629

- Projects Submitted: 309
- Obligated: 92.6% (\$462.8 mil) of submitted costs
- Under Review: 4.4% (\$17.1 mil) of submitted costs
- Denied: 3.8% (\$17.4 mil) of submitted costs



■ Denied ■ Under FEMA Review ■ Obligated

## PAYMENTS

- Cat B Draws: \$376.3 mil ~ 81.3% of obligated costs
- Cat Z Draws: \$8.9 mil

## AHS by the Numbers

The Agency of Human Services represents 72.54% of ALL COVID-19 FEMA PA submitted costs

- Submitted Costs: \$362.6 mil across 62 projects of which 40 are large projects
- Obligated Costs: \$346.3 mil
- Closeouts submitted: 144.6 mil across 30 Large Projects



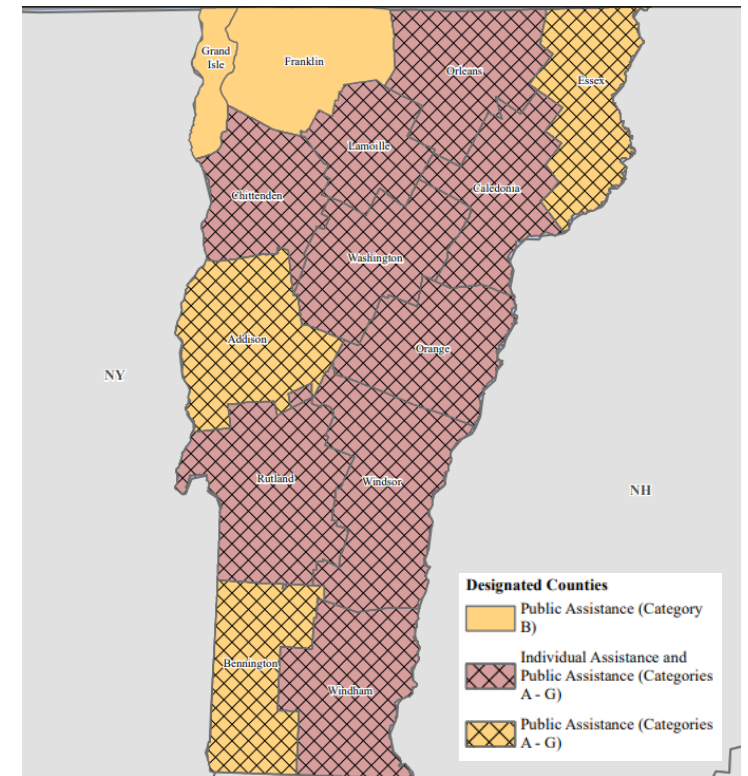


# **STATE OF VERMONT SEVERE STORMS AND FLOODING DISASTER (DR4720)**

# DR4720 (VERMONT SEVERE STORMS)

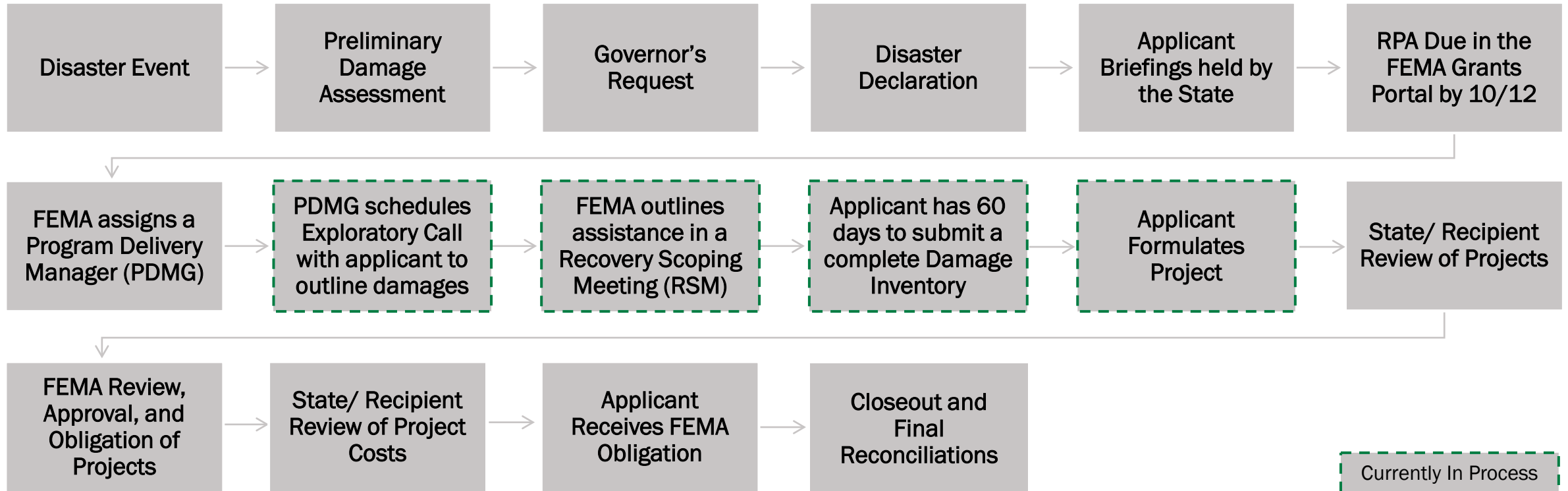
**Current Incident Period: Jul 7, 2023 - Jul 21, 2023**

- All counties eligible for emergency work funding
- All counties except Franklin and Grand Isle are eligible for permanent work and debris removal funding
- Hazard mitigation funding is “added on” to permanent work projects
- Cost share is currently **75% Federal and 25% non-Federal**
  - The federal cost-share for emergency protective measures can be increased from 75% to 100% for a 30-day period of the state’s choosing within the first 120 days from the start of the incident period
  - Federal cost share can be increased to 90% if actual Federal obligations, excluding FEMA administrative cost, meet or exceed \$173 per capita of State population. This is very likely for DR4720 since total damages are projected at over \$250 million



# FEMA TIMELINE FOR DR4720

**SOV applicants are currently in the initial stages of the FEMA PA process, working with FEMA representatives to outline damages and submit emergency work costs**



# DR4720 (VERMONT SEVERE STORMS)

**210 Requests for Public Assistance (RPAs) submitted to FEMA from potential State of Vermont applicants, with 196 approved as of 11/13/23**

- FEMA staff working with applicants to finalize damages incurred for DR4720 and schedule site inspections
- Once finalized, FEMA and applicant working to develop projects for **emergency work** (debris removal and protective measures)
  - Total FEMA obligations = \$289K as of 11/13/23
  - FEMA's goal is to submit all projects by the end of 2023
- No timeline established yet for permanent work projects

Damage Categories	Approximate Damages
<i>Emergency Work</i>	
Debris removal	\$6,175,029.86
Emergency protective measures	\$12,256,581.76
<i>Permanent Work</i>	
Roads and bridges	\$197,060,238.81
Water control facilities	\$2,784,946.76
Public buildings and contents	\$21,918,539.21
Public utilities	\$40,346,013.39
Parks, recreation and other facilities	\$5,752,257.58
<b>Grand Total</b>	<b>\$286,293,607.37</b>

As of 11/13/23. Figures are estimates only and do not include damages to major state buildings.

# APPENDIX: SLFRF



# ADDITIONAL INFORMATION

## Definitions

- **Project Status:** Agencies determine project status and report as one of four stages of completion, including:
  - *Not Started:* Typically, a project which has been identified for SFR funding and has begun preparations but for which no obligations or expenditures have been made.
  - *Completed:* A project for which the budgeted amount (allocation) has been fully obligated and expended.
- **Allocation:** budget adopted for each project.\*
- **Obligation:** order placed for property and services, contracts and subawards made, and similar transactions that require payment.\*
- **Expenditure:** the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity).\*

## Context

- All data in this status update is as of October 31, 2023 (most recent quarterly report submission).
- The State is required to submit quarterly reports detailing the progress of projects funded by SFR, including obligations, expenditures, subrecipients, subawards and other payments.
- Agencies are using SFR funds to deliver programs focused on key areas of affordable housing, economic and workforce development, water/sewer, and broadband.

# DATA SOURCES & OTHER RESOURCES

## Data was pulled from the following sources:

### [Master Consolidated File](#)

- Reflects data currently populated in Treasury reporting portal; updated after each submission

### [Project and Expenditure Query](#)

- Reflects data submitted by each agency in their quarterly reporting template; queries are pulled for each reporting cycle as part of the review process pre-submission

## Data Repository:

### [State of Vermont Open Data Portal](#)

- Houses updated SFR data as reported to Treasury on projects, subawards, expenditures, etc.

## Treasury Guidance:

### [October 2023 Project and Expenditure Report User Guide](#)

### [SLFRF Compliance and Reporting Guidance](#)

# QUARTERLY REPORTING DATA TABLE 1

AGENCY	TOTAL ALLOCATIONS	TOTAL OBLIGATIONS	TOTAL EXPENDITURES
ACCD-DED	\$83,895,692	\$50,951,436	\$36,340,614
ACCD-DHCD	\$48,250,000	\$39,635,658	\$7,468,570
ADS	\$1,500,000	\$866,967	\$804,970
AHS-CO	\$35,070,000	\$15,837,208	\$14,535,915
AHS-DAIL	\$6,001,913	\$6,001,913	\$6,001,913
AHS-DCF	\$46,486,795	\$44,712,155	\$20,811,480
AHS-DMH	\$4,600,000	\$4,545,901	\$4,545,895
AHS-DOC	\$14,334,590	\$14,334,590	\$14,334,590
AHS-VDH	\$7,000,000	\$5,000,000	\$143,439
ANR-DEC	\$162,951,136	\$51,826,789	\$11,724,937

# QUARTERLY REPORTING DATA TABLE 2

AGENCY	TOTAL ALLOCATIONS	TOTAL OBLIGATIONS	TOTAL EXPENDITURES
ANR-FPR	\$4,504,901	\$720,856	\$217,708
AOA	\$17,000,000	\$7,125,642	\$7,125,642
AOA-BGS	\$11,500,000	\$9,039,599	\$2,121,481
AOE	\$19,001,000	\$15,908,028	\$832,884
AOT	\$19,620,000	\$14,408,623	\$5,018,256
DFR	\$5,000,000	\$218,883	\$218,883
DPS	\$12,152,685	\$7,328,310	\$2,402,712
NRB	\$1,550,000	\$309,889	\$309,889
ODG	\$140,000	\$140,000	\$140,000
PSD	\$64,000,000	\$45,788,941	\$3,813,291

# QUARTERLY REPORTING DATA TABLE 3

AGENCY	TOTAL ALLOCATIONS	TOTAL OBLIGATIONS	TOTAL EXPENDITURES
SAS	\$1,700,000	\$0.00	\$0.00
SOS	\$857,644	\$857,644	\$107,644
UVM	\$4,886,844	\$4,886,844	\$4,886,844
VAAFM	\$15,484,579	\$11,193,063	\$6,653,045
VCBB	\$153,300,000	\$134,430,065	\$74,929,837
VDOL	\$17,303,993	\$7,582,145	\$7,582,145
VHCB	\$119,600,000	\$119,600,000	\$41,904,259
VSAC	\$2,775,460	\$2,775,460	\$2,775,460
VSC	\$60,000,000	\$60,000,000	\$56,015,937
VVH	\$373,680	\$373,680	\$373,680

# APPENDIX: COVID-19

# DR4532 (COVID-19)

## Risk of Denial by Cost Type

	Low Risk	Medium Risk	High Risk
Total in Review	\$11,055,980	\$1,465,495	\$9,273,059
Total Obligated	\$385,116,878	\$22,956,583	\$41,223,336
Estimated probability of denial*	0.20%	9.11%	56.93%
Probability adjusted risk FEMA costs	\$792,346	\$2,224,851	\$28,747,598
Denials till date	\$17,418,931		
FEMA Denials covered by Coronavirus Relief Fund	\$17,001,285		
<b>Proposed FEMA Denial Reserve costs</b>	<b>\$32,182,441</b>		

## COSTS BY RISK LEVEL

■ Low ■ Medium ■ High

