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TO: Agencies, Departments, Component Units, Hospitals, and Medical Providers
FROM: Douglas R. Farnham, Deputy Secretary of Administration
DATE: May 27, 2022
RE: COVID-19 Federal Funding Prioritization

As Vermonters, we are all aware of the significant economic hardship COVID-19 has caused in our state. The Administration, through the COVID-19 Financial Office (CFO), has been working to prioritize the various sources of COVID-19 response and recovery funding to help ensure the most effective recovery possible. The COVID-19 federal funding sources available to the State often have overlapping eligibility guidelines, resulting in expenses that would be eligible under more than one federal funding source administered by the State.

The Administration requires that Vermont agencies, departments, component units, and hospitals and medical providers utilize more restrictive federal funding sources with targeted applicability prior to accessing funding with broader uses. This is in line with best practices for maximizing the funding sources available to the State.

The State Fiscal Recovery Fund (SFR) is an example of a relatively broad COVID-19 funding source that the State can use to fund its COVID-19 economic and public health recovery. Vermont entities are also eligible for more targeted sources of federal funding, such as FEMA-Public Assistance (FEMA-PA), to cover some, or all, of their COVID-19-related costs.

If costs are FEMA-eligible and meet the minimum FEMA threshold required (\$3,300), Vermont agencies, departments, component units, and hospitals and medical providers should apply for FEMA funding before using any other federal funding sources. Consistent with this policy, SFR funds and other funding sources shall not be used to cover expenses that are FEMA eligible. This policy is in place to ensure that SFR and other less restrictive funding sources are available for those COVID-19 needs that are not eligible for other, more restrictive sources of funding.

As a reminder, the FEMA-PA program has set a deadline of December 31, 2022, by which applicants must submit all eligible expenses incurred thru July 1, 2022. To prepare for this December 31st FEMA deadline, **we require all entities to prepare their FEMA-PA grant applications for State review by no later than September 30, 2022.** Please refer to the memo titled “Sept. 30, 2022 State Deadline for COVID-19 FEMA Applications” issued on March 11, 2022 for additional information.

If your entity has not reached out to Vermont Emergency Management to assess your FEMA-eligible costs, please do so now before leveraging SFR or other federal funding for these costs. Members of the VEM Public Assistance Team stand ready to support you with your FEMA applications as needed and to facilitate this process to ensure swift reimbursement of COVID expenses.

Excluding state agencies, departments, component units, and hospitals and medical providers, other Vermont entities may leverage federal funding sources directly available to them for their expenses without the requirement to leverage FEMA funding first.