2020 Special Session I

Budget Bill - HB5005 (Chapter 56)

Central Appropriations

Item 479.10

A.1. The Governor is hereby authorized to appropriate sums to state agencies, institutions of higher education, and other permissible entities the federal funding provided pursuant to the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), the Families First Coronavirus Response Act (P.L. 116-127), and the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), and any other federal funding provided through subsequent legislation approved by Congress with regard to the Coronavirus public health emergency. For the purposes of this item, such federal funding shall be referred collectively to as "federal relief funds". All such federal relief funds shall be subject to applicable federal rules and regulations governing these funds. Amounts so allocated are hereby appropriated in this item. *Any allocations of remaining federal relief funds by the Governor shall be included in the Executive Budget submitted in accordance with § 2.2-1509, Code of Virginia. All allocations of federal relief funds are subject to the provisions and conditions contained in this item.*

2. Any new federal funding approved by Congress through subsequent legislation shall be appropriated by the Governor in the Executive Budget, submitted in accordance with § 2.2-1509, Code of Virginia and shall be subject to applicable federal rules and regulations governing these funds.

~~2~~*3.* Records Management and Reporting

a. Agencies receiving federal relief funds shall comply with the financial or other data reporting requirements set forth by the State Comptroller or the Director of the Department of Planning and Budget and shall compile and maintain all records necessary to fulfill such reporting requirements and to meet any subsequent audit of the expenditure of such federal funds.

b. Agencies receiving federal relief funds shall comply with all federal reporting requirements for the receipt of any funds and shall compile and maintain all records necessary to fulfill such reporting requirements and to meet any subsequent audit of the expenditure of such federal funds.

c. Agencies receiving federal relief funds shall comply with any requirements established to ensure the transparency of the use or expenditure of such federal funds.

~~3~~*4.* The Governor or his designee shall submit a quarterly report to the Chairs of House Appropriations and Senate Finance and Appropriations Committees that itemizes any appropriation action of federal relief funds. *The Governor or his designee shall submit the first such report on October 31, 2020 and each quarter thereafter.*

~~4~~*5.* It is the intent of the General Assembly that the Commonwealth maximize the use of the federal relief funds. The Governor shall take all reasonable actions necessary to apply for federal relief funds. The Governor shall further ensure that funds are appropriated, distributed, and utilized in a manner that is consistent with the provisions of state and federal law.

B. Apportionment

1. Out of the $3,109,502,836 estimated potential revenues to be received from the federal distributions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), the following table represents allocations made as of July 1, 2020:

Item	*Amount Appropriated as of 7/1/2020*
Allocations to Localities	*$1,289,146,766*
FY20 Agency-based Requests	*$80,480,698*
DGS - Consolidated Labs	*$6,052,673*
DHCD - Emergency Housing for Homeless	*$8,828,998*
DHCD - Mortgage and Rental Assistance	*$50,000,000*
DMAS - Long-term care facilities	*$55,640,872*
DMAS - PPE for Personal Care Attendants	*$9,256,178*
DSBSD - Small business assistance grants	*$70,000,000*
DSS - Food security - Expand emergency food supply package	*$650,000*
VDACS - Food security - Agriculture surplus & emergency food	*$1,211,953*
VDEM - Food security - 1 million MREs	*$2,000,000*
VDEM - PPE	*$97,000,000*
VDEM - Testing	*$42,338,400*
VDEM - Other	*$33,722,001*
VDH - Contract tracing/UVA Equipment	*$59,157,614*
VDH - Replace deficit authorization	*$3,291,300*
Total	***$1,808,777,453***

2. The allocations in this item includes an amount estimated at $1,215,214,399 the first year from the estimated revenues to be received from the federal distributions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) cited in paragraph B.1. above. The allocation shall be as follows:

Item	*Amount*
SCC - Direct Utility Assistance to Customers	*$100,000,000*
DHCD - Emergency Housing for Homeless	*$3,000,000*
DOC - PPE, medical observation units, overtime	*$7,700,000*
Elections - Voter safety for November election - cleaning, personal protective equipment, additional pay for election day workers, drop boxes	*$10,000,000*
DMAS - Additional hospital reimbursements for eligible COVID-19 costs	*$60,000,000*
DMAS - Hazard pay for home health workers	*$72,000,000*

DMAS - Retainer payments for Medicaid DD Waiver Day Support providers	*$25,000,000*
Higher Education - PPE, Virtual Education, Cleaning , Telework, Other COVID Costs	*$120,000,000*
State Museums and Higher Education Centers - PPE, Virtual Education, Cleaning , Telework, Other COVID Costs	*$4,500,000*
K-12 - Costs for Re-Opening Schools	*$220,798,208*
DSS - Childcare Provider Stabilization Funds	*$60,000,000*
DSS - Increase local capacity to provide care for school-age children	*$16,600,000*
DSS - Virginia Federation of Food Banks - $1.0 million per region	*$7,000,000*
Statewide - PPE Plan	*$42,112,285*
Statewide - Testing and Contact Tracing	*$71,829,059*
Statewide - state agencies telework, PPE/sanitizing, DOLI regulation compliance and other eligible operational cost increases	*$60,000,000*
VDH - Point of Care Antigen Testing	*$16,010,500*
DSBSD - Small business assistance grants supplement	*$5,000,000*
VDEM - Technical assistance, public education and preparedness for COVID-19 pandemic response	*$37,000,000*
DHCD - Mortgage and Rental Assistance supplement	*$12,000,000*
DHCD - broadband accessibility	*$30,000,000*
VEC - Unemployment Assistance	*$210,000,000*
UVA Medical Center – capital, PPE, testing, education	*$10,000,000*
VCU Hospital – capital, PPE, testing, education	*$10,000,000*
VDH - Executive Order enforcement	*$1,298,038*
DBHDS - hospital census support	*$2,800,000*
Carilion serology study	*$566,309*
Total	***$1,215,214,399***

3. The appropriation in this item includes an amount estimated at $120,000,000 the first year from federal funds to be distributed to the educational and general program at public institutions of higher education for the Higher Education - PPE, Virtual Education, Cleaning, Telework, Other COVID Costs cited in paragraph B.2. above. An allocation for an individual public institution of higher education shall be based on reimbursement of allowable expenditures and shall be capped at $24.0 million. Prior to disbursement of amounts allocated in this paragraph, each public institution of higher education shall be given 15 days to submit its reimbursement request. If amounts requested exceed the $120,000,000, the requests shall be proportionally prorated.

4. The appropriation in this item includes an amount estimated at $4,500,000 the first year from federal funds to be distributed to other education institutions for costs associated with the COVID-19 pandemic cited in paragraph

B.1. above. An allocation for an individual other education institution shall be based on reimbursement of allowable expenditures and shall be capped at $1.0 million. Prior to disbursement of amounts allocated in this paragraph, each other education institution shall be given 15 days to submit its reimbursement request. If amounts requested exceed the $4,500,000, the requests shall be proportionally prorated.

5.a. The appropriation in this item includes $100,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above to be used to help provide direct assistance to customers with accounts over 30 days in arrears. In order to be eligible for the funds provided in this paragraph, utilities must be subject to the utility disconnection moratorium established in Item 4-14, clause 7.a. of this act. The State Corporation Commission shall establish an application process in order to distribute funds directly to utilities for the purpose of efficiently providing direct assistance to customers. The Commission shall award funds in a manner that will provide direct assistance to customers with accounts over 60 days in arrears prior to awarding funds to subsidize customer accounts 30 days in arrears. Any federal Coronavirus Relief Funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) provided to a phase II utility pursuant to this paragraph shall exclude the forgiveness of jurisdictional customer balances as specified in Item 4-14, clause 7, paragraph j. of this act. The State Corporation Commission shall transfer any dollars necessary to address the arrearages held by customers of utilities outside the jurisdiction of the Commission to the Department of Housing and Community to pass along to these utilities. Notwithstanding § 2.2-4002, Code of Virginia, the provisions contained in this paragraph 5.a. establishing the utility direct assistance program shall not be subject to the Administrative Process Act.

b. Upon receipt of any funds provided in paragraph 5.a., utilities shall create separate COVID-19 Utility Assistance Funds and record direct assistance payments to customers on their books in accordance with applicable accounting standards. Utilities may not direct any funds provided in paragraph 5.a. to new deposits, down payments, fees, late fees, interest charges, or penalties. Utilities may require the customer to attest to the utility or to a third party chosen by the utility that the customer has experienced a financial hardship resulting directly or indirectly from the public health emergency or that they have experienced a hardship to pay during the public health emergency prior to receiving direct assistance from the utility's COVID-19 Utility Assistance Fund. While utilities may require attestation of such hardship, it may be implied that arrearages accrued over 30 days for customer nonpayment of bills, for which federal relief funds shall be used for direct subsidy payments on behalf of customers pursuant to Item 4-14, paragraph d. of this act., were incurred as a financial hardship created by the pandemic. Utilities shall reflect the direct assistance payment on an eligible customer's monthly bill, after the funds are applied to the customer's account. Utility customers may only receive a direct payment subsidy from the utility's COVID-19 Utility Assistance Fund once.

c. The Director of the Department of Planning and Budget shall distribute funds to the State Corporation Commission within 30 days of the passage of this act. Prior to any distribution from the amounts appropriated in paragraph 5.a. of this item, the Director of the Department of Planning and Budget shall work with the State Corporation Commission and the Department of Housing and Community Development to verify, which utilities that are eligible to receive funds under this appropriation based on the most recently published guidance from the United States Department of the Treasury. For the purposes of this appropriation, utilities include electric companies subject to regulation of the State Corporation Commission, natural gas suppliers subject to the regulation of the Commission, electric and gas municipal utilities, and water suppliers and wastewater service providers, subject to the regulation of Commission or constituting a municipal utility. "Municipal utility" means a utility providing electric, gas, water, or wastewater service that is owned or operated by a city, county, town, authority, or other political subdivision of the Commonwealth.

6. The appropriation in this item includes $10,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above to support additional costs anticipated for the November 3, 2020 General Election. The Commissioner of the Department of Elections shall distribute these funds directly to offices of general registrars based on population or need within 30 days of the passage of this act. General registrars may use these funds for printing of additional ballots and envelopes; additional mailing or postage costs; additional voting equipment; installation and security for absentee or mail drop-boxes; temporary elections office staffing; cleaning supplies and

protective equipment for staff and poll workers; pre-and post-election cleaning of polling places; additional laptops and mobile equipment; additional automated letter opening equipment; public communication campaigns on voting changes; and other such items that support voter safety during the COVID-19 pandemic.

7. The appropriation in this item includes $3,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above to continue to provide emergency housing for homeless populations. This is in addition to the $8,828,998 that was previously allocated to support this program using the Coronavirus Relief Funds cited in paragraph B.1. of this item.

8. The appropriation in this item includes $210,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above to provide additional support for the Virginia's Unemployment Insurance program. The Governor or his designee shall work with the Virginia Employment Commission to determine the best use of these funds. The Secretary of Commerce and Trade shall provide the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee a status report on the deployment of these funds by January 1, 2021.

9. The appropriation in this item includes $60,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above to assist with the operations of state government. This includes (i) funds to help state agencies comply with the Center for Disease Control and Prevention's and the Department of Labor and Industry's regulations for workplace safety during the COVID-19 pandemic, (ii) funds to help state agencies with increased costs for teleworking, and (iii) funds to help state agencies in acquiring PPE and sanitizing facilities. The Director of the Department of Planning and Budget shall within 30 days of the passage of this act solicit and fund requests from state agencies across all three branches of government to help cover increased expenses due to teleworking, PPE acquisition, sanitizing state facilities and retrofitting state owned buildings to comply with COVID-19 safety measures.

10. The appropriation in this item includes $7,700,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above for the costs for the purchase of personal protective equipment, establishment and operation of medical observation units, overtime costs, and other eligible expenses of the Department of Corrections.

11. The appropriation in this item includes $37,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above for the provision of technical assistance to local governments, the conduct of a public awareness and education campaign and other preparedness activities by the Department of Emergency Management.

12. The appropriation in this item includes $220,798,208 the first year to be distributed to school divisions to assist with costs associated with the COVID-19 emergency, including but not limited to costs associated with implementing social distancing measures, providing distance learning, and providing computer equipment and internet access to students. In expending such funds, school divisions shall comply with federal CARES Act requirements and the most recently published United States Treasury Department guidance for the Coronavirus Relief Fund.

13. The appropriation in this item includes $60,000,000 the first year from Coronavirus Relief Funds cited in paragraph B.2. above for the Department of Medical Assistance Services to make payments to Virginia hospitals for COVID-19 related auditable costs that have not been reimbursed through other federal relief programs available for this purpose in calendar year 2020. The Department shall have the authority to implement such payments in the most efficient and expeditious manner prior to the completion of any regulatory process to effect such changes.

14. The appropriation in this item includes $72,000,000 the first year from Coronavirus Relief Funds cited in paragraph B.2. above for the Department of Medical Assistance Services for hazard pay for consumer directed and agency directed personal care attendants who provide Medicaid personal care, respite or companion care services

in the amount of $1,500 per personal care attendant. The Department shall have the authority to implement such payments prior to the completion of any regulatory process to effect such changes.

15. The appropriation in this item includes $25,000,000 the first year from Coronavirus Relief Funds cited in paragraph B.2. above for the Department of Medical Assistance for monthly retainer payments to Medicaid day support providers covering the period of August through December 2020. The Department shall determine the monthly retainer based on the monthly average retainer payments made by Medicaid for dates of service between April 1 and July 31, 2020 and billed, and paid by October 31, 2020. The Department shall have the authority to implement these payments prior to the completion of any regulatory process to effect such changes.

16. The appropriation in this item includes $76,600,000 the first year from Coronavirus Relief Funds cited in paragraph B.2. above to support stabilization of the child care industry and the provision of child care during the COVID-19 emergency.

a. Out of this appropriation, $60,000,000 is provided to support stabilization grants for child care providers and local community partnerships. The Department of Social Services, in collaboration with the Department of Education, shall award such grants with the goals of (i) preserving the long-term capacity of Virginia's early childhood and care system while programs are operating at reduced capacity during the COVID-19 emergency, and (2) providing additional child care slots in the short-term.

b. Out of this appropriation $16,600,000 is provided for the Department of Social Services to contract with local partners to provide support to school divisions, local governments, and other entities, including religious institutions and community centers, for the provision of space to increase local capacity to provide care for school-age children, purchase personal protective equipment (PPE) and cleaning supplies, and provide a stable financial environment for the operation of these programs. School divisions, local governments, and local departments of social services shall cooperate with local partners receiving these funds to maximize the number of school-age children served. In addition, local partners are encouraged to use these funds to support a diverse set of providers with these funds including existing child day centers, family day homes, religious institutions, and other organizations seeking to provide such services. These funds shall be used prior to the expenditures of general fund amounts provided for this purpose as set forth in Item 350 of this act.

c. Funds referenced in paragraphs a. and b. above may be redirected among paragraphs a. and b. to respond to greater need for either program or to ensure the use of Coronavirus Relief Funds is maximized prior to the federal deadline to incur Coronavirus Relief Fund expenses.

17. The appropriation in this item includes $7,000,000 the first year from Coronavirus Relief Funds cited in paragraph B.2. above to the Department of Social Services for the Virginia Federation of Food Banks to provide $1,000,000 to each of the seven regional food banks.

18. Out of this appropriation, $5,000,000 is provided for DSBSD - Small business assistance grants as a supplement to increase the grant size for the Rebuild Virginia program and expand the eligibility criteria so that small businesses as defined in § 2.2-1604 of the Code of Virginia that have suffered loss as a result of the COVID-19 pandemic may participate in the federal coronavirus relief funds available through the program including recreation and tourism small businesses that are Virginia-based.

~~B.~~ *C.* The Governor is authorized to appropriate, within this item or any other item of this act, any revenues deposited to the COVID-19 Relief Fund created pursuant to ~~House Bill 881 and Senate Bill 971 of the 2020 Session of the General Assembly~~ *§ 2.2-115.1 of the Code of Virginia. The Governor shall appropriate an amount up to $95,227,730 the first year from the COVID-19 Relief Fund for COVID-19 Local Relief Payments to be distributed to school divisions as provided in Item 145.* ~~Such~~ *Any additional* appropriations shall be used for the purposes of responding to the impacts of the COVID-19 pandemic which shall include, but not be limited to, *i) assistance for public education,* ~~i)~~ *ii)* relief to small businesses, ~~ii)~~ *iii)* assistance for housing and homelessness, ~~iii)~~ *iv)* assistance

for long term care facilities, and ~~iv)~~ *v)* any other purpose designated by the Governor to address the impact of the COVID-19 pandemic. The Governor is authorized to transfer such appropriations and associated revenues to agencies designated to carry out the services required to address the COVID-19 pandemic. The Governor or his designee shall report the use of the COVID-19 Relief Fund to the Chairs of House Appropriations and Senate Finance and Appropriations Committees on a ~~quarterly~~ *monthly* basis*: (i) the uses of the COVID-19 Relief fund, (ii) the total amount deposited to the COVID-19 Relief Fund, and (iii) the amount of skill game revenues distributed to each locality pursuant to enactment clause 2 of Chapters 1217 and 1277, 2020 Acts of Assembly.*

D. The Governor is authorized to allocate the remaining amount of the estimated potential revenues to be received from the federal distributions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) cited in paragraph B.1. above. However, the Governor shall, within two days of making any allocation action, make such plan available via electronic means to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

~~C.~~ *E.* Any reports required by paragraphs A.*,* ~~or~~ B.*, or C.* above may be submitted electronically. ~~Further, the reporting requirement shall be considered to have been met if the required information is posted on a public website.~~ *However, reports in paragraphs A., B.,C., or D. above are not eligible for deferral or delay as permitted under Item 4-8.01, a.4.a.) of this act.*

~~D~~. *F.* Any unexpended balance remaining in this item on June 30, 2021, or June 30, 2022, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the next biennium.

G. If, as of December 1, 2020, the Governor determines that any of the amounts outlined in paragraphs B.1. through B.18. of this item cannot be spent for the purposes outlined in such subparagraphs, he shall have the authority to shift unspent allocations to any other purpose outlined in paragraph B. If, as of December 18, 2020, the Governor reports unspent allocations remain, all such amounts shall be transferred to Unemployment Compensation Fund established pursuant to § 60.2-300. However, if Congress extends the expiration date for the use of Coronavirus Relief Funds, then the date by which the Governor shall be allowed to shift allocations is 30 days prior to the new expiration date for the use of the federal funds and any remaining unallocated funds as of 12 days prior to the expiration date shall be allocated to the Unemployment Compensation Fund.