

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** HB1963

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Bagby

**3. Committee:** Committee Referral Pending

**4. Title:** Cooperative local health budget; report.

**5. Summary:** Provides that funding for local health departments shall consist of such state funds as may be allocated for the operation of the local health department together with local matching funds and estimated self-generated local service revenues, the total amount of which shall constitute the cooperative local health budget available to a local department of health, and that the amount of local matching funds for which a county or city is responsible shall be based on the county's or city's revenue generation capacity factor, as defined in the bill; in no case, however, shall the amount of local matching funds required be greater than 45 percent or less than 18 percent of the total amount of the cooperative local health budget for the local health department that serves the county or city, after deducting estimated self-generated local service revenues. The bill directs the Department of Health to biennially review the local matching fund amount for each county and city, determine whether such amount should be revised as a result of changes to the county's or city's revenue generation capacity, and report the results of such review and any recommendations for changes to a county's or city's local matching fund amount to the Governor and the General Assembly.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** See item 8.

**8. Fiscal Implications:** This provisions of the bill would require the Virginia Department of Health to review the local match rates, as determined by the localities' revenue generation capacity factor, every two years and to report the findings from the review and recommendations to the Governor and General Assembly for consideration. Recalculating the rates and making recommendations would not have a fiscal impact and can be absorbed within existing resources.

Furthermore, \$10.2 million has been provided in the introduced budget to address updating the match rates for FY22. The impact of future updates to the match rates cannot be determined at this time, but if the intent is to update the rates based on future recommendations VDH may require additional general fund resources.

**9. Specific Agency or Political Subdivisions Affected:** Local Governments, Virginia Municipal League, Virginia Association of Counties

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.