MAS' WEEKLY LEGISLATIVE UPDATE VOLUME 10 March 10, 2023

The 2023 Regular Legislative Session

The Tenth week of the 2023 Regular Legislative Session is now complete. The deadline for original floor action on general bills and constitutional amendments originating in other house has passed. The deadline for original floor action on appropriations and revenue bills originating in other house is Tuesday, March 14th.

Comprehensive Mental Health Bill Receive Favorable Amendment House Bill 1222

<u>House Bill 1222</u> introduces and creates The Mississippi Collaborative Response to Mental Health Act. This measure takes a comprehensive approach towards addressing mental health regarding appropriate evidence based mental health first aid training, specialized mental health treatments, various aspects of program governance, and the possibility of mental health patient housing. Last week MAS held a Friday ZOOM call to identify and highlight language that presented a clear unfunded mandate to county government. This language was located in Section 8 of the bill.

Currently, the unfunded mandate language is stripped out the bill, and now there is language that requires reporting to the State Department of Mental Health regarding data as it pertains to any civil commitments as it pertains to how long they are held in the county jails and the cost of housing. **NOTE:** This measure will now head back to the House Chamber for Concurrence or Non-concurrence.

Measure Allowing for Counties to Spend ARPA Funding During Last 6 Months of the Term Heads to the Governor <u>Senate Bill</u> <u>2734</u>

On Thursday, March 9th, <u>Senate Bill 2734</u> was sent to the Governor. The due date from the Governor is set for 3/15/23. This measure permits county boards of supervisors to expend federal American Rescue Plan Act (ARPA) funds during the last six (6) months of the term of office. In addition, with the House Chamber amendment, this measure allows any matching funds required under ARPA to be expended during the last six months of the term as well.

CALL TO ACTION

House Bill 1111

<u>House Bill 1111</u> was a measure originally drafted to address county court jurisdiction for termination of parental rights when it passed the House Chamber. Yet, when it got to the Senate, this measure was amended with a committee strike all amendment and the entire body of the language addressing parental rights were removed and it was replaced with language creating a statewide county court system with unfunded mandates. Please contact your House of Representative member and request that the Senate "Strike All Language Be Removed" or that House Bill 1111 be defeated.

NOTE: This measure has been transferred back to the House Chamber for Concurrence or Nonconcurrence. **Please request that the House invite conference and <u>NOT CONCUR</u> with the senate language.**

Additional Use Tax Diversion Revenue Stripped out of House Bill 1734, Now Located in <u>Senate Bill 2692</u>

The House Chamber agreed to amend and insert language that will increase the use tax diversion in <u>Senate Bill 2692</u>. As a reminder, this will allow for an additional one percent increase for the 5% use tax diversion. Instead of the current 5% diversion, it will now be a 6% diversion. This additional percentage is estimated to create an additional \$25 million for the diversion. **NOTE:** This will be new money added to the current use tax funding structure, and a new split will be established between the Local Systems Bridge Program and funding for the State Aid Road Construction Program. This measure will now head to the Senate Chamber for committee consideration. **NOTE:** The Senate declined to concur with this change and invited conference

HOUSE & SENATE will reconvene on Monday at 4pm.

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Join us next Friday, March 17 at 10:30 a.m. for our weekly legislative Zoom call.

Join Zoom Meeting: https://uso6web.zoom.us/j/3852299667

Or Call in at: 888.788.0099 **Then Enter** Meeting Id Number: 385 229 9667

Update from the U.S. Department of Treasury New reporting requirements for the upcoming Project and Expenditure (P&E) Report

Reports are due April 30, 2023 for the ARPA State and Local Fiscal Recovery Fund. Counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding. **The portal will not open until April 1, 2023, for counties to submit their P&E Reports.** These updates apply to all counties unless a county allocated its entire ARPA allocation towards the \$10 million revenue loss standard allowance.

The P&E Report updates include:

- 1. **Unique Entity ID Requirements for Subrecipients and Contractors:** All subrecipients and contractors are required to have a Unique Entity ID (UEI) and have that number included as part of the reporting process. The UEI is the replacement for the previously used DUNS numbers, and they are issued by SAM.gov. While this requirement is not new, starting in April 2023's P&E Report the report form will now return an error when no valid UEI is provided when creating new Subrecipient or Contractor entities. This was previously not explicitly required, but strongly urged by Treasury.
 - 2. Treasury has stated that for the April 2023 P&E reporting form, **if a preexisting subrecipient or contractor record does not have a UEI, the system will simply flag it as a warning but not prevent them from submission of the entire P&E report.**
 - 3. However, **ANY NEW** subrecipient or contractor records will be required to have their UEIs provided and they cannot create those entities without one.
 - 4. Treasury has stated they **DO NOT KNOW** how long they will be able to keep this flexibility available after April 2023 so **counties should get their UEIs together ASAP**.
- 1. New Subaward/Direct Payments Entity Type: All Subawards/Direct Payments records will be required to have an "entity type" selected before a subaward can be created. This field will capture whether the entity receiving the award or payment is a Subrecipient, Contractor, or Beneficiary. If a county attempts to create a new subaward for a subrecipient without a populated entity type field will result in an error.

For more information, please see <u>Treasury's Recipient Compliance and Reporting Guidance page.</u>

Click the following link for January 2023 Project and Expenditure Report User Guide

Quarterly Reporting: Project and Expenditure Report Requirements

The following recipients are required to submit quarterly Project and Expenditure Reports:

• Counties with a population that exceeds 250,000 residents

• Counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding

- NEUs that are allocated more than \$10 million in SLFRF funding
- Tribal Governments that are allocated more than \$30 million in SLFRF funding

For recipients who completed their first quarterly reporting in the April 2022 cycle, their first Project and Expenditure Report covered the period from March 3, 2021 to March 31, 2022 and was required to be submitted to Treasury by April 30, 2022.

The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury by the last day of the month following the end of the period covered. Quarterly reports are not due concurrently with applicable annual reports.

Annual Reporting:

The following recipients are required to submit annual Project and Expenditure Reports.

2023 Due Date: April 30, 2023

Counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding

• NEUs that are allocated less than \$10 million in SLFRF funding