

PRESENTED BY: STEVE  
GRAY

# MISSISSIPPI ASSOCIATION OF SUPERVISORS

LEGISLATIVE/GOVERNMENT AFFAIRS UPDATE


# ORDER OF THE DAY

- Public Release of 2023 Legislative Budget Office Recommendations
- Most Recent Activity Regarding the State & ARPA Funds
- Federal Infrastructure Investment & Jobs Act (H.R. 3984)
- Federal ARPA “Flexibility” Legislation (S.3011 / H.R. 5735)
- Recap of MAS General Legislative Issues
- Recap of MAS Proposals

LEGISLATIVE BUDGET  
OFFICE FY 2023  
RECOMMENDATIONS



# CURRENT STATE REVENUE COLLECTION INFORMATION

- First 5 months of State revenue collections is \$215.1 million or 8.5% above the amount collected during the same period last year. (According to the State Legislative Budget Office)
  - State Sales Tax collection is up \$195 million or 23.7%
  - Use Tax collection is up \$11.6 million or 6.9%
  - State Income Tax is up \$11 million or 1.2%
- 
- Rise of Inflation is factored in.

# MISSISSIPPI JOINT LEGISLATIVE BUDGET COMMITTEE

- On Tuesday December 7<sup>th</sup>, the 14-member Mississippi Legislative Budget Committee unveiled their budget recommendation for the upcoming fiscal year.

## General Fund Revenue and Budget Calculation for FY 2023

\$6,493,500,000	Revenue Estimate Jointly Adopted
- <u>129,870,000</u>	2% Set-Aside in General Funds
\$6,363,630,000	Remaining 98% in General Funds
- <u>5,824,812,943</u>	General Fund Budget Recommendation
\$ 538,817,057	Remaining Reserves for General Fund

# MISSISSIPPI JOINT LEGISLATIVE BUDGET COMMITTEE

FY 2023  
Increased  
Funding

- State Personnel Board
  - SEC2 Salary Schedule \$25.0M
- Department of Revenue
  - Homestead Exemption Reimbursement \$11.5M
- Department of Public Safety
  - Fund Sworn Officer/Capitol Police \$3.8M
- Department of Mental Health
  - Utilization Review/Forensic Unit \$5.9M
- District Attorneys and Staff
  - New District 23 \$0.2M

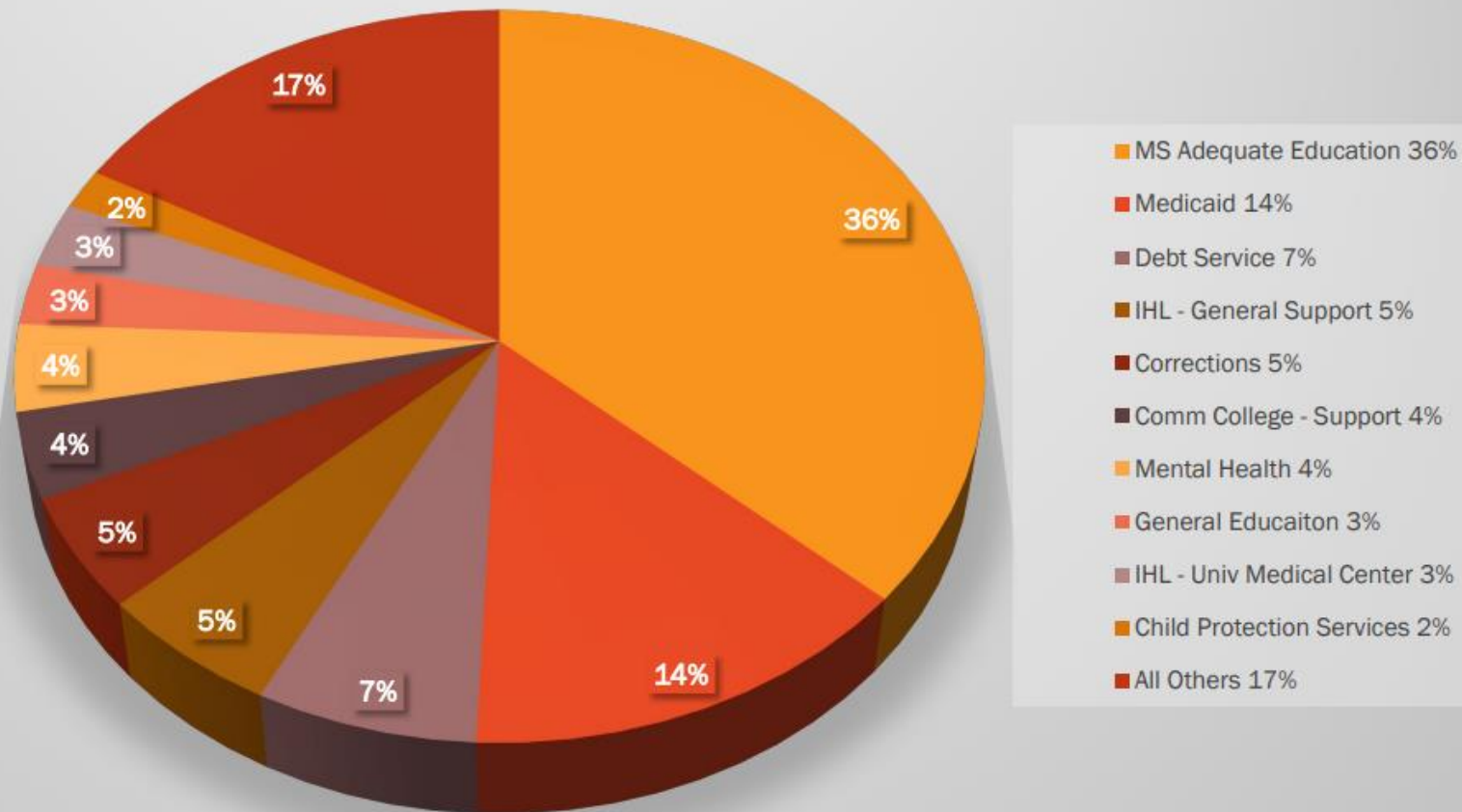
Part I - General Fund Agencies		2021 Actual	2022 Estimated	2023 Requested	2023 LBR	FY23 LBR vs FY22	
						Amount	%
<b>LOCAL ASSISTANCE</b>							
<b>Revenue - Homestead Exemption Reimbursement</b>							
	GF	79,013,472	79,013,472	90,600,000	90,600,000	11,586,528	14.7
	SSS	0	0	0	0	0	0.0
	State Support	79,013,472	79,013,472	90,600,000	90,600,000	11,586,528	14.7
	OSF	0	0	0	0	0	0.0
	<b>TOT</b>	<b>79,013,472</b>	<b>79,013,472</b>	<b>90,600,000</b>	<b>90,600,000</b>	<b>11,586,528</b>	<b>14.7</b>

# MISSISSIPPI JOINT LEGISLATIVE BUDGET COMMITTEE

## State Support for 10 Largest Budgets

	<u>LBR</u>
• MS Adequate Education	\$2,366.9M
• Medicaid	900.3M
• Debt Service	433.9M
• IHL – General Support	360.9M
• Corrections	318.9M
• Community College – Support	242.4M
• Mental Health	244.4M
• IHL – University Medical Center	171.5M
• General Education	184.2M
• Child Protection Services	112.1M

## State Support 10 Largest Budgets





MOST RECENT  
ACTIVITY OF THE  
LEGISLATURE'S PLANS  
FOR USING ARPA  
FUNDS



## LEGISLATURE'S RECENT ACTIVITY ARPA FUNDS

- Special sub-committee established by the Mississippi State Senate to study how to best spend the \$1.8 billion ARPA funds the State received. (First public meeting held 11/15/21)
- Committee members assigned to the study: Sen. John Polk (chair); Sen. Albert Butler; Sen. Dennis DeBar; Sen. Hillman Frazier; Sen. Walter Michel; Sen. Rita Parks; and Sen. Bart Williams.

# LEGISLATURE'S RECENT ACTIVITY ARPA FUNDS

- **First Study Hearing:** (11/15/21)
  - **Tony Niknejad (*Policy Director for Tenn. Gov. Bill Lee*):** facilitated on TN spending \$1.3 billion on water and sewer and \$1 billion to match local government.
  - **National Conference of State Legislatures:** representative facilitated on matching funds for local government for water and sewerage, and other projects.
  - **Mack White (*Louisiana State Senator*):** facilitated on spending \$300 million on water and sewer, also mentioned spending \$600 million in state lost revenue on their “roadbuilding fund.”

# LEGISLATURE'S RECENT ACTIVITY ARPA FUNDS

## ■ **Second Study Hearing: (11/29/21)**

### ■ State Agencies Provided A Wishlist for ARPA Funding:

- **Community Colleges** (\$84.6 million) water/sewer/broadband
- **Private Universities/Colleges** (\$39.5 million) physical infrastructure
- **State Courts** (\$13 million) updating state court system
- **Accelerate MS Workforce Training** (\$250 million) workforce development
- **MS Dept. Employment Security** (\$91.9 million) replenish unemployment trust fund
- **MS Emergency Management Agency** (\$12.9 million) staff/PPE/warehousing
- **MS Dept. Finance & Admin.** (\$553 million) State Buildings/Infrastructure & Gov. Health Insurance Plan
- **MS Development Authority** (\$102 million) tourism and grants to local tourism agencies
- **MS Department of Human Services** (\$54 million) update computer system
- **MS Department of Public Safety** (\$74.4 million) premium pay for officers dedicated to pandemic work
- **MS Department of Corrections** (\$118 million) water/sewer/stormwater
- **MS Department of Veterans Affairs** (\$30 million) relocating the Veterans Affairs Home

# LEGISLATURE'S RECENT ACTIVITY ARPA FUNDS

- **Third Study Hearing:** (12/6/21)
- Local Government Representatives Were Requested to Speak on ARPA & Water & Sewer
  - **Mississippi Association of Supervisors:** Executive Director Derrick Surrette
  - **Mississippi Municipal League:** Executive Director Shari Veasey
  - **Rural Water Association:** Executive Director Kirby Mayfield
  - Child Protective Services & Mental Health



# Mississippi Today Article

## Lawmakers receive \$7 billion in federal spending requests - Mississippi Today



### Senate Committee

#### Appropriations - ARPA Subcommittee

ARPA Subcommittee - Room 216, 6 December 2021 3:00 P.M.

**Derrick Surette:** “Counties would prefer to spend ARPA fund on badly needed road and bridge work.”

**Derrick Surette:** “If there’s one priority need for counties, it would be technical assistance. Tennessee has created such a state level program of experts and consultants to help local governments with ARPA spending.”



### Senate Committee

#### Appropriations - ARPA Subcommittee



ARPA Subcommittee - Room 216, 6 December 2021 3:00 P.M.

The background of the slide is a 3D-rendered, futuristic highway with multiple lanes, curving through a cityscape at sunset. The sky is a mix of orange, yellow, and blue, and the city buildings are silhouetted against the light. The highway has a metallic, blue-green sheen.

# FEDERAL INFRASTRUCTURE INVESTMENT & JOBS ACT

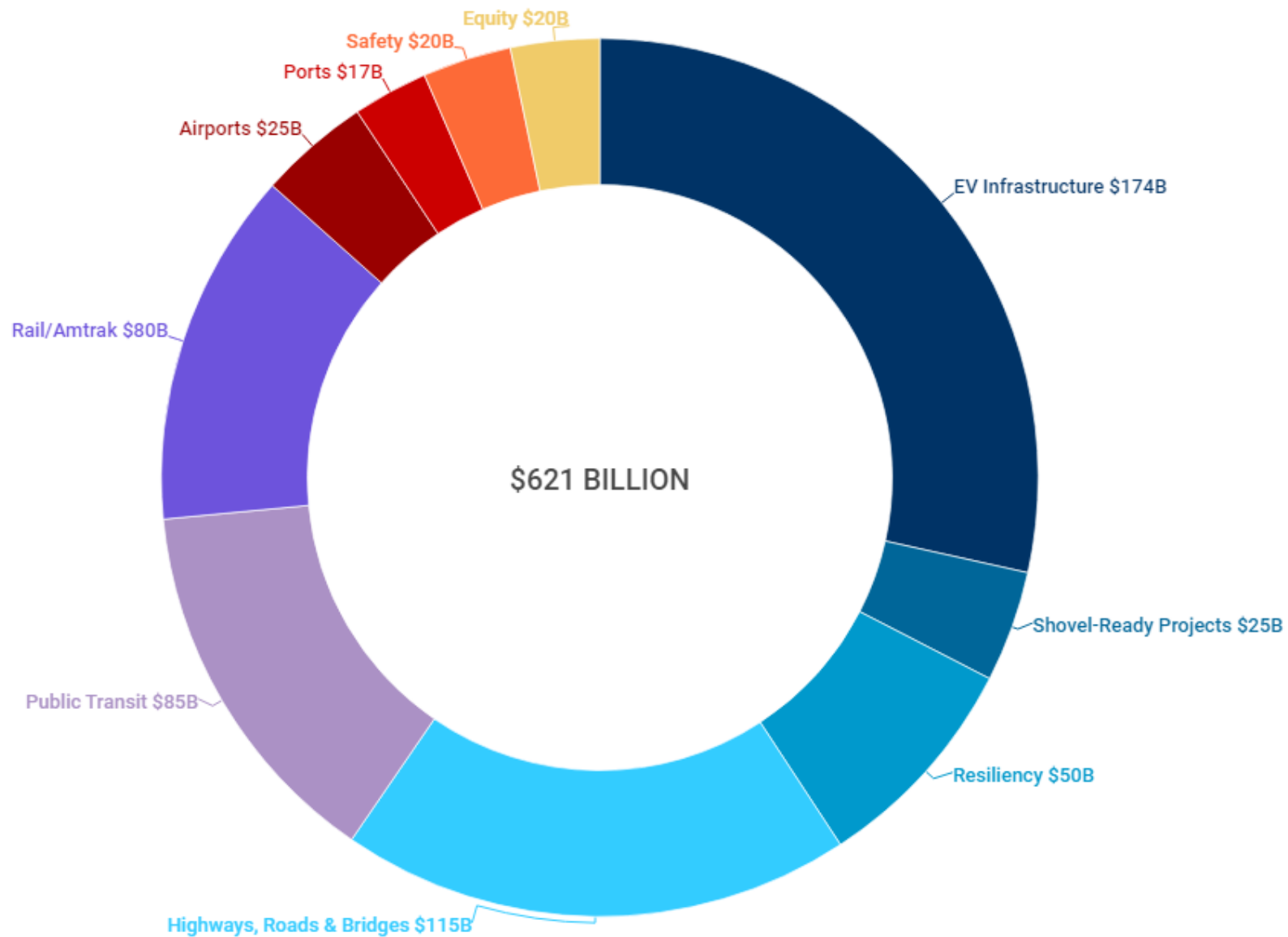
H.R. 3684

# FEDERAL INFRASTRUCTURE & INVESTMENT JOBS ACT (IIJA)

- H.R. 3684: Infrastructure Investment & Jobs Act: This \$973 billion legislation was primarily designed to address infrastructure for state of all sizes. Improvements to roadways, ports and mass transit are the main focus of the legislation and the majority of the funding is targeted at the traditional hard infrastructure projects.
- Other uses: Other aspects of this legislation also addresses, broadband, water infrastructure, cybersecurity/climate change, electric vehicles (EVs), etc.
- This measure also provided for a (3) three-year reauthorization for Secure Rural Schools Funding (SRS). (*This funding impacts the 34 Mississippi counties with national forest land*)



# \$621 Billion Investment for Transportation and Resilient Infrastructure Projects



# FEDERAL INFRASTRUCTURE & INVESTMENT JOBS ACT (IIJA)

## HOW DOES MISSISSIPPI BENEFIT FROM IIJA?

- Mississippi received \$4.4 billion from IIJA.
  - \$3.3 billion for federal aid highway apportioned programs & \$225 million for bridge replacement/repairs
  - \$51 million to support expansion of electric vehicles (EV) charging stations
  - \$100 million to help with broadband coverage across the state (531,000 population target)
  - \$429 million for improving water infrastructure
  - \$99 million for airport infrastructure development
  - \$19 million for protection against wildfires
  - \$16 million for protection against cyber attacks

- Surface Transportation Block Grant Program: **\$72 billion**
- Transportation Alternatives Program: **\$7.2 billion**
- Congestion Mitigation and Air Quality Improvement Program: **\$13.2 billion**
- Railway-Highway Grade Crossings: **\$1.225 billion**
- National Highway Freight Program: **\$7.15 billion**
- Formula Carbon Reduction Program: **\$6.42 billion**
- PROTECT Grant Program: **\$7.3 billion** (formula)/**\$1.4 billion** (competitive grants)
- Transportation Infrastructure Finance and Innovation Act of 1998: **\$1.25 billion**
- Nationally Significant Freight and Highway Projects (INFRA): **\$8 billion**
- Reducing Truck Emissions at Ports: **\$250 million**
- Healthy Streets Program: **\$500 million**
- Reconnecting Communities Pilot Program: **\$500 million**
- Highway Safety Improvement Program: **\$15.575 billion**
- Stopping Threats on Pedestrians: **\$25 million**
- Bridge Grant Program: **\$3.265 billion**
- Local and Regional Project Assistance (former RAISE Grant program): **\$7.5 billion**
- National Culvert Removal, Replacement and Restoration Grant Program: **\$4 billion**
- Safe Streets and Roads for All Grant Program: **\$1 billion**
- Public Transit Capital Investment Grants: **\$15 billion**
- Public Transit Bus Competitive Grants: **\$2.34 billion**
- Airport Infrastructure Grants: **\$3 billion annually**
- New Airport Terminal Competitive Grant Program: **\$1 billion annually**
- FAA Facilities and Equipment: **\$1 billion annually**
- Electric Vehicle Charging and Refueling Grant Program: **\$2.5 billion**
- Clean School Bus Program: **\$5 billion**
- Assistance for Small and Disadvantaged Communities Drinking Water Grant Program: **\$70 million for FY 2022; \$80 million for FY 2023; \$100 million for FY 2024; \$120 million for FY 2025 and \$140 million for FY 2026.**
- Drinking Water System Infrastructure Resiliency and Sustainability grant program: **\$50 million**
- Sanitary Sewer Overflow and Stormwater Reuse municipal grants: **\$280 million annually**
- Public Water Systems technical assistance: **\$35 million annually**

**Additional funding opportunities through competitive grants within IIJA**



# ARPA FLEXIBILITY LEGISLATION

S.3011 & H.R. 5735

# ARPA FLEXIBILITY LEGISLATION

- The Senate measure S.3011 (formally State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure and Disaster Relief Flexibility Act) would provide additional flexibility for the \$350 billion Coronavirus State and Local Fiscal Recovery Fund authorized under the American Rescue Plan Act (ARPA)
- On October 19<sup>th</sup> the U.S. Senate passed the bipartisan bill, and its companion legislation (H.R. 5735) has been introduced in the U.S. House Chamber awaiting a vote. If enacted, the bill would allow counties nationwide to use a total of over \$27 billion for new transportation and infrastructure projects and over \$17 billion for government services.

# ARPA FLEXIBILITY LEGISLATION

Specific Provisions on Treasury ARPA Flexibility for counties:

- **Infrastructure Flex Allowance:**
  - Up to \$10 Million or 30% of a county's total Treasury ARPA allocation
  - Funds must be obligated by **Dec. 31, 2024** and spent by **Sept. 30, 2026**
- **Allowance for Government Services:**
  - Up to \$10 Million of a county's total Treasury ARPA allocation may be used for “government services” as defined under the treasury's guidelines
  - Excludes use for rainy day/reserve funds, legal settlements, pension obligations and debt payments



**LATEST UPDATE  
FROM U.S. TREASURY**

# UPDATE FROM U.S. TREASURY

**On October 10, U.S. Treasury released a statement on the progress of the Recovery Fund Final Rulemaking:**

- U.S. Treasury reviewing **over 1,000 public comments** in response to the Interim Final Rule (IFR)
- Currently **expect a final rule to be delayed** until later this fall or early 2022
- Until Treasury a Final Rule becomes effective, ***the Interim Final Rule (IFR) remains binding and effective***
- **Funds used in a manner consistent during the Interim Final Rule period** will ***not*** be subject to recoupment
- **Counties may use the IFR to interpret** whether their use of funds meet the criteria of what is eligible
- **Counties may also consider FAQs issued by Treasury** to help assess whether a project or service would be an eligible use of Coronavirus State and Local Fiscal Recovery Funds



# REPORTING REQUIREMENTS

Treasury released new guidance on June 17 for county reporting requirements:

- **Interim Report:** Due by August 31, 2021, the Interim Report requires **all counties** to report programmatic data for spending between March 3 and July 31, 2021
- **Project and Expenditure Report:** These reports require project and expenditure data for awards and sub-awards, demographic information for each project, and other programmatic data
  - **Initial Project and Expenditure Report is due **JANUARY 31, 2022****
  - **Reporting will cover the period between March 3, 2021 and December 31, 2021**
    - For counties with **awards above ~~\$5 million~~ \$10 million**, project and expenditure reports are **due quarterly** (*The subsequent quarterly reports will cover one calendar quarter and must be submitted to U.S. Treasury within 30 days after the end of each calendar quarter.*)
    - For counties with **awards under ~~\$5 million~~ \$10 million**, project and expenditure reports are **due annually** (*The initial project expenditure report for annual filers will be due April 30, 2022 and will cover the period of March 3, 2021 to March 31, 2022. The subsequent annual reports must be submitted to Treasury by April 30 each year.*)

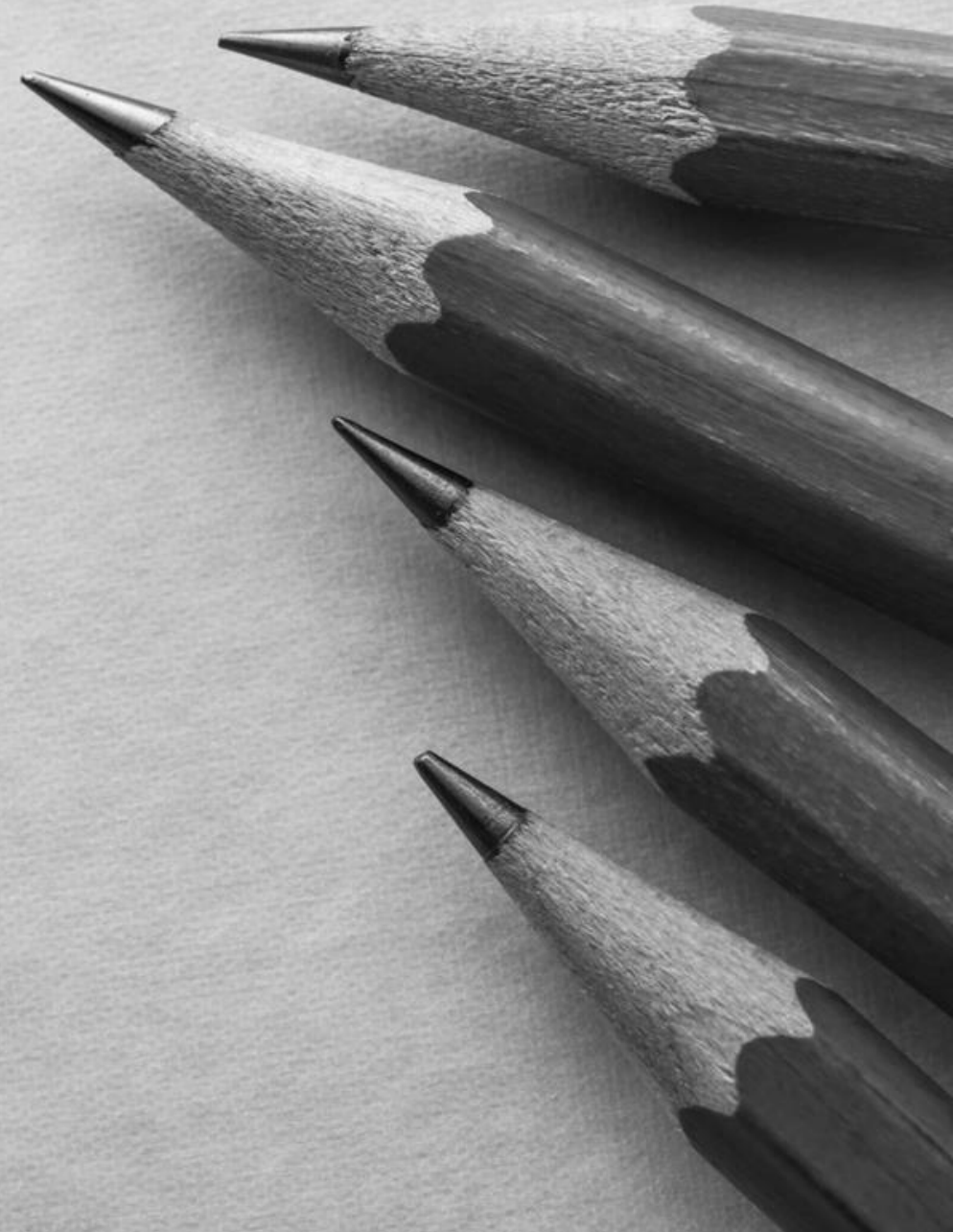


**RECAP OF  
GENERAL  
POLICY ISSUES  
IMPACTING  
COUNTIES**

# RECAP OF GENERAL POLICY ISSUES IMPACTING COUNTIES

- Homestead Exemption Reimbursement
- Removal of the State Income Tax
- Legalizing Medical Marijuana
- Additional Infrastructure Funding
- Adequate E-911 Funding
- Redistricting
- Public Sector Salaries
- CONTINUOUS MONITORING OF UNFUNDED MANDATES

RECAP OF THE  
MISSISSIPPI  
ASSOCIATION  
OF SUPERVISORS  
2023 LEGISLATIVE  
PROPOSALS



# MAS 2023 LEGISLATIVE PROPOSALS

- **Proposal 1**

The Mississippi Association of Supervisors requests legislation that provides for county supervisors' discretionary authority regarding their salary

- **Proposal 2**

The Mississippi Association of Supervisors requests legislation that fully funds the Homestead Exemption Reimbursement at \$90.6 million.

- **Proposal 3**

The Mississippi Association of Supervisors requests legislation that provides for increased revenue for 911 funding.

- **Proposal 4**

The Mississippi Association of Supervisors requests legislation that provides for another round of Rural Fire Truck Funding

- **Proposal 5**

- The Mississippi Association of Supervisors requests legislation that will shift the funding for the First Responders Health and Safety Act to the state funding level



QUESTIONS??

