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October 1, 2021

Senator Lee Schoenbeck, Chair  
Representative Kent Peterson, Vice-Chair  
COVID Relief Liaison Committee – 2021  
Capitol Building, 3<sup>rd</sup> Floor - 500 East Capitol Avenue  
Pierre, SD 57501

Dear Chairman Schoenbeck and Vice-Chair Peterson,

AARP South Dakota, on behalf of our over 100,000 members, would like to thank you for your efforts and leadership throughout the COVID-19 pandemic. We recognize that while the worst of this unprecedented time may be behind us, many issues which disproportionately impact older South Dakotans have surfaced during the pandemic that require continued action from our state. As you prepare to budget and appropriate funds from the American Rescue Plan Act, AARP South Dakota encourages you to address these challenges by strengthening South Dakota's long-term care services and supports, and improving health disparities, housing, and public transportation.

### **Long-Term Care Services and Supports**

On May 13, 2021, the Centers for Medicare & Medicaid Services issued [guidance](#) to states on the temporary enhanced funding for Medicaid Home and Community Based Services (HCBS) under the American Rescue Plan Act. The State Medicaid Director Letter ([SMDL #21-003](#)) provides guidance to states regarding the implementation of the temporary increase to South Dakota's federal medical assistance percentage (FMAP) of 10 percentage points for certain Medicaid HCBS expenditures under ARPA.

This temporary FMAP increase is available to states beginning April 1, 2021 through March 31, 2022, and the guidance provides that state funds freed up (i.e., state funds equivalent to the amount of federal funds attributable to the increased FMAP) can be used through March 31, 2024 to improve HCBS in the state (specifically to enhance, expand, or strengthen HCBS). Examples include increasing access to HCBS for Medicaid beneficiaries, programs to recruit and retain direct care and other HCBS workforce, safeguarding the financial stability for HCBS providers, and accelerating meaningful reform of long-term services and supports. Given a vast majority of South Dakotans want to live independently in their homes and communities, AARP urges South Dakota to take advantage of this unique opportunity to use this increased funding to supplement existing state HCBS efforts.



## Health

The American Rescue Plan Act funding provides an opportunity for the state to make meaningful progress in other areas of long-standing need which were worsened by the pandemic. We urge the state to closely examine its health care capacity, behavioral health support, telehealth availability, and other areas impacting health care to determine how the new federal funding could best help. In addition, because the pandemic has unequally impacted certain populations, the American Rescue Plan Act allows states to address health disparities and social determinants of health through funding for community health workers, public benefits navigators, and other supports. We strongly encourage the state to examine the factors that contribute to increased health risks among low-income populations, people of color, and rural populations that have been disproportionately impacted by the pandemic in South Dakota and begin to address those factors so that all South Dakotans enjoy a fair and just opportunity to lead longer, healthier lives.

## Housing

The affordability and supply of housing in South Dakota has been strained in the last year as a result of the economic impacts associated with the pandemic. [As of July 5, 2021, 19% of renters are behind in South Dakota, which is one of the highest in the country.](#) Nationwide, an estimated 11.9 million adults living in rental housing, which is close to 16% of adult renters, were not caught up on rent, according to data collected between September 1-13, 2021 by the [Center on Budget and Policy Priorities](#). Therefore, placing them at heightened risk of losing their homes to foreclosure or eviction over the coming months. Households with less than \$75,000 in annual income are more than twice as likely to be behind on their payments than other households.

Many South Dakotans struggle to pay their rent or mortgage, find themselves living in units that are inaccessible or isolated, and are anxious for solutions that will help them stay housed in the future, particularly as national, state or local eviction moratoria come to an end. Recently announced ARPA-funded programs – including the *Home and Community-Based Services* (HCBS) funding, the *Emergency Rental Assistance* program (ERA), and the new *Homeownership Assistance Fund* program (HAF) – represent important opportunities for South Dakota to protect renters and homeowners from eviction, and can be used to fund programs and supportive services to allow people to safely age in place.

As discussed above, provisions included in ARPA allow states to utilize expanded Medicaid funds to enhance, expand, or strengthen HCBS, which can be used to provide necessary care that allows older adults to safely age in place. Under ERA funding is available to help renters, and simplifies documentation requirements, allows payments to be made direct to tenants, and expands the eligible uses to include relocation expenses. South Dakota was allotted [\\$200,000,000 under the first tranche of ERA](#) and [\\$152,000,000 under the second tranche of ERA](#). As of [July 31, 2021, according to the Department of Treasury](#) reporting, South Dakota has spent only 2.5% of the money allotted under ERA #1 (\$4,500,000 out of \$200,000,000), whereas the money under ERA #2 has not been used at all. Under HAF, South Dakota has been allocated \$50,000,000, which can be used to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial

hardship after January 21, 2020. States are encouraged to make full use of these programs, and actively communicate to South Dakotans how they can avail themselves of the assistance.

## **Public Transportation**

AARP believes all people need access to a variety of travel options, regardless of characteristics such as age, ability level, income, race, and ethnicity. ARPA funds provide a unique opportunity to expand and improve affordable and accessible public transportation programs, which address the needs of not only South Dakotans who cannot or choose to no longer drive, but also those who benefit from a robust and affordable transportation network that serves the needs of all. Funds made available through ARPA (as well as prior funding allocations in the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act of December 2020) should be considered for use in ways that enable service providers to offer service levels that meet demand and encourage ridership.

In particular, AARP encourages you to consider using the funds to: maintain and increase investment in improved public transit systems; actively promote the use of public transportation; require public transit systems to implement and enhance safety regulations and mechanisms; encourage transit authorities to reduce fares for low income people and those with disabilities, including policies to implement free public transit where appropriate; and encourage ride-sharing, volunteer programs, and other low-cost programs to help meet older adults' transportation needs.

The pandemic exposed the economy's reliance on public transit, particularly among essential workers who depend on public transportation to access jobs. While transit ridership fell sharply during the pandemic, it appears to be picking up in the wake of increasing vaccinations.

We would like to thank you again for your service to our state and for your leadership during these challenging times. AARP South Dakota is committed to working with you to make these critical improvements in our state. If you have questions or wish to discuss these items further, please contact AARP South Dakota's Advocacy Director, Erik Nelson, at [enelson@aarp.org](mailto:enelson@aarp.org) or 605-362-3045.

Sincerely,



Erik Gaikowski  
State Director  
AARP South Dakota

