



Overview of HB 7001 Conference Report

2021 Special Session II

August 9, 2021



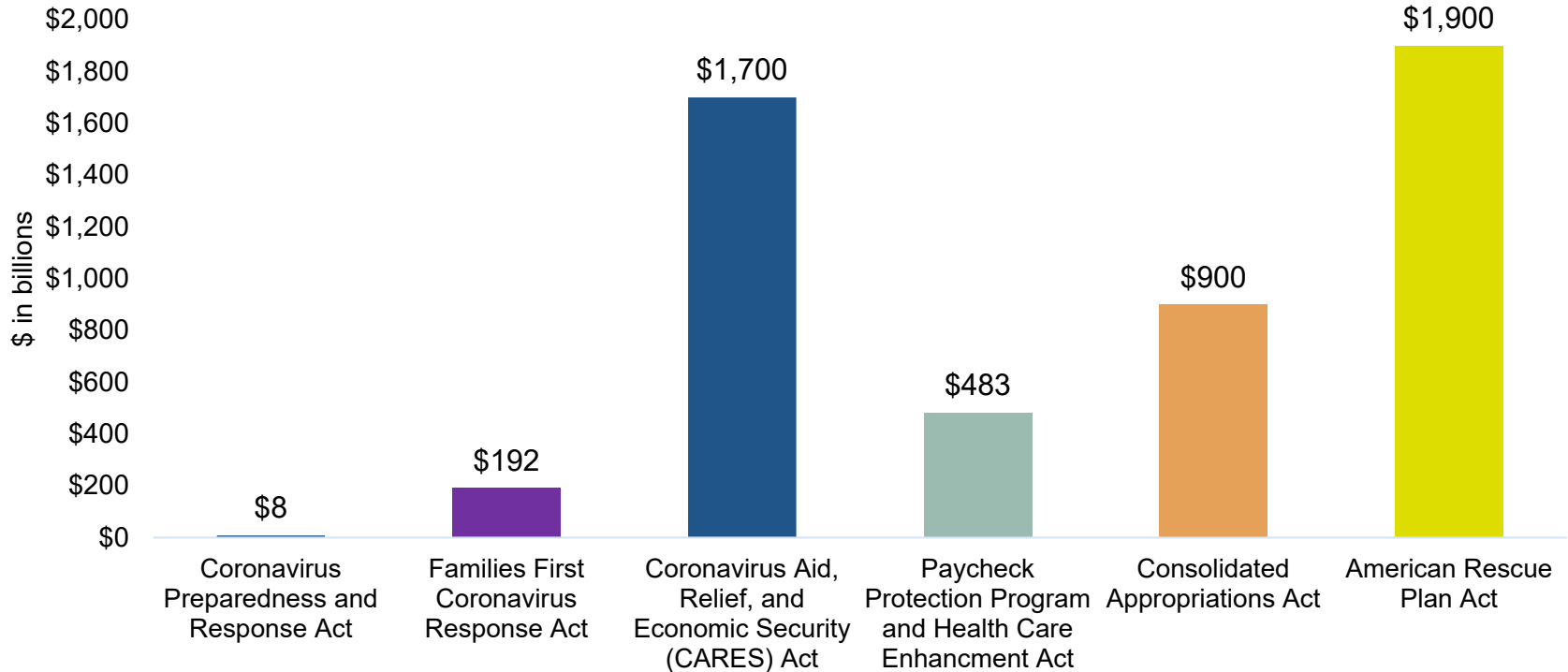
Overview of HB 7001 Conference Report and Allocation of Federal Funds

Reminder: American Rescue Plan Act (ARPA) of 2021

- The sixth federal stimulus bill in response to the COVID-19 pandemic was signed into law on March 11, 2021.
- Provides \$1.9 trillion in assistance to individuals, businesses, and state and local governments.
- Major provisions include:
 - Direct assistance to households of \$1,400 per person and expanded child tax credit;
 - Extension of unemployment insurance until September 6, 2021 of \$300 a week;
 - \$350 billion for assistance to state and local governments;
 - \$130 billion for school reopening;
 - \$110 billion for COVID-19 response; and
 - Support for small businesses.

Summary of Federal Stimulus Funding

- Total of \$5.2 trillion in federal spending across six separate bills.



Overview of Direct Funding Provided to the Commonwealth

Coronavirus State Fiscal Recovery Fund (Virginia Allocation: \$4.29 billion)

- **Use of Funds:**
 - Respond to the COVID-19 public health emergency or its negative economic impacts.
 - To provide premium pay to essential workers.
 - For the provision of government services to the extent of the reduction in revenue due to such emergency.
 - To make necessary investments in water, sewer, or broadband infrastructure.
 - May not be used to pay for state tax cuts, to fund debt service or legal settlements, or to make deposits to state pension or rainy day funds.

Coronavirus Capital Projects Fund (Virginia Allocation: \$221.7 million)

- **Use of Funds:**
 - Critical capital projects to directly enable work, education, and health monitoring, including remote options, in response to the public health emergency.

Overview of HB 7001

- HB 7001 appropriates multiple ARPA funding streams related to Virginia's allocations.
 - Specific discussions have occurred around the allocations of the federal State and Local Recovery Fund (SLRF) within the known federal guidance on allowable uses.
 - HB 7001 appropriates or plans for the allocation of almost \$3.2 billion of the nearly \$4.3 billion Virginia received under the SLRF portion of ARPA.
- HB 7001 also contains a number of language items.
- HB 7001 does not appropriate or take into consideration any additional general fund dollars.

Conference Report Actions

Conference Action	FY 2022 Appropriation	Explanation
Services for Victims of Sexual & Domestic Violence	Language	Adds language ensuring grant amounts are fully restored.
Gun Violence Reduction Grants	\$2.5 million	Provides DCJS funding for one-time competitive grants for community-based gun violence or youth and gang violence intervention programming. Priority is given to localities with higher than average levels of gun violence.
One-Time Bonus for Sheriffs, Regional Jails, and Corrections	\$56.7 million (increase of \$35.7 million over introduced budget)	Provides a \$3,000 one-time bonus for <u>state-supported sworn officers of sheriffs' departments and regional jails, and DOC corrections and law enforcement staff in FY 2022</u> . Includes language directing the Governor to convene a workgroup to address compensation, with recommendations due by October 15, 2021. <i>(Introduced budget included \$1,000 bonus for state-supported sworn officers of sheriffs' departments and regional jails; \$10.0 million for hazard pay at DOC.)</i>
Medicaid Home & Community-Based-Services	Language	Extends the six-month rate increase (12.5 percent) from December 31, 2021, to June 30, 2022.

Conference Report Actions (continued)

Conference Action	FY 2022 Appropriation	Explanation
Name, Image, or Likeness (NIL)	Language	Adds the two-year institutions (VCCS & RBC) to the institutions covered under the NIL language.
Overtime Wage Act Requirements	Language	Maintains the exemptions for public sector workers for comp time in lieu of overtime pay and maximum work hour exemptions for certain private sector employees; exempts volunteers with public sector entities, such as coaches; and makes a technical correction related to the Overtime Wage Act.
DMV Reopening	Language	Requires DMV to provide a detailed plan for serving walk-in customers, in addition to the current reservation system, at all Customer Service Centers within 30 days, and for the provision of walk-in services consistent with the plan within 60 days of the effective date of the bill.

Overview of HB 7001 – Structure & Appropriations

Item/Enactment #	Title/Description	Amount Appropriated
479.20	Disaster Planning & Operations/Pandemic Response (page 1)	<u>\$9,092,453,771</u>
479.20 A	DOA - Local ARPA Allocations (page 1)	316,876,775
	VDH - WIC Cash Voucher Increase (page 1)	8,910,669
	VEC – Unemployment Extension Grants (page 1)	2,058,424,317
	DVS – Aid to State Veterans Homes per diem Program (page 1)	4,285,124
479.20 B	State and Local Recovery Fund (SLRF), ARPA (pages 1-10)	3,179,200,801
479.20 C	Capital Project Fund, ARPA (pages 10-11)	221,739,237
479.20 D	Other ARPA Grants (see Appendix; May SFAC Presentation) (pages 11-15)	5,691,513,733
	Income Tax Reporting Language Change (page 15)	N/A
#14	Items 479.10, paragraphs I.1 and I.2, no longer effective (page 15)	N/A
#15	Mask Provision Language (page 15)	N/A
#16	Limitation on Evictions Language (pages 15-16)	N/A
#17	Limited Electronic Meetings Language - non-voting meetings, does not apply to standing committees (page 16)	N/A
#18	HE Student Athlete Name, Image, and Likeness Language (pages 16-17)	N/A

Overview of HB 7001 – Structure & Appropriations

Item/Enactment #	Title/Description
#19	Non-Profit Group HMO Organization Language - delayed compliance on comparable health care service incentive program and price tools (page 17)
#20	<i>Virginia Overtime Wage Act</i> Language – allowance of comp time by public agencies and exemption for employees under 29 U.S.C. § 213(b)(10)(A); updated language (page 17)
#21	Item C-72 - \$25 million in debt may be used by the Port for infrastructure improvements at Portsmouth Marine Terminal for handling of heavy offshore wind components (pages 17-18)
#22	Phase II Utility prohibited from disconnecting service for nonpayment until March 1, 2022 for certain residential customers who demonstrate previous receipt of certain assistance (page 18)
#23	DMV Reopening Language/Plan (after line 1067)
#23 #24	Act is effective on passage (page 18)
#24 #25	1 st , 2 nd , 3 rd , 4 th , 6 th , 7 th , 8 th , 12 th , 14 th , 15 th , 17 th , 18 th , 19 th , 20 th , 21 st , 22 nd , 23 rd , and 24 th enactments shall expire at midnight on June 30, 2022 (page 18)
#25 #26	16 th enactment related to evictions shall expire on June 30, 2022, except if no funds are available, or if the Governor declares another state of emergency (page 18)
#26 #27	5 th , 9 th , 10 th , 11 th , and 13 th enactments have no expiration date (page 18)

Allocations by Category

Spending Category (\$ in millions)	FY 2022 Appropriation	2022-2024 Biennial Budget	Total Allocation	% of Total Allocation
Unemployment Assistance	\$935.6	\$17.6	\$953.2	25.4%
Broadband	709.2	9.5	718.7	19.1%
Wastewater and Drinking Water	355.8	55.8	411.5	11.0%
Public Health	214.9	97.0	311.9	8.3%
Rebuild VA and Other Small Business	276.5	26.5	303.0	8.1%
Education (Including Ventilation)	259.0	-	259.0	6.9%
Mental Health and Substance Use Disorder	133.9	112.8	246.6	6.6%
Utility Assistance	120.0	-	120.0	3.2%
Higher Education	161.0	-	161.0	4.3%
Public Safety	132.2	23.8	156.0	4.2%
Tourism	57.3	-	57.3	1.5%
All Other (Includes Parks and Food Access)	<u>45.6</u>	<u>11.0</u>	<u>56.6</u>	<u>1.5%</u>
Total	\$3,400.9	\$353.9	\$3,754.8	100%



Appendix

HB 7001 Substitute or SB 7001 - Senate Amendments

Senate Action	Appropriation	Explanation
Bonus for Sworn Officers in Sheriffs Depts. and Regional Jails	\$188.8 million	Increases from \$1,000 to \$5,000 the one-time hazard pay bonus for state-supported and locally funded sworn officers of sheriffs' departments and regional jails and adds language authorizing the same bonus in each year of the 2022-2024 biennium.
Remote Work Data Collection	Language	Requires DHRM to report to the money committees on the percentage of employees working in person vs. remotely, relative to March 1, 2020.
DMV Reopening	Language	Requires within 30 days of the bill's signing that DMV must be fully reopened for service and provide the same level of customer service as was provided on March 1, 2020. The Department may continue to use the "appointment" system to schedule priority service but shall not turn away walk-in customers.
Alexandria CSO (technical correction)	Language	Technical corrections to reflect the ownership of the CSO is the City Alexandria, Virginia Sanitation Authority.
Evictions Language	Language	Clarifies that the payment plan referenced in HB 7001 refers to the requirement under current law that landlords with more than four units must offer tenants whose rent is past due the option of entering into a payment plan.
Medicaid HCBS	Language	Extends the six-month rate increase (12.5 percent) from December 31, 2021, to June 30, 2022.

HB 7001 Substitute or SB 7001 - Senate Amendments

Senate Action	Appropriation	Explanation
Items are Separate and Severable Provision	Language	That any lines or portions of this act that address a single object or subject matter shall be deemed separate and severable from the act as a whole.
Overtime Requirements	Language	Provides for additional employers to assert exemptions to the Virginia Overtime Wage Act for employees who otherwise meet exemption criteria set forth in the federal Fair Labor Standards Act (FLSA), and to set overtime pay for certain employees at a rate consistent with the FLSA.
Voter Precincts	Language	Requires absentee ballots processed at a central absentee precinct to be sorted by precinct.
Name, Image, or Likeness (NIL)	Language	Eliminated; Lt. Gov. ruled the language was not germane.

Home and Community-Based Services

(Services Eligible for 12.5 Percent Rate Increase)

<u>CCC Plus and DD waiver Services</u>	Crisis Support Services	Therapeutic Foster Care Case Management
Personal and Respite Care	Skilled Nursing	Therapeutic Group Home
Services Facilitation	Therapeutic Consultation	EPSDT Group Home
Adult Day Health Care	Benefits Planning	Substance Use Case Management
Individual Supported Employment	Employment & Community Transportation	SUD Peer support services - individual
Group Supported Employment	<u>Behavioral Health Services</u>	SUD Peer support services - group
Workplace Assistance Services	Assertive Community Treatment	ARTS Intensive outpatient
Community Engagement	Behavioral Therapy Program	ARTS Partial Hospitalization
Community Coaching	Crisis Intervention	Medication Assisted Treatment (MAT) day one induction
Group Day Support	Crisis Stabilization	Substance Use Care Coordination
Peer Mentoring	Intensive In-Home	Medication Administration
Community Guide	Mental Health Case Management	Opioid treatment services – Individual and Group
Companion Care	Mental Health Intensive Outpatient	Other ARTS Services
Individual & Family Caregiver Training	Mental Health Partial Hospitalization Program	<u>Case Management Services</u>
Shared Living	Mental Health Skill Building	ID/MR Case Management
Sponsored Residential	Peer Support Services	DD Case Management
Group Home Residential	Psychosocial Rehabilitation	Early Intervention Case Management
Community-Based Crisis Supports	Therapeutic Day Treatment	

Appropriation of other ARPA Federal Grants Totals \$5.7 Billion

ARPA Grant	Agency	FY 2022 Appropriation
State and Local Recovery Fund - Local (Non-Entitlement) - (US Treasury)	Accounts Transfer Payments (162)	\$316,876,775
Emergency Rental Assistance (US Treasury)	Housing and Community Development (165)	\$465,508,855
Elementary & Secondary School Emergency Relief (ESSER) - (US DOE)	Department of Education (201)	\$211,098,889
Elementary & Secondary School Emergency Relief (ESSER) - (US DOE)	Direct Aid to Public Education (197)	\$1,899,890,002
Elementary & Secondary School Emergency Relief Homeless Children and Youth (ESSER) - (US DOE)	Department of Education (201)	\$13,818,290
Emergency Assistance to Non-Public Schools (US DOE)	Department of Education (201)	\$46,344,360
Higher Education Emergency Relief Fund (HEERF) - Public & Non-Profit Institutions (US DOE)	Maintain Affordable Access (984)	\$667,275,718
IDEA - Grants to States (US DOE)	Direct Aid to Public Education (197)	\$67,450,511
IDEA - Preschool (US DOE)	Direct Aid to Public Education (197)	\$4,931,537
IDEA - Infants and Toddlers (US DOE)	Behavioral Health and Developmental Services (720)	\$5,216,946
Child Care & Development Block Grant (ACF)	Department of Education (201)	\$305,492,999
Child Care Stabilization Grants (ACF)	Department of Education (201)	\$488,605,381

Appropriation of other ARPA Federal Grants

ARPA Grant	Agency	FY 2022 Appropriation
Child Care Entitlement to States (ACF)	Department of Education (201)	\$13,091,800
Low-income Home Energy Assistance Program (ACF)	Social Services (765)	\$90,218,680
Low-Income Household Water Assistance Program	Social Services (765)	\$9,870,267
Pandemic Emergency Assistance (ACF)	Social Services (765)	\$15,744,856
Community-based Child Abuse Prevention (ACF)	Social Services (765)	\$6,231,546
Family Violence Prevention and Services (ACF)	Social Services (765)	\$3,004,484
Child Abuse State Grants (ACF)	Social Services (765)	\$2,502,243
Supportive Services (ACL)	Aging and Rehabilitative Services (262)	\$11,109,729
Home Delivered Meals (ACL)	Aging and Rehabilitative Services (262)	\$7,245,476
Congregate Meals (ACL)	Aging and Rehabilitative Services (262)	\$10,868,214
Preventive Services (ACL)	Aging and Rehabilitative Services (262)	\$1,062,670
Family Caregivers (ACL)	Aging and Rehabilitative Services (262)	\$3,463,008
Title XX Adult Services (ACL)	Aging and Rehabilitative Services (262)	\$2,021,926
Title VII Long-term Care Ombudsman (ACL)	Aging and Rehabilitative Services (262)	\$241,516
Epidemiology and Lab Capacity for School Testing (CDC)	Health (601)	\$244,000,000
COVID-19 Vaccine Preparedness Adjustment (CDC)	Health (601)	\$11,000,000
Expand Genomic Sequencing (CDC)	Health (601)	\$1,680,000
Crisis Response Cooperative Agreement (CDC)	General Services (194)	\$654,800
Crisis Response Cooperative Agreement (CDC)	Department of Health (601)	\$30,500,000

Appropriation of other ARPA Federal Grants

ARPA Grant	Agency	FY 2022 Appropriation
Disease Intervention Workforce (CDC)	Department of Health (601)	\$18,078,048
Maternal, Infant and Early Childhood Home Visiting Grant Program	Department of Health (601)	\$449,000
Small Rural Hospital Improvement Program (SHIP) (HRSA)	Department of Health (601)	\$5,167,520
Mental Health Block Grant (SAMHSA)	Behavioral Health (720)	\$35,786,432
Substance Abuse Block Grant (SAMHSA)	Behavioral Health (720)	\$33,982,454
Community-based overdose prevention programs (HHS)	Behavioral Health (720)	\$750,000
Funding For Community-Based Local Behavioral Health Needs (HHS)	Behavioral Health (720)	\$1,250,000
SNAP 3-Year State Administrative Expense Grants (USDA)	Social Services (765)	\$19,217,240
Pandemic EBT Administrative Grant	Social Services (765)	\$10,000,000
HOME Investment Partnerships Program - Non-entitlement (HUD)	Housing & Community Development (165)	\$39,724,473
Unemployment Insurance Extension Implementation Grants (US DOL)	Virginia Employment Commission (182)	\$556,712,639
FTA Nonurbanized Area Formula - (US DOT)	Rail and Public Transportation (505)	\$1,495,144
Enhanced Mobility of Seniors & Persons with Disabilities - State	Rail and Public Transportation (505)	\$890,896
FTA Intercity Bus Formula	Rail and Public Transportation (505)	\$2,307,909
Emergency Management Performance Grants (FEMA)	Emergency Management (127)	\$2,297,623
Institute of Museum and Library Services (IMLS)	Library Of Virginia (202)	\$3,872,000
National Endowment for the Arts - State Arts Agencies	Commission for the Arts (148)	\$871,100
Aid to State Veterans Homes - Construction (US VA)	Veterans Services (912)	\$1,439,777
Environmental Justice Cooperative Agreement Program (EPA)	Environmental Quality (440)	\$200,000