



Equitable Rescue & Recovery Budget: 2021 Special Session

Background

The American Rescue Plan Act of 2021 has provided essential relief to Virginia, including funds for childcare, rental assistance, mortgage assistance, utility assistance, public schools, colleges and universities, unemployed workers, capitol fund projects, and health and pandemic response. In addition to these targeted funds, \$4.3 billion remains available for state fiscal rescue and recovery. VICPP recommends that these remaining dollars be invested in the items below to ensure equitable recovery for all families in Virginia. VICPP's priorities are focused on expanding resources and strengthening the infrastructure for low-income families' most basic needs: housing, food, unemployment, and broadband.

Housing and Utilities

- \$430 million to create 7,000 new, permanent, affordable housing units. Full proposal available from the Virginia Housing Alliance.
- \$30 million for legal services to prevent evictions and increase housing stability for low-income families. Proposal by the Legal Services Corporation of Virginia and recommended by the Department of Housing and Community Development.
- \$190 million to clear all utility assistance arrears. Proposed by the Department of Social Services.
- **Total cost: \$670 million**

Food Assistance

- \$32.2 million for extra food and support for food banks (\$18 million for a Virginia Farms to Virginia Families initiative, \$10 million for purchasing food, \$2 million for food bank warehouse renovations and improvements, \$1.2 million to strengthen connections between food access program and healthcare sector, \$1 million for Virginia Fresh Match expansion). Full proposal available from Virginia Federation of Food Banks.
- \$4.6 million to increase the WIC voucher benefit for fruits and vegetables during the pandemic. Proposed by the Department of Health.
- **Total cost: \$36.8 million**

Broadband

- \$16 million to assist in connecting low to moderate income residents to existing wired broadband networks. Proposed by the Department of Housing and Community Development. This could be through the Capitol Project Fund.
- \$16.5 million to subsidize helping low-income people access broadband. Proposed by the Department of Social Services and supported by the Department of Housing and Community Development, Fund our Schools, and the Commonwealth Institute.
- \$5.5 million for broadband wiring at all low-income public housing units. Proposed by the Department of Social Services.
- **Total cost: \$38 million**

Unemployment

- \$70 million for payments to the 70,000 people who filed for unemployment but whose claims were not processed within 30 days of when they submitted their applications. Proposed by the Unemployment Action Coalition of Virginia, which VICPP recently joined.
- \$43.2 million to upgrade the Virginia Employment Commission's antiquated IT system to address longstanding issues and address the backlog of unemployment claims. Proposed by the Virginia Employment Commission.
- \$46 million to add staff to call centers and adjudication officers to handle the increased volume and address the backlog of unresolved cases. Proposed by the Virginia Employment Commission.
- **Total cost: \$152 million**

Child Tax Credit Outreach

- \$.75 million for outreach on the child tax credit. Proposal recommended in Department of Social Services budget proposal and supported by the Commonwealth Institute for Fiscal Analysis.
- **Total cost: \$750,000 (\$.75 million)**

Other: The following are additional important uses of funds.

- The Virginia Poverty Law Center has additional priorities on family and child welfare and housing.
- The AFL-CIO is supporting a proposal in the Secretary of Labor's budget proposals for \$1,000 Hero Grants to low-wage frontline essential workers who were employed during the pandemic.
- The Virginia Community Services Boards are proposing that \$80 million be allocated to the Virginia Community Service Boards to improve workforce development, state hospital diversion/discharge systems, physical infrastructure, and IT and administrative infrastructure.
- Virginia Interfaith Power and Light has proposals for environmental justice.