

State to speed up highway, school payments

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BRATTLEBORO – Vermont Treasurer Elizabeth Pearce announced Tuesday new measures to assist municipalities with disaster relief costs related to Tropical Storm Irene.

Pearce, along with multiple state officials, said Vermont will speed up the local highway aid payments currently due in January by getting them to towns this week. The treasurer's office will also accelerate school aid payments that would not normally go to municipalities until December.

Towns that would owe the state education payments can defer those to Feb. 28 without incurring interest. Tuesday's measure will offer relief to local governments working to financially manage resources after the Aug. 28 storm that hammered Vermont, leaving many towns worried about ongoing fiscal obligations.

"A key to Vermont's successful recovery from the disasters that have struck is the ongoing partnership between state and municipal governments. The package we are announcing today recognizes that Vermont towns do not stand alone as they work to rebuild," Pearce said. "We must continue to exercise flexibility in our financial planning to provide impacted communities with the help needed to fully recover."

Vermont towns can receive an early present this holiday season – the treasurer's office will disburse \$8.4 million of highway aid prior to Thanksgiving and speed up \$125 million of education payments this week to school districts across the state.

Furthermore, towns affected by the spring floods and Irene may defer for a one time only portion of education payments due to the state on Dec. 1. Payments are postponed until February 2012 without any interest applied, but the treasurer's office would assess an 8-percent fee for all outstanding balances retroactive to Dec. 1.

The current state statute requires the treasurer to assess the penalty on any late payments, but lawmakers are optimistic they can pass a measure to allow for deferred compensation.

"These measures, proposed by the state treasurer, underscore the state's commitment to do our very best to provide the assistance needed to enable all Vermont communities to recover from what has been an extraordinary year for storm-related damages," said Administration Secretary Jeb Spaulding who attended the Montpelier press conference with Pearce.

Gov. Peter Shumlin told the *Reformer* Vermont's towns cannot handle alone the financial burden following Irene, pushing for more state assistance.

"Basically, all towns have to do is contact the tax department and they will work with these communities to insure that they get the help and the break that they need," Shumlin added. "The bottom line is, those towns that need the break are going to get it because they didn't ask for Irene, it's not their fault that they got whacked."

House Speaker Shap Smith, D-Morrisville, said the Legislature is committed to helping communities

overcome the challenges caused from Irene and flooding in the spring. "The goal of this package is to ease the cash flow pressures and take away some of the worries so many municipalities are facing in the aftermath of the disaster."

Overall, the changes will aid rural communities like Halifax, whose annual budget of roughly \$800,000 is dwarfed by the more than \$7 million in rebuilding costs. While the town is expecting aid from the Federal Emergency Management Agency, only about \$55,000 is committed to reconstruction efforts.

"Our contractors have been very gracious in allowing us to hold off on payments for a limited amount of time," Patricia Dow, town clerk and treasurer in Halifax, told the Associated Press on Tuesday. "I'm so grateful for that."

Municipalities are required to prepare a total estimate of storm-related damages and certify they are (or are in the process of) starting to make the repairs associated with that figure to document the deferred amount of education tax payments. The estimate includes both incurred or reasonably expected costs prior to Feb. 28, 2012.

Steve Jeffrey, executive director of the Vermont League of Cities and Towns, welcomed Tuesday's announcement.

"It's very important that we do get this money in to tide us over until the FEMA payments come, until the federal highway aid comes. ... This package of proposals really (is) going to help in a number of different ways, in a number of different communities regardless of the challenges that they're facing," Jeffrey said.

\$15 million for infrastructure

On the same day Pearce announced the new measures for Vermont towns, the state's congressional trio reported the U.S. Department of Transportation will release \$15 million in emergency funds to help rebuild and repair roads and bridges destroyed or damaged by floods.

The emergency grant from the Federal Highway Administration will include \$14 million for repairing damage caused by Irene, with the remaining \$1 million to cover repair costs for highways and bridges washed out during heavy spring flooding. "U.S. Secretary of Transportation Ray LaHood has a once again demonstrated a strong understanding of the magnitude of the disaster that has struck Vermont and the need for timely federal help. I appreciate that very much," said U.S. Sen. Bernie Sanders, I-Vt., in a statement.

Senior Sen. Patrick Leahy, D-Vt., said rebuilding the state's broken roads is an urgent priority with Irene recovery efforts.

"Now that we have replenished this depleted emergency transportation fund and enacted key cost waivers that Vermont needs, we have cleared the path to getting on with this repair work," Leahy said.

The Associated Press contributed to this report.

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