



UPDATE ON 2021 GENERAL ASSEMBLY SPECIAL SESSION II

VACO HHR STEERING COMMITTEE

AUGUST 19, 2021



SPECIAL SESSION CONVENED AUGUST 2 TO APPROPRIATE SIGNIFICANT FEDERAL RESOURCES

- Legislature convened August 2 to consider proposed plan for appropriating a portion of federal relief dollars being provided to the state through the American Rescue Plan Act
- Language in the 2021 Appropriation Act required the legislature to appropriate these funds (rather than the Governor)
- Virginia received approximately \$4.3 billion in State Fiscal Recovery Funds, which may be used for eligible purposes in four broad categories:
 - Responding to the COVID-19 public health emergency or its negative economic impacts
 - Providing premium pay to essential workers
 - Providing government services to the extent of the reduction in revenue due to the public health emergency
 - Making investments in water, sewer, or broadband infrastructure
- Virginia also received \$221.7 million from the Coronavirus Capital Projects Fund, which may be used for certain capital projects in response to the public health emergency
- An additional \$5.7 billion in grant funding is also flowing to the state (typically earmarked for certain specific purposes)

ARPA SPENDING OVERVIEW

- The General Assembly approved a slightly revised version of the proposal on August 9, and the Governor signed the bill August 10
- Approved spending package appropriates \$3.2 billion in State Fiscal Recovery Fund dollars, \$221.7 million Capital Projects Fund allocation, and \$5.7 billion in grants
- Remaining \$1.1 billion in Fiscal Recovery Funds held for future needs
 - Authorizes the inclusion of approximately \$354 million in Fiscal Recovery Funds in the 2022-2024 biennium budget (which could be revisited in the 2022 General Assembly session)

VACO PRIORITIES FOR USE OF ARPA FUNDS

- Broadband
 - Approved spending package provides \$479 million in Fiscal Recovery Funds and the entire \$221.7 million Capital Projects Fund allocation in FY 2022 (for a total investment of \$700.7 million). Also provides \$8 million in FY 2022 to support the extension of existing broadband networks to low- or moderate-income households and sets aside \$8 million for the same purpose in 2022-2024 biennium.
- Replenishment of Unemployment Trust Fund
 - Budget includes \$862 million deposit in FY 2022. Provides \$73.6 million to VEC in FY 2022 for information technology improvements and sets aside \$17.6 million in the 2022-2024 biennium for the same.
- Wastewater/stormwater investments
 - Budget includes \$100 million in FY 2022 for reimbursements for capital costs for nutrient removal technology and \$75 million in FY 2022 for septic, straight pipe, and sewer collection system repair, replacement and upgrades
- School capital needs
 - Dedicates \$250 million in FY 2022 for qualifying ventilation improvements in public schools; funds to be allocated to local school divisions based on FY 2022 projected March 31 ADM, with a minimum allocation of \$200,000 per division, to be paid to school divisions on a reimbursement basis, with a local match required.
- Workers' compensation presumption for COVID-19
 - Not included

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES - HHR

- Behavioral Health
 - Funding to address census pressures at state hospitals:
 - \$45 million in FY 2022 for bonuses for direct care staff at state hospitals and training centers. Sets aside \$76.9 million in the 2022-2024 biennium for salary adjustments for direct care staff.
 - \$10 million in FY 2022 for continued expansion of community-based crisis services (which may include mobile crisis and crisis receiving facilities); sets aside \$20 million in 2022-2024 biennium
 - \$5 million in FY 2022 for permanent supportive housing in Northern Virginia
 - \$1.65 million in FY 2022 to expand a pilot program serving individuals with dementia who are ready for discharge from state hospitals and need nursing facility care. Sets aside like amount for FY 2023.
 - Marcus Alert Implementation
 - \$1 million to DCJS in FY 2022 for crisis intervention team training for law enforcement officers and dispatchers and one position to provide technical assistance. Sets aside \$3 million in 2022-2024 biennium for same purpose.

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES - HHR

- Behavioral Health (continued)
 - Substance Use Disorder
 - \$5 million to VDH for substance misuse and suicide prevention efforts in FY 2022 (like amount set aside in 2022-2024 biennium)
 - \$5 million to DBHDS for community-based substance use disorder treatment services in FY 2022 (like amount set aside in 2022-2024 biennium)
 - \$10 million to DBHDS in FY 2022 for grants for recovery support services
 - Appropriates \$34 million in Substance Abuse Block Grant funding
 - Appropriates \$750,000 in federal funding for community-based overdose prevention programs, syringe services programs, and other harm reduction programs

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES - HHR

- Public Health
 - \$8 million in FY 2022 for broadband connectivity/network issues at local health departments
 - \$10 million in FY 2022 for electronic health records (sets aside \$20 million in 2022-2024 biennium for same purpose)
 - \$30 million in FY 2022 for core building upgrades at local health departments
 - \$10 million to modernize VDH administrative systems and software to improve response capability for future emergencies (sets aside \$40 million for same purpose in 2022-2024 biennium)
 - \$1 million in FY 2022 for public oral health task force
 - \$10 million in FY 2022 for records management system (sets aside \$20 million in upcoming biennium for same)
 - \$20 million in FY 2022 for targeted community outreach in communities harmed by COVID-19
 - Appropriates several CDC grants (including \$30.5 million in Crisis Response Cooperative Agreement funding and \$18.1 million in Disease Intervention Workforce funding, which support public health workforce capacity and \$244 million in Epidemiology and Lab Capacity for School Testing)

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES - HHR

- Medicaid
 - \$10 million in FY 2022 to assist with eligibility re-evaluations and member appeals in order to address backlogs (sets aside \$5 million for same purpose in 2022-2024 biennium)
 - \$31.1 million in FY 2022 to increase per diem funding for long term care facilities from \$15 to \$20
 - Provides for a 12.5 percent rate increase for home- and community-based services from July 1, 2021, through June 30, 2022 (rate increase only runs through December 31, 2021, for certain personal care, respite, and companion services). Directs DMAS to seek federal authority to issue one-time \$1000 payments to providers of certain personal care, attendant care, respite care, or companion care services during the first quarter of FY 2022
 - Directs Department of Medical Assistance Services (DMAS) to develop strategies for consideration by the 2022 General Assembly to re-invest general fund dollars freed-up by the enhanced federal match for home- and community-based services contained in ARPA. DMAS is directed to work with the Department of Behavioral Health and Developmental Services and the Centers for Medicaid and Medicare Services to identify any opportunities to use these reinvestment dollars to divert individuals who are at risk of institutionalization in state facilities. A report is due October 1, 2021.

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES - HHR

- Social Services

- \$1 million in Fiscal Recovery Funds in FY 2022 for the Virginia Trauma-Informed Community Network to develop a community awareness campaign and support existing networks.
- Appropriates \$6.2 million in Community-based Child Abuse Prevention Grant funding
- Appropriates \$3 million in Family Violence Prevention and Services Grant funding
- Appropriates \$15.7 million in Pandemic Emergency Assistance funding

- Food Assistance

- \$14.6 million in Fiscal Recovery Funds in FY 2022 to the Department of Agriculture and Consumer Services for food assistance (sets aside \$11 million in the 2022-2024 biennium)
- Appropriates \$10 million in Pandemic EBT Administrative Grant funding
- Appropriates \$19.2 million in Supplemental Nutrition Assistance Program (SNAP) State Administrative Expense Grant funding

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES

- Public Safety
 - \$33.2 million for a \$3000 bonus for state-supported sworn officers of sheriffs' departments and regional jails.
 - Includes language directing the Governor to convene a workgroup to address compensation for correctional officers at the Department of Corrections, deputy sheriffs, and regional jail officers. Recommendations are due October 15, 2021.
 - \$20 million in FY 2022 for one-time bonuses for sworn Virginia State Police officers of \$5000, compression bonuses between 2 and 8 percent of salary for qualifying officers, sign-on/recruitment bonuses to newly-hired troopers of \$5000, and retention bonuses as needed. May also be used to reimburse up to \$2000 of relocation expenses.
 - Authorizes \$20 million in the 2022-2024 biennium budget for a new compensation plan for State Police to address recruitment, retention, and pay compression, based on findings of a workgroup that is directed to be convened to conduct a comprehensive study documenting barriers to recruitment and retention. Workgroup report is due by October 15, 2021.

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES

- Assistance to businesses/tourism/economic development
 - \$250 million in FY 2022 for Rebuild VA
 - Department of Small Business and Supplier Diversity is directed to prioritize qualifying applications that were received on or before 6/30/21 that did not receive grants.
 - Department is directed to solicit new applications with remaining funds and to prioritize businesses in the hospitality and tourism industry. When awarding funds to restaurants, Department is to reserve funds for establishments that have not received assistance through SBA's Restaurant Revitalization Fund or Paycheck Protection Program.
 - \$22.5 million in FY 2022 for the Virginia Removal or Rehabilitation of Derelict Structures Fund (which makes grants to local governments to address derelict structures); sets aside like amount in 2022-2024 biennium
 - \$4 million for the Virginia Main Street Program in FY 2022; sets aside like amount in 2022-2024 biennium
 - \$50 million in FY 2022 to the Virginia Tourism Authority to support local domestic marketing organizations and VTA marketing and incentive programs

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES

- Utility Assistance
 - \$120 million in FY 2022 to provide assistance to residential utility customers with accounts over 60 days in arrears as of August 31, 2021.
 - Language directs Department of Planning and Budget to transfer funds to Department of Housing and Community Development to address arrearages of customers of utilities not subject of SCC jurisdiction (including municipal utilities)
 - DHCD directed to survey municipal utilities to determine the amount of unspent utility assistance funds provided under CARES Act and level of outstanding arrearages; if funds provided are insufficient to cover aggregate outstanding jurisdictional and municipal customer arrearages, additional funds may be considered during the 2022 session.
 - Appropriates \$9.9 million in Low-Income Household Water Assistance Program Funds to the Department of Social Services
 - Appropriates \$90.2 million in Low-Income Home Energy Assistance Program funds to the Department of Social Services.

OTHER PROVISIONS OF IMPORTANCE TO COUNTIES – LANGUAGE AMENDMENTS

- Clarification of provisions of Virginia Overtime Wage Act (VOWA)
 - Budget language makes clear that public agencies may continue to offer compensatory time in lieu of wages for overtime
 - Language also makes clear that individuals who volunteer to perform services for a public agency are not defined as employees under VOWA if the services are not the same type of services which the individual is employed to perform for the public agency.
- Electronic meetings
 - Authorizes certain legislative committees and executive branch advisory boards or councils to hold electronic meetings under certain circumstances if the meeting is held solely for informational purposes.