

From: Namrata.Mujumdar2@treasury.gov [Namrata.Mujumdar2@treasury.gov]
To: Hoffer, Doug [Doug.Hoffer@vermont.gov], Morehouse, Tanya [Tanya.Morehouse@vermont.gov], Katharine.Richards@treasury.gov [Katharine.Richards@treasury.gov]
Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and Local Fiscal Recovery Funds final rule
Sent: Thu 4/21/2022 8:31 AM GMT-07:00
Importance: Normal

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Hi Doug,

Please see the below - hope this is helpful.

Question 1:

When assessing whether a written justification is required, should DED consider the total capital expenditures for a project or only the portion funded by SLFRF?

Hypothetical: A new hotel is being constructed and as a response to negative economic harm experienced by the hotel developer, DED intends to award \$1 million which will be used toward the total construction cost of \$17 million. Is \$1 million or \$17 million the amount that should be considered total capital expenditures?

A. Recipients should consider the capital expenditures funded by SLFRF in a given project when assessing whether a written justification is required.

Question 2:

For projects with total expected capital expenditures of under \$1 million that represent a use beyond those enumerated by Treasury as eligible, is DED required to assess whether the capital expenditure is reasonably proportional to negative economic impacts from the public health emergency?

Footnote 255 of the final rule seems to indicate that for projects with total capital expenditures under \$1 million, recipients do not need to assess whether the project is reasonably proportional in size to responding to negative economic impacts of the public health emergency. However, the text of the final

rule (p. 4393) under the first bulleted section states that "recipients should still make a determination as to whether the capital expenditure is part of a response that is related and reasonably proportional to the public health emergency or its negative economic impacts."

The State's consultant has advised DED that projects that are unenumerated uses with capital expenditures under \$1 million do not need to be assessed for reasonable proportionality. Because of the seeming inconsistency in the final rule, SAO is concerned that the consultant's interpretation is not correct.

A. For enumerated projects with total capital expenditures under \$1 million, DED does not need to undergo additional analysis. The project is assumed to be both a related and reasonably proportional response to pandemic's impacts.

For unenumerated projects with total capital expenditures under \$1 million, DED will need to go through one step of additional analysis. Treasury presumes that these projects are reasonably proportional to the pandemic's impacts, but DED will need to ensure that the capital expenditure is related to the pandemic's impacts (e.g., that the response actually addresses the impact identified).

Thanks,

Namrata

Namrata Mujumdar (she/her)

Lead for Policy Outreach

State and Local Fiscal Recovery Fund

Office of Recovery Programs

U.S. Department of the Treasury

(m) 202-819-3648

From: Hoffer, Doug <Doug.Hoffer@vermont.gov>

Sent: Wednesday, April 20, 2022 11:48 AM

To: Mujumdar, Namrata <Namrata.Mujumdar2@treasury.gov>; Morehouse, Tanya <Tanya.Morehouse@vermont.gov>; Richards, Katharine <Katharine.Richards@treasury.gov>

Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and Local Fiscal Recovery Funds final rule

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Most grateful

Thanks

From: Namrata.Mujumdar2@treasury.gov <mailto:Namrata.Mujumdar2@treasury.gov>
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Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and
Local Fiscal Recovery Funds final rule

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Hi Doug,

Thanks for following up. We understand your crunch on timing - the good news is
that we are getting close to providing something that we can share. I'll circle
back with you ASAP.

Thanks,

Namrata

Namrata Mujumdar (she/her)

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From: Hoffer, Doug <Doug.Hoffer@vermont.gov <mailto:Doug.Hoffer@vermont.gov> >
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Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and
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Good morning, Namrata

I'm checking in about our request, which was first submitted almost a month ago
(see below). The legislature is nearing the end of the session and it would be
very helpful if your team could answer our two questions. I'm sure your plate is
full but I'm hopeful you can help us out.

Respectfully,

Doug

Doug Hoffer

Vermont State Auditor

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<mailto:Tanya.Morehouse@vermont.gov> >; Katharine.Richards@treasury.gov
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Cc: Hoffer, Doug <Doug.Hoffer@vermont.gov <mailto:Doug.Hoffer@vermont.gov> >
Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and
Local Fiscal Recovery Funds final rule

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Hi Tanya,

Thank you for checking in. Our team is working as quickly as possible to answer
your questions. We'll get back to you soon.

Thanks,

Namrata

Namrata Mujumdar (she/her)

Lead for Policy Outreach

State and Local Fiscal Recovery Fund

Office of Recovery Programs

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Sent: Thursday, April 7, 2022 2:50 PM
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Cc: Hoffer, Doug <Doug.Hoffer@vermont.gov <mailto:Doug.Hoffer@vermont.gov> >
Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and
Local Fiscal Recovery Funds final rule

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Good afternoon,

I'm sorry to be a pest but wanted to check in about the VT SAO inquiry. For your
convenience, I've attached the inquiry submitted via email to SLFRP@treasury.gov
<mailto:SLFRP@treasury.gov> .

We are hoping to provide this additional information to the Legislature as they
are considering various proposals from the Governor's Administration for use of
SLFRF and are weighing potential risk associated with the proposals.

Thank you!

Tanya Morehouse

Chief Auditor

State Auditor's Office

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From: Katharine.Richards@treasury.gov <mailto:Katharine.Richards@treasury.gov>
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Sent: Friday, April 1, 2022 3:58 PM
To: Morehouse, Tanya <Tanya.Morehouse@vermont.gov
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<mailto:Namrata.Mujumdar2@treasury.gov>
Cc: Hoffer, Doug <Doug.Hoffer@vermont.gov <mailto:Doug.Hoffer@vermont.gov> >
Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and
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My apologies. We are working to get answers to your questions. I'm copying
Namrata Mujumdar, who leads Policy Outreach for SLFRF to ensure that you don't
get lost in my inbox.

Best,

-Kitty

From: Morehouse, Tanya <Tanya.Morehouse@vermont.gov
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Sent: Friday, April 1, 2022 3:52 PM
To: Richards, Katharine <Katharine.Richards@treasury.gov
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Cc: Hoffer, Doug <Doug.Hoffer@vermont.gov <mailto:Doug.Hoffer@vermont.gov> >
Subject: RE: Vermont State Auditor's Office (SAO) inquiry regarding State and
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Hi Katherine,

I reached out to you last Friday about two questions SAO has about the use of
SLFRF for assistance to businesses and nonprofits in the form of grants for
capital expenditures.

Will you be able to provide guidance to SAO?

We expect to provide information to the Vermont Legislature by Wednesday next week and it would be helpful to have guidance from Treasury before that time.

Thank you.

Tanya Morehouse

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From: Morehouse, Tanya

Sent: Friday, March 25, 2022 11:47 AM

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Cc: Hoffer, Doug <Doug.Hoffer@vermont.gov <mailto:Doug.Hoffer@vermont.gov> >

Subject: Vermont State Auditor's Office (SAO) inquiry regarding State and Local Fiscal Recovery Funds final rule

Good morning,

Ms. Donna Joseph provided me with your contact information. As I mentioned to Ms. Joseph, SAO sent an email to US Treasury's general email box (attached).

Our inquiry is time-sensitive as the Vermont Legislature is considering various proposals from the Governor's Administration for use of SLFRF and has asked SAO for some feedback on risks, if any, associated with the proposed uses.

Any insight that you are able to provide would be very helpful.