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## ARPA: Treasury Issues the Final Rule - Take A Moment to Pause!

January 10, 2022. Late Thursday, January 6, 2022, the U.S. Department of the Treasury released and issued the following:

- The long-awaited [final rule](#) [1]
- [Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule](#) [2]
- [Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule](#) [3]
- [Press Release 1/6/2022: Treasury Issues Final Rule for State and Local Fiscal Recovery Funds Program to Support the Ongoing COVID Response](#) [4]

Throughout our ARPA journey, VLCT has advocated for **broader flexibility** in the use of these funds and **increased simplicity** in the reporting that would be required. We are pleased to announce that not only were we heard but we got more than we asked for!

We have not fully digested the nearly 500 pages of new documents from Treasury, but from our initial reading of the overview and other resources, the [final rule](#) [1] includes **big changes that will greatly impact every Vermont town, city, and village, in every [Expenditure Category](#) [5], with the biggest impact being in EC 6. Revenue Replacement:**

### Replacing Lost Public Sector Revenue

The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.

(page 4, [Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule](#) [2])

Over the next few days, we will be distilling the information and sharing it with you, along with best practices on how to proceed. We will continue to work in close partnership with Vermont's 11 regional

planning commissions to ensure that together we can provide you with the strongest safety net for managing your ARPA funding. In the meantime, VLCT's recommendation is to **\*\*\* take a short pause on your ARPA work, decision-making, and spending \*\*\***. Please check our [ARPA webpage](#) [6] often for the latest information and updates. As we received them, we will post them there.



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#### Links

- [1] <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>
- [2] <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>
- [3] <https://home.treasury.gov/system/files/136/SLFRF-Compliance-Statement.pdf>
- [4] <https://home.treasury.gov/news/press-releases/jy0550>
- [5] [https://www.vlct.org/sites/default/files/ARPA\\_SLFRF-Compl%26Rpt\\_Appendix1.pdf](https://www.vlct.org/sites/default/files/ARPA_SLFRF-Compl%26Rpt_Appendix1.pdf)
- [6] <https://www.vlct.org/resources/american-rescue-plan-information>