

County and Regional Governance Study Committee

Report Prepared For
The House Committee on Government Operations and Military Affairs
&
The Senate Committee on Government Operations

Pursuant to 2024 Acts and Resolves No. 118

November 5, 2025

Committee Members

Rep. Matthew Birong, Co-Chair ex officio

Rep. Emily Carris-Duncan

Rep. Mark Higley

Sen. Brian Collamore, Co-Chair ex officio

Sen. Wendy Harrison Sen. Robert Norris

Prior Committee Members

Rep. Michael McCarthy, Co-Chair ex officio

Rep. Julia Andrews

Rep. Mark Higley

Sen. Ruth Hardy, Co-Chair ex officio

Sen. Wendy Harrison

Sen. Robert Norris

I. COMMITTEE BACKGROUND & CHARGE

2024 Acts and Resolves No. 118 (S.159¹) created the County and Regional Governance Study Committee ("Study Committee") (*see* Sec. 1(a)) to address local government capacity challenges, enhance and optimize public safety, regional collaboration and planning, efficient, equitable, and transparent public resource allocation, and effective regional public services for individuals and municipalities. The Committee is composed of six members from both the House of Representatives and the Senate (*see* Sec. (1)(b)), with ex officio co-chairs to be the chairs of the standing House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations (*see* Sec. (1)(f)(2)). The Study Committee is to submit its findings and any recommendations in a report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations by November 1, 2025 (*see* Sec. 1(e)) and then will cease to exist on July 1, 2026 (*see* Sec. 1(f)(4)).

The Study Committee is charged with studying and making recommendations to the General Assembly on how to improve the structure and organization of county and regional government, including (Sec. 1(c)):

- (A) enhancement and optimization of public safety;
- (B) enhancement of regional collaboration and planning;
- (C) efficient, equitable, and transparent allocation of public resources;
- (D) promotion of effective regional public services for individuals and municipalities;
- (E) clarification of the role and oversight of elected county officials and their departments;
- (F) reduction of duplicated public services and promotion of opportunities for intermunicipal collaboration;
- (G) balance of availability and cost of services across municipalities in each county;
- (H) mechanisms of county and regional government structures in other states; and
- (I) impact of climate change and resiliency on the maintenance of public infrastructure, delivery of regional government services, and coordination of regional emergency planning.

¹ The Bill Page for S.159 can be found here.

Act 118 created the County and Regional Governance Technical Advisory Group (*see* Sec. 2) to support the legislative Study Committee. The Technical Advisory Group provides on-call analysis, advice, and recommendations to the Study Committee, specifically on the structure and organization of county and regional government.

Act 118 also required the Secretary of Administration to submit a report to the 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." Sec. 3. It was to include an analysis of "the impact of Vermont's lack of robust county or regional governance on the receipt of federal emergency funding." *Id.* This report was submitted to the Study Committee on September 16, 2024.²

II. COMMITTEE'S WORK TO DATE

The Study Committee met three times in the summer and fall of 2024³ to orient itself with various topics involved in regional governance and to take testimony from State and national subject matter experts. In those meetings, the Committee took testimony from 10 witnesses (*see* Appendix ii) who presented a range of materials (*see* Appendix iii⁴) concerning the legal underpinnings of county and regional governance in Vermont,^{5,6} the construction of regional governmental entities in this State⁷ and others,^{8,9,10} and the relationship between Vermont's governance structures and

² See Agency of Administration, <u>September 16, 2024, "Act 118 Section 3 Report."</u> This can also be found in Appendix vi.

³ Meeting materials for each meeting can be found here: <u>Monday, October 21, 2024</u>; <u>Friday, September 27, 2024</u>; and <u>Friday, August 23, 2024</u>.

⁴ Witness materials presented to the Study Committee can also be found <u>here</u>.

⁵ See Legislative Counsel's <u>September 27, 2024, Memorandum</u> to the Study Committee re "Introductory Notes on County Governance in Vermont." This can also be found in Appendix v.

⁶ See Legislative Counsel's October 21, 2024, Memorandum to the Study Committee re "Intermunicipal Agreements & Regional Planning Commissions"

⁷ See October 21, 2024, presentation by the Vermont Association of Planning and Development Agencies (Chris Company) on re Regional Planning Commissions Overview.

⁸ See National Association of Counties <u>August 23, 2024</u>, <u>County Governance Project presentation</u>

⁹ See Metro (Oregon) <u>September 27, 2024, Metro Introduction presentation</u>.

¹⁰ See Capitol Region Council of Governments (Connecticut) October 21, 2024, presentation.

receipt of federal disaster relief funding.¹¹ While the Study Committee engaged in extended discussions on matters of its charge, it did not produce any other written reports or recommendations during these meetings.

The Task Advisory Group met independently twice in the summer and fall of 2024. 12

III. COMMITTEE TRANSITION & HIATUS

The membership of the Study Committee was altered after the 2024 election and subsequent committee assignment process, resulting in two new co-chairs. With the loss of continuity in co-chairs and accompanying institutional knowledge, the Study Committee's work was disrupted by this transition and paused pending reorganization. The Study Committee, as newly composed, has met in the interim only to approve this report.

IV. COMMITTEE'S RECOMMENDATIONS

2024 Acts and Resolves No. 118 gave the Study Committee a very broad charge, and while it had begun to formulate ideas on policy and legislative action, the Committee now recognizes the need for additional time to thoroughly examine the subject matter and produce formal findings. The Study Committee, therefore, recommends that the General Assembly extend the reporting deadline in Act 118 Sec. 1(e) to December 15, 2026, and the date of prospective repeal of the Study Committee in Sec. 1(f)(4) to July 1, 2027. It also recommends that the Committee have only one chair, to be elected from its members, and that the committee add to its charges an examination of the Agency of Administration's role in responding to all hazards events. Draft bill language to accomplish this can be found in Appendix iv.

¹¹ See Agency of Administration, September 16, 2024, "Act 118 Section 3 Report."

¹² Agendas and minutes for the Technical Advisory Group meetings can be found here: <u>TAG Meeting Agenda</u> August 26, 2024; TAG Meeting Minutes August 26, 2024; and TAG Meeting Agenda October 10, 2024.

Appendix i: Committee's Enabling Authority: 2024 Acts and Resolves **No**. 118

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Act 118 (S.159)

An act relating to the County and Regional Governance Study Committee

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. COUNTY AND REGIONAL GOVERNANCE STUDY

COMMITTEE; REPORT

- (a) Creation. There is created the County and Regional Governance Study Committee to address local government capacity challenges, enhance and optimize public safety, regional collaboration and planning, efficient, equitable, and transparent public resource allocation, and effective regional public services for individuals and municipalities.
- (b) Membership. The Committee shall be, to the extent possible, composed of members from geographically diverse regions of the State. The Committee shall be composed of the following members:
- (1) three current members of the House of Representatives, who shall not all be from the same political party, the first of whom shall be the Chair of the House Committee on Government Operations and Military Affairs, and the second and third of whom shall be appointed by the Speaker of the House; and
- (2) three current members of the Senate, who shall not all be from the same political party, the first of whom shall be the Chair of the Senate Committee on Government Operations, and the second and third of whom shall be appointed by the Committee on Committees.
 - (c) Powers and duties.
- (1) The Committee shall study and make recommendations to the General Assembly on how to improve the structure and organization of county and regional government, including:
 - (A) enhancement and optimization of public safety;

- (B) enhancement of regional collaboration and planning;
- (C) efficient, equitable, and transparent allocation of public resources;
- (D) promotion of effective regional public services for individuals and municipalities;
- (E) clarification of the role and oversight of elected county officials and their departments;
- (F) reduction of duplicated public services and promotion of opportunities for intermunicipal collaboration;
 - (G) balance of availability and cost of services across municipalities in each county;
 - (H) mechanisms of county and regional government structures in other states; and
- (I) impact of climate change and resiliency on the maintenance of public infrastructure, delivery of regional government services, and coordination of regional emergency planning.
- (2) The Committee may, through the Joint Fiscal Office, contract with one or more consultants to assist with research, preparation of the report, and any other assistance with the Committee's work deemed necessary by the Committee.
- (d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal Office.
- (e) Report. On or before November 1, 2025, the Committee shall report to the House

 Committee on Government Operations and Military Affairs and the Senate Committee on

 Government Operations with its findings and any recommendations for legislative action.
 - (f) Meetings.
- (1) The Chair of the Senate Committee on Government Operations shall call the first meeting of the Committee to occur on or before September 1, 2024.

- (2) The Committee shall be co-chaired by the Chair of the House Committee on

 Government Operations and Military Affairs and the Chair of the Senate Committee on

 Government Operations.
 - (3) A majority of the membership shall constitute a quorum.
 - (4) The Committee shall cease to exist on July 1, 2026.
- (g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 10 meetings. These payments shall be made from monies appropriated to the General Assembly.
- Sec. 2. COUNTY AND REGIONAL GOVERNANCE TECHNICAL ADVICE
- (a) On or before September 1, 2024, the Executive Director of the Vermont Bond Bank, shall convene the first meeting of a County and Regional Governance Technical Advisory Group.

 The Technical Advisory Group shall analyze the subject matter being considered by the County and Regional Governance Study Committee and advise, assist, and provide recommendations to the Study Committee, specifically on the structure and organization of county and regional government. The Vermont Bond Bank shall participate in order to support improvements to local capacity.
- (b) The following individuals and entities shall be invited to participate in the meeting or meetings described in this section:
 - (1) the Department of State's Attorneys and Sheriffs;
 - (2) the State Court Administrator;

- (3) the Vermont Association of County Judges;
- (4) the Vermont Association of Planning and Development Agencies;
- (5) the Vermont Municipal Clerks' and Treasurers' Association;
- (6) the Vermont League of Cities and Towns;
- (7) the Vermont Regional Development Corporations;
- (8) the Vermont School Boards Association;
- (9) the Vermont Town and City Management Association; and
- (10) other relevant stakeholders identified by the Technical Advisory Group.
- (c) The Study Committee may at any time request advice from the Technical Advisory Group regarding issues relating to the structure and organization of county and regional government, which shall be provided by the Technical Advisory Group.

Sec. 3. FEDERAL DISASTER FUNDING FOR COUNTY AND REGIONAL GOVERNMENTS REPORT

On or before September 15, 2024, the Secretary of Administration, or designee, shall 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, shall provide an analysis of the impact of Vermont's lack of robust county or regional governance on the receipt of federal emergency funding.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

Appendix ii: List of Witnesses

- Charlie Baker, Executive Director, Chittenden County Regional Planning Commission
- Chris Company, Executive Director, Windham Regional Planning Commission
- Patricia Coates, Director, University of Vermont Leahy Institute for Rural Partnerships
- Tim Devlin, Esq., Legislative Counsel, Office of Legislative Counsel, Vermont General Assembly
- Doug Farnham, Chief Recovery Officer, State of Vermont Disaster Recovery Office
- Erik Filkorn, Chief of Recovery Intergovernmental Relations, State of Vermont Disaster Recovery Office
- Michael Gaughan, Executive Director, Vermont Bond Bank (Chair of Technical Advisory Group)
- Matt Hart, Executive Director, Capitol Region Council of Governments, Connecticut
- Brian Kennedy, Chief Financial Officer, Metro (Multnomah, Washington & Clackamas Counties), State of Oregon
- Teryn Zmuda, Chief Research Officer and Chief Economist, National Association of Counties

Appendix iii: Presentations to the Study Committee

- <u>Charlie Baker: Presentation re Regional Dispatch Governance Option Recommendations.</u> Presented October 21, 2024.
- Chris Campany: Regional Planning Commissions Overview. Presented October 21, 2024.
- <u>Patricia Coates: Presentation re UVM Leahy Institute for Rural Partnerships</u>. Presented September 27, 2024.
- Tim Devlin: Act 118 As Enacted. Presented August 23, 2024.
- <u>Tim Devlin: Memo re Intro to County Governance</u>. Presented August 23 and revised for September 27, 2024.
- Tim Devlin: Memo re Intermunicipal Agreements & RPCs. Presented October 21, 2024.
- Doug Farnham: MTAP Financial Update Funded Projects. Presented September 27, 2024.
- Doug Farnham: MTAP Financial Update Unfunded Projects. Presented September 27, 2024.
- Doug Farnham: Letter to Secretary Yellen. Presented October 21, 2024.
- Doug Farnham: Act 118 Report from the Agency of Administration. Presented October 21, 2024.
- Erik Filkorn: VT Map Online Sign In Guide. Presented September 27, 2024.
- Michael Gaughan: Summary of TAG Capacity Issues. Presented September 27, 2024.
- Matt Hart: Capitol Region Council of Governments presentation to SGO in February 2024. Presented August 23, 2024.
- Matt Hart: CT Statutes regarding county governance. Presented October 21, 2024.
- Brian Kennedy: Metro Introduction. Presented September 27, 2024.
- <u>Teryn Zmuda: County Governance Project presentation to SGO in February 2024</u>. Presented August 23, 2024.

Appendix iv:

Draft Bill to Extend Reporting Deadline and Prospective Repeal of Study Committee

Introduced by

Referred to Committee on

Date:

Subject: Municipal and county government; structure of county governance

Statement of purpose of bill as introduced: This bill proposes to extend the prospective repeal of the County and Regional Governance Study Committee and its associated report deadline.

An act relating to the County Governance Study Committee

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 2024 Acts and Resolves No. 118, Sec. 1 is amended to read:

Sec. 1. COUNTY AND REGIONAL GOVERNANCE STUDY

COMMITTEE; REPORT

* * *

- (b) Membership. The Committee shall be, to the extent possible, composed of members from geographically diverse regions of the State. <u>The Committee shall elect its chair from among its members</u>. The Committee shall be composed of the following members:
- (1) three current members of the House of Representatives, who shall not all be from the same political party, the first of whom shall be the Chair of the House Committee on Government Operations and Military Affairs, and the second and third of whom shall be appointed by the Speaker of the House; and
- (2) three current members of the Senate, who shall not all be from the same political party, the first of whom shall be the Chair of the Senate Committee on Government Operations, and the second and third of whom shall be appointed by the Committee on Committees.

- (c) Powers and duties.
- (1) The Committee shall study and make recommendations to the General Assembly on how to improve the structure and organization of county and regional government, including:
 - (A) enhancement and optimization of public safety;
 - (B) enhancement of regional collaboration and planning;
 - (C) efficient, equitable, and transparent allocation of public resources;
 - (D) promotion of effective regional public services for individuals and municipalities;
- (E) clarification of the role and oversight of elected county officials and their departments;
- (F) reduction of duplicated public services and promotion of opportunities for intermunicipal collaboration;
 - (G) balance of availability and cost of services across municipalities in each county;
 - (H) mechanisms of county and regional government structures in other states; and
- (I) impact of climate change and resiliency on the maintenance of public infrastructure, delivery of regional government services, and coordination of regional emergency planning; and
 - (J) the Agency of Administration's role in responding to all hazards events.

* * *

- (e) Report. On or before November 1, 2025 <u>December 15, 2026</u>, the Committee shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with its findings and any recommendations for legislative action.
 - (f) Meetings.

* * *

(4) The Committee shall cease to exist on July 1, 2026 <u>2027</u>.

* * *

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

Appendix v:

Legal Memo from the Office of Legislative Counsel re Introductory Notes on County Governance in Vermont

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STATE OF VERMONT OFFICE OF LEGISLATIVE COUNSEL

MEMORANDUM

To: County and Regional Governance Study Committee

From: Tim Devlin, Legislative Counsel

Date: August 19, 2024 (Updated September 27 and December 11, 2024)

Subject: Introductory Notes on County Governance in Vermont

This memorandum is intended to provide only a brief introduction to county-level government in this State and the relevant constitutional and doctrinal factors impacting any potential alteration of county governance. Although a list of regional governmental entities is included as an appendix, the structure of those various entities is not expounded on here.

In summary, Vermont's county governance is very limited and namely involves regional law enforcement performed by sheriffs and State's Attorneys and the care and superintendence of county property by assistant judges, i.e. county courthouses and offices for county officers. The Vermont Constitution grants the General Assembly the absolute power to create and modify counties, similar to other political subdivisions of the State. If more robust county governance were to ultimately be established, it is likely that issues commonly encountered between the General Assembly and political subdivisions of the State—such as the Nondelegation Doctrine and principles encountered in Dillon's Rule—would arise and be resolved similarly.

I. Existing County Governance in Vermont is Limited.

The Vermont Supreme Court succinctly described Vermont's county structure in <u>Town of</u> Stowe v. Lamoille Cnty (134 Vt. 402, 405–06 (1976)):

The Vermont county is a unit of special functions. It operates as an electoral district for assistant judges, state's attorneys, and sheriffs, as well as, in some cases, state senators and probate judges. It is a judicial district for the superior court and some probate court systems, and maintains courthouse facilities . . . It also has certain administrative responsibilities in connection with its own functions. A county has no territory which it governs, in the sense that the state or a town governs. It passes neither statutes nor ordinances. All of its territory is overlain with state sovereignty and underlain with contiguous town government.

The court went on to characterize counties' powers as weak in nature:

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The limited nature of the county's governmental operation carries with it a further restriction. Since this agency has no generalized governing function, any implication of power with respect to the carrying out of functions it has been assigned must be viewed as correspondingly abridged. A municipality may have to have resort to fairly broad application of police power in a limited geographical context, since it is a true governing body. Its limits are set by the state and by the state's own exercise of that same police power. No such broad based exercise of authority is contemplated for a county.

Id. at 406.

County government possesses elements of both the State's judicial and executive branches, but currently *no legislative function*. The lower or "Superior Courts" exist within each county. See 4 V.S.A. § 30(b) ("The Supreme Court shall by rule divide the Superior Court into 14 geographical units that shall follow county lines"). Straddling the judiciary and executive are the Assistant Judges, who are not only judges but also administrators of the county government, that is county courthouses and some infrastructure and staff for other county officers. Assistant judges are authorized by statute to set county budgets and levy taxes. See 24 V.S.A. §§ 133–135.

There are numerous county-level executive officers: county clerk, county treasurer, county auditor, high bailiff, sheriff, and State's Attorney. *See* 24 V.S.A. Chapter 5. Some, like sheriffs and State's Attorneys, have significant duties and roles in county-level government. Others, such as high bailiffs and county auditors, have little or no duties. The sheriffs, State's Attorneys, and high bailiffs¹ are "constitutional officers" meaning their existence and election are guaranteed by the Vermont Constitution and they are only removable from office by the voters or by impeachment. *See* Vt. Const. ch. II, §§ 43, 50, and 53. Sheriffs, State's Attorneys, high bailiffs, and assistant judges (as well as probate judges) are voted into office. *See* Vt. Const. ch. II, §§ 43, 50, 51, and 53.

These county-level offices are nevertheless integrated into State governance through state-wide oversight (Office of the State Court Administrator, *see* <u>4 V.S.A. § 21</u>; Department of State's Attorneys and Sheriffs, *see* <u>24 V.S.A. § 367</u>), funding of some operations, classification of some employees (*see* <u>24 V.S.A. § 290(b)</u>), and the retirement system of employees (*see* <u>3 V.S.A. chapter 16</u>: Vermont Employees' Retirement System).

- II. The General Assembly has Broad Power to Modify the Framework of County Governance under the Vermont Constitution and Relevant Legal Doctrines.
 - a. The Vermont Constitution Grants the Legislative Power to Modify Counties' Structure and Governance.

² See Memorandum to the Senate Committee on Government Operations, January 12, 2024, re Summary of the Impeachment Process Under the Vermont Constitution.

¹ See Memorandum to the Senate Committee on Government Operations, January 10, 2024, re 1974 Amendments to the Vermont Constitution re the Office of High Bailiff.

The Vermont Constitution plainly grants the General Assembly the power to create and modify counties and their governance. Chapter II, Section 6, [Legislative Powers], states: "... [The General Assembly] may prepare bills and enact them into laws, redress grievances, grant charters of incorporation, ... constitute towns, borroughs, cities and counties" (Emphasis added.)

Although the Vermont Supreme Court has not yet examined this particular legislative power, it is generally understood that "[i]n the absence of constitutional restrictions, the legislature has absolute power to determine the framework of county government." 20 C.J.S. Counties § 59. The paucity of case law from other states on the matter supports this tenet. See, e.g. Fox v. Bd. for Louisville & Jefferson Cnty. Children's Home, 244 Ky. 1, 50 S.W.2d 67, 69 (1932) (holding that "[t]he Legislature has large authority in determining the power and framework of local county government and its local institutions [and the Legislature's] power in this respect is limited by the Constitution only") (citation omitted).

Such constitutional restrictions—with the exception of those providing for the separation of legislative, executive, and judicial powers—do not exist in the Vermont Constitution. Aside from Chapter II, Section 6, the Constitution only contains four other direct references to the word "county," and these either relate to redistricting for representatives and senators³ or refer to the county-level offices of assistant judges and county clerks. Thus, in the absence of constitutional restrictions, the legislature has absolute power to determine the framework of county governance, save any other relevant legal doctrines, which as detailed below, also support this legislative power.

b. Relevant Legal Doctrines Support the General Assembly Having the Broad Power to Modify Counties' Structure and Governance.

While there appears to be no Vermont case law examining the parameters of the legislative power to constitute counties in particular, the courts have long upheld the General Assembly's plenary power to create and modify other "subordinate government entities." Dresden School Dist. v. Norwich Town School Dist., 124 Vt. 227, 232 (1964) (holding that "[t]he power of the Legislature to create subordinate government entities for purposes of dealing with local affairs is broad enough to include [interstate school districts]" and that "the power of the Legislature to create necessary agencies to implement and administer governmental functions is unquestioned, so long as constitutional prohibitions are observed, including the requirement of separation of powers"); see also Athens Sch. Dist. v. Vermont State Bd. of Educ., 2020 VT 52, ¶ 38, (recognizing that the General Assembly "may confide a broad grant of authority to a subordinate agency in intricate matters affecting the general welfare in natural resources, health, education and economics") quoting Vt. Home Mortg, Credit Agency v. Montpelier Nat'l Bank, 128 Vt. 272, 278, (1970). Indeed, it may be appropriate to surmise from court decisions that counties, as political subdivisions of the State, could be restructured in a manner that would not even require all of the same constitutional strictures imposed upon state government. See Ferry v. City of Montpelier, 2023 VT 4, ¶ 44 (stating "the idea that the Constitution sought to provide a

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³ <u>Vt. Const. ch. II, § 13. [Representatives; number]</u> and § 18. [Senators; numbers; qualifications]: [...] "In establishing [representative ans senatorial] districts, which shall afford equality of representation, the General Assembly shall seek to maintain geographical compactness and contiguity and to adhere to boundaries of *counties* and other existing political subdivisions." (Emphasis added.)

⁴ See Vt. Const. ch. II, § 43. [Biennial elections] and § 62. [Record of deeds].

framework for statewide government specifically and therefore the provisions in Chapter II do not apply to local government, which is structurally subordinate to and distinguishable from statewide government ") (citation omitted).

The applicability of certain legal doctrines that arise in municipal contexts may also occur in county governance, depending on the powers ultimately granted to those counties. The principles of Dillon's Rule and its counterpart "home rule" — which in Vermont, municipalities' existence and powers flow completely from the State—while created in response to questions surrounding municipalities, may lend themselves to the county context; that is, there is no inherent power of counties in Vermont. See <u>Lamoille Cnty</u>, 134 Vt. at 406 (Stating that "[n]o such broad based exercise of [police power] authority is contemplated for a county" and "[a]ny [county] powers asserted to exist by implication of law must find their justification in the necessities springing from statutory specifics"). Further, if county governments were to be granted any kind of legislative powers, such a grant would be subject to the Nondelegation Doctrine. That is, the General Assembly may delegate broad legislative authority to counties if that delegation does not encroach on core legislative functions and is accompanied by appropriate limitations. See <u>Athens Sch. Dist.</u>, 2020 VT at ¶ 40 (citing State v. Auclair, 110 Vt. 147, 163 (1939)).

c. The Historical Record Demonstrates the Malleability of Counties by the General Assembly.

In practice, the General Assembly has a rich history of creating, dissolving, renaming, and adjusting the boundaries of counties. *See* Consolidated Chronology of State and County Boundaries; Individual County Chronologies from Vermont Atlas of Historical County Boundaries, The Newberry Library 2008. Notably, however, while the geography of Vermont counties has changed over time, no text of the various prior permutations of the Vermont Constitution (see the Records of the Council of Censors) or readily available statutory histories indicate that the form of county governance was anything other than largely⁶ consistent over the history of the State.

⁵ See City of Montpelier v. Barnett, (2012 VT 32, ¶ 20) ("We have adopted Dillon's Rule, declaring that a municipality has only those powers and functions specifically authorized by the legislature, and such additional functions as may be incident, subordinate or necessary to the exercise thereof.") (internal quotation marks and citations omitted).

⁶ Some exceptions being the requirement for a grammar school in each county, county conventions to elect representatives. *See* the <u>Records of the Council of Censors</u>, pp.16, 47.

Appendix i: List of Vermont Regional Governmental Entities

<u>Existing County Officers and Offices</u>: assistant judges, county clerk, county treasurer, county auditor, sheriff, high bailiff, State's Attorney. *See* 24 V.S.A. Chapter 5.

<u>Local Regional Governmental Entities</u>: (*Note: some are considered "municipalities.")

- Communications Union Districts, see 30 V.S.A. Chapter 82.
- Consolidated Water Districts*, see 24 V.S.A. Chapter 91.
- Consolidated Sewer Districts*, see 24 V.S.A. Chapter 105.
- Fire Districts*, see 20 V.S.A. Chapter 171.
- Mass Transit Authorities; Regional Transit Authorities; Regional Transit Districts, *see* <u>24</u> V.S.A. Chapter 127.
- Natural Resources Conservation Districts, *see* <u>10 V.S.A. Chapter 31</u>; *see also* <u>10 V.S.A. Chapter 33</u>, as forming supervisory unions.
- School Districts*, see 16 V.S.A. Chapter 9.
- Union School Districts; Unified Union School Districts*, see 16 V.S.A. Chapter 11.
- Solid Waste Districts, *see* 24 V.S.A. Chapter 61, Subchapter 13; *see* also 24 V.S.A. Chapter 121, as formed as Union Municipal Districts.
- Regional Career Technical Center School Districts, *see* 16 V.S.A. Chapter 37, Subchapter 5A.
- Regional Planning Commissions (RPCs), see 24 V.S.A. Chapter 117, Subchapter 3.
- Rural Economic Development Infrastructure Districts*, see 24 V.S.A. Chapter 138.
- Union Municipal District, see <u>24 V.S.A. Chapter 121</u>. See also the Joint Municipal Survey Committee.

State Regional Governmental Entities:

- Emergencies:
 - o Regional Emergency Management Committees. Established by the Division of Emergency Management. *See* 20 V.S.A. § 6(d).
- Environment:
 - Environmental District Commissions. Under Act 250, there are nine Environmental District Commissions that are roughly aligned with the counties. These issue the Act 250 permits. See 10 V.S.A. § 6026. (Provided by Legislative Counsel Ellen Czajkowski.)
- Healthcare: (Provided by Assistant Director Jen Carbee.)
 - Agency of Human Services Districts. Each administers some programs and services locally.
 - <u>Department of Health Offices</u>. The Department has 12 local health offices throughout the State.
 - Blueprint for Health, Health Service Areas; perhaps also "Community Health Teams."
- Labor and Employment:
 - Department of Labor's Development Offices. The Department operates 12 regional workforce development offices across the State. (Provided by Legislative Counsel Rik Sehgal.)
- Transportation:
 - o Vermont Agency of Transportation's Maintenance Districts

Appendix vi: Act 118 Section 3 Report from Agency of Administration

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State of Vermont Agency of Administration Office of the Secretary Pavilion Office Building 109 State Street, 5th Floor Montpelier, VT 05609-0201 www.aoa.vermont.gov [phone] 802-828-3322

Sarah Clark, Interim Secretary

MEMORANDUM

TO: Honorable Members of the County and Regional Goverance Study Committee

FROM: Sarah Clark, Interim Secretary of Administration

Sarah Clark
04AB832CD55C438...

DocuSigned by:

DATE: September 16, 2024

SUBJECT: Act 118 Section 3 Report

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.

<u>Limitations and Opportunities for Further Research</u>

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









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

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

Rivers Main Stem

Vermont Recovery Region Areas

Counties in NW Region

Counties in NEK-N Region

Counties in Lamoille Region

Counties in NEK-S

Counties in Central Region

Counties in SW Region

Counties in SE Region

Counties in South Region

Addison Rutland Addison

Grand Isle

Franklin Orleans

Essex Lamoille

Franklin Caledonia Essex

Caledonia Chittenden

Washington Orange

Rutland

Bennington



