Recovery Office Overview

November 28, 2022

Developing a Recovery Framework

Even before Congress acted, Colorado was building a publicly informed recovery framework that resulted in over a hundred bills that used either SLFRF or one-time State funding to make transformative investments in Colorado's recovery and future.

Colorado Recovery Plan Goals

1. STRENGTHENING SMALL BUSINESSES
2. REVITALIZING OUR INFRASTRUCTURE
3. SUPPORTING COLORADO FAMILIES
4. INVESTING IN RURAL COLORADO
5. DEVELOPING OUR WORKFORCE

- Build Back Better Listening Tour
- Interim Committees
  - Student Success & Workforce Revitalization
  - Affordable Housing Transformational Task Force
  - Behavioral Health Transformational Task Force
  - Economic Recovery & Relief Task Force

Bipartisan Agreement for Splitting ARPA Funds into Three Major Categories

Major Legislation

CARES Act

March 27, 2020
Created the Coronavirus Relief Fund (CRF) and many direct investments

H.R. 133

Dec. 27, 2020
Appropriations bill increasing emergency COVID-19 relief

Colorado Recovery Plan

March 10, 2021
CO's ~$700M bipartisan plan to spend one-time State GF stimulus funds.

American Rescue Plan Act (ARPA)

March 11, 2021
Created the State and Local Fiscal Recovery Relief Fund (SLFRF), with $3.8B coming to CO

Infrastructure Investment and Jobs Act (IIJA

Nov. 15, 2021
Based on current federal guidance, Colorado could receive ~ $4.1 billion to $7.1 billion.

Inflation Reduction Act (IRA)

Aug. 12, 2022
Over $500M in spending and tax credits.

ARPA SLFRF Key Dates

SLFRF Interim Rule

May 17, 2021
First detailed account of guidance on uses.

2021 Legislative Session

May/June 2021
$1.26B of SLFRF appropriated and structure created for overall spending

SLRF First Reporting

Aug. 31, 2021
First detailed accounting and performance reporting to US Treasury

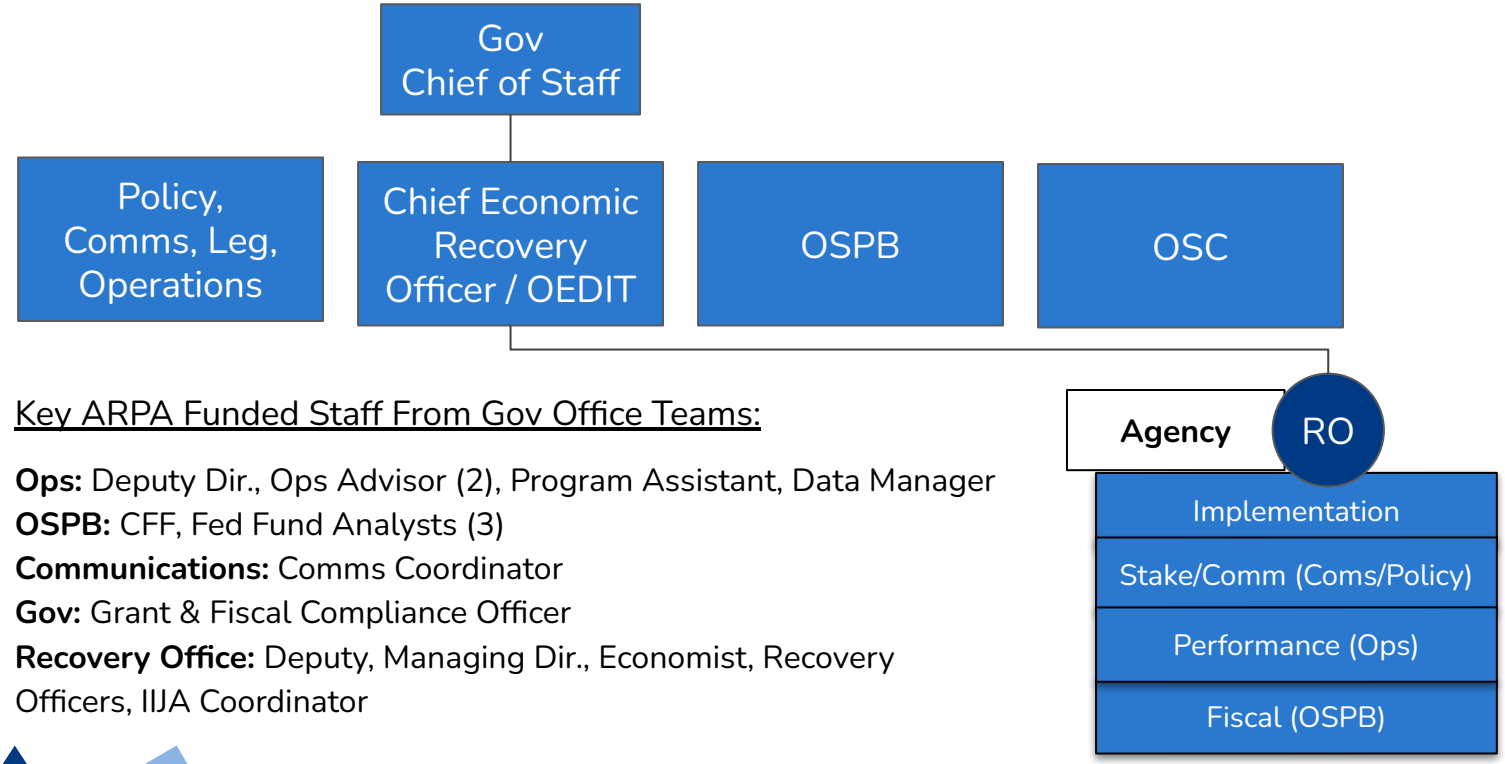
SLFRF Final Rule

Jan. 27, 2022
Final guidance to States with some significant changes

2022 Legislative Session

Spring, 2022
All but ~$300M remaining of the $3.8B appropriated

Economic Recovery Management Framework



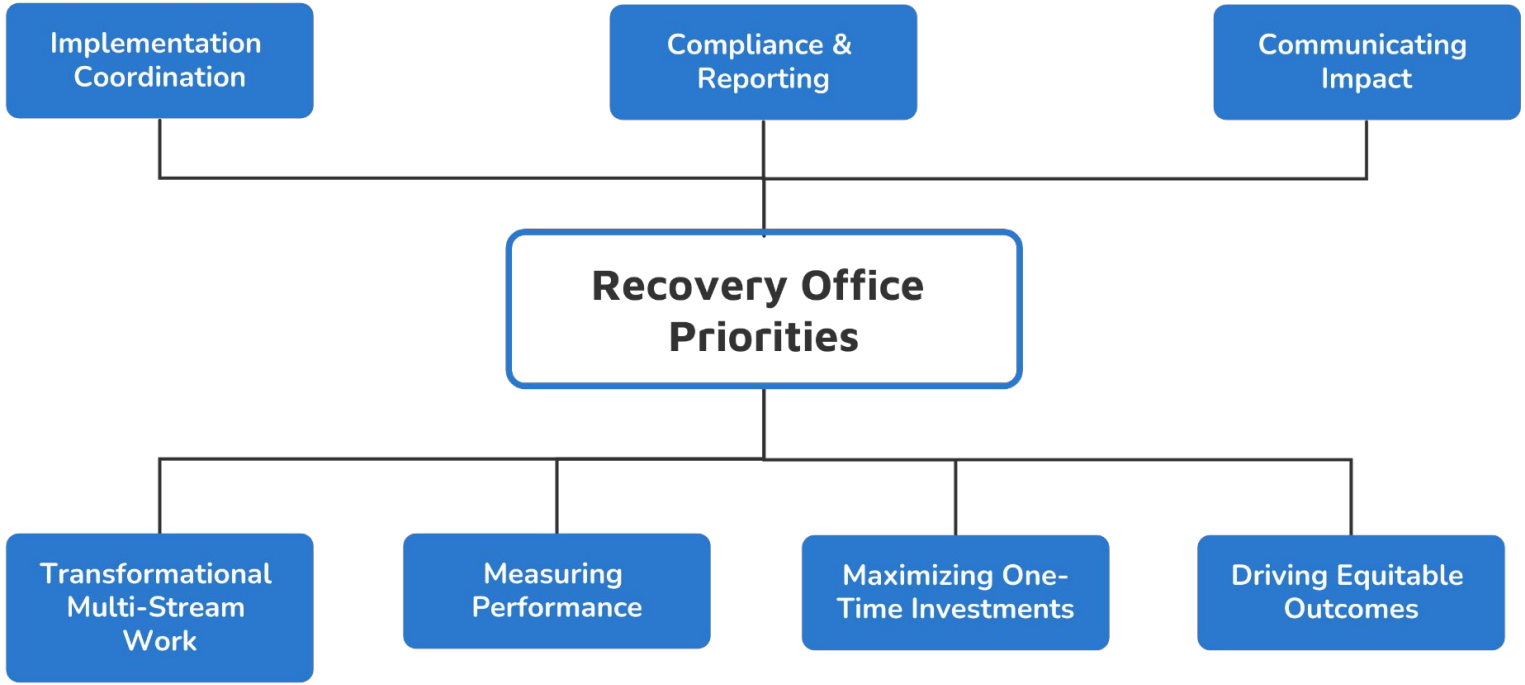
Key ARPA Funded Staff From Gov Office Teams:

Ops: Deputy Dir., Ops Advisor (2), Program Assistant, Data Manager
OSPB: CFF, Fed Fund Analysts (3)
Communications: Comms Coordinator
Gov: Grant & Fiscal Compliance Officer
Recovery Office: Deputy, Managing Dir., Economist, Recovery Officers, IIJA Coordinator

Agencies with ROs:

CDLE, DOLA, OIT, DEC, DHE, CDPHE, BHA, CEO, HCPF, CDA, CDHS, CDOT, CDE, DNR

Recovery Office Priorities

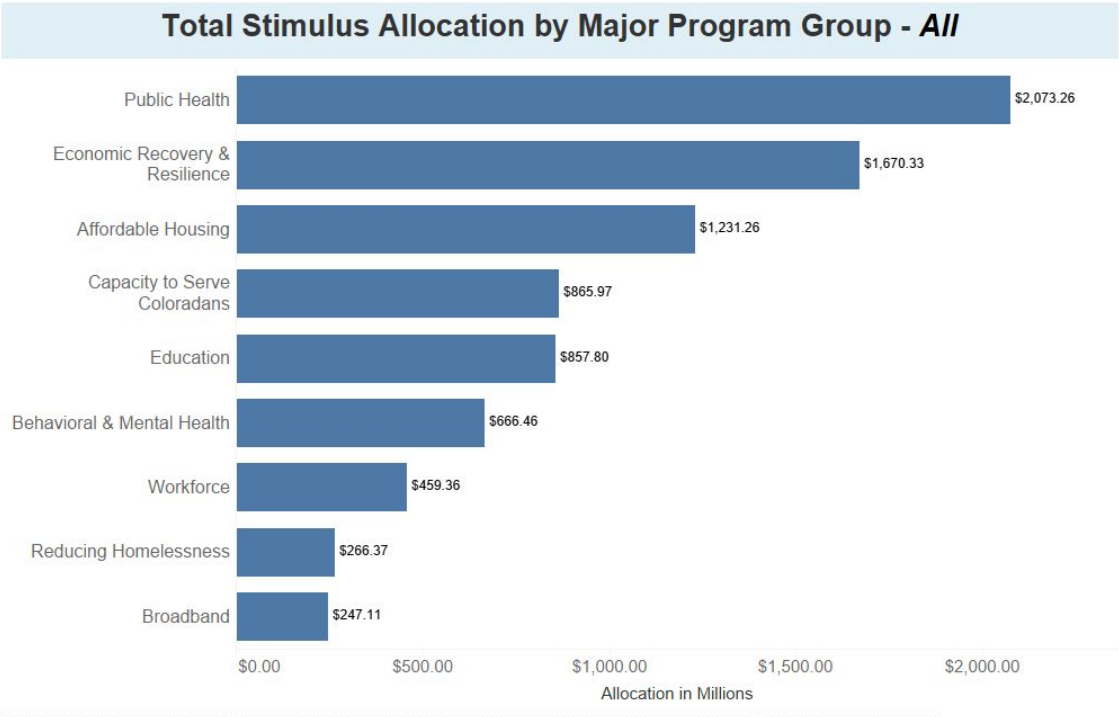


Total Stimulus Funding Tracked/Coordinated

We have been monitoring and coordinating nearly $8.5 B in one-time stimulus funds

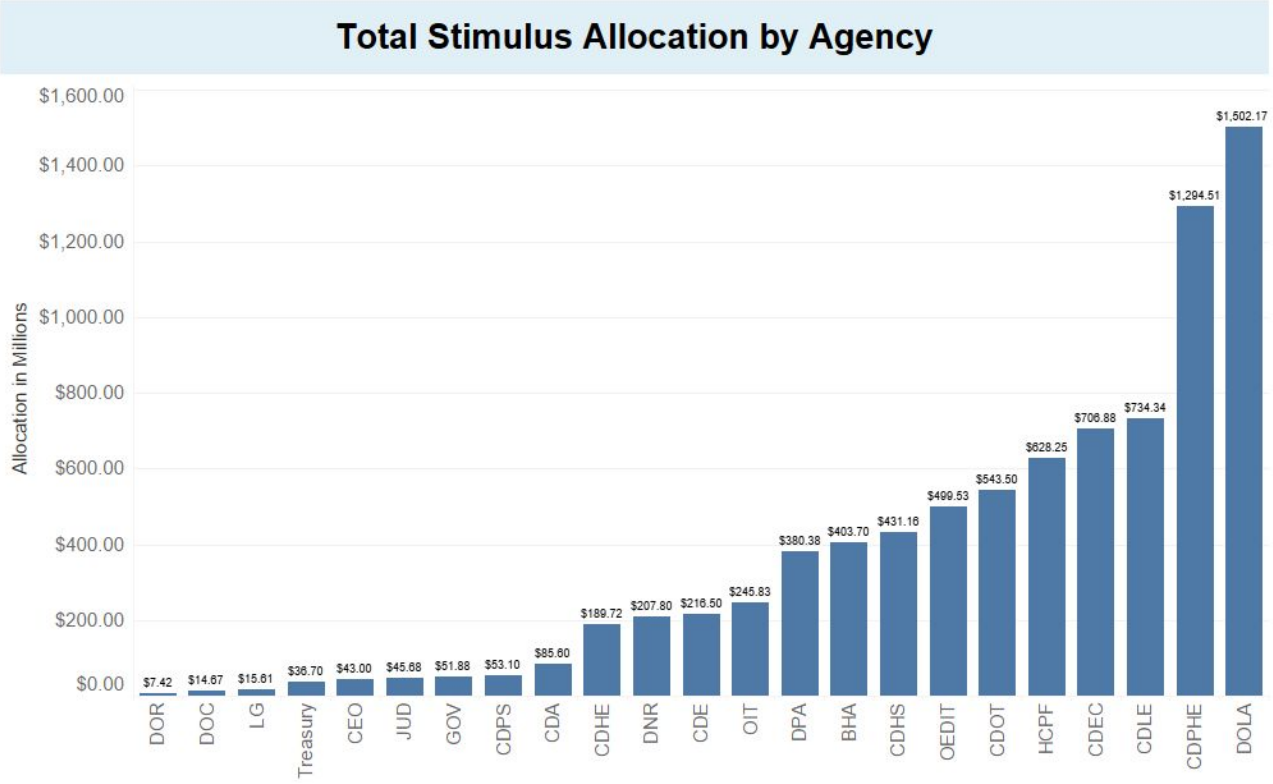
ARPA SLFRF ($B)*	**$3.83**
ARPA Direct to Agencies ($B)**	**$3.55**
State General Fund ($B)	**$1.27**
Total Stimulus Funds ($B)	**$8.45**

**Includes $305M of SLFRF that is left to be appropriated.*
***Does not include some larger funds such as a majority of ESSER, HEERF, and FMAP.*



Total Agency Funding Tracked/Coordinated

The nearly $8.5 B in one-time Stimulus Funds have been coordinated across over 20 agencies/offices



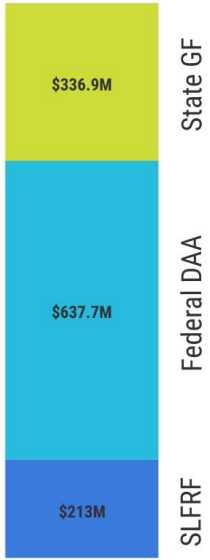
Three Examples of the Interplay of Funding

For three agencies receiving significant funds, there is a very different level of balance in funding received across funding sources.

DOLA: Affordable Housing

Direct to Agency Awards:

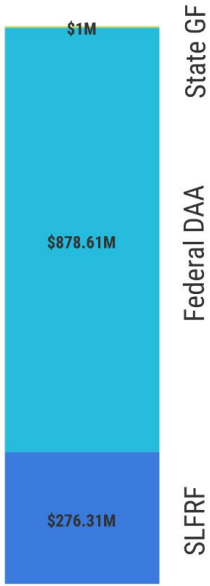
- ERA ($456.1M)
- Homeowner Assistance ($175M)
- Vouchers ($6.5M)



CDPHE: Public Health

Direct to Agency Awards:

- CDC ($878.61M)



Behavioral Health Administration

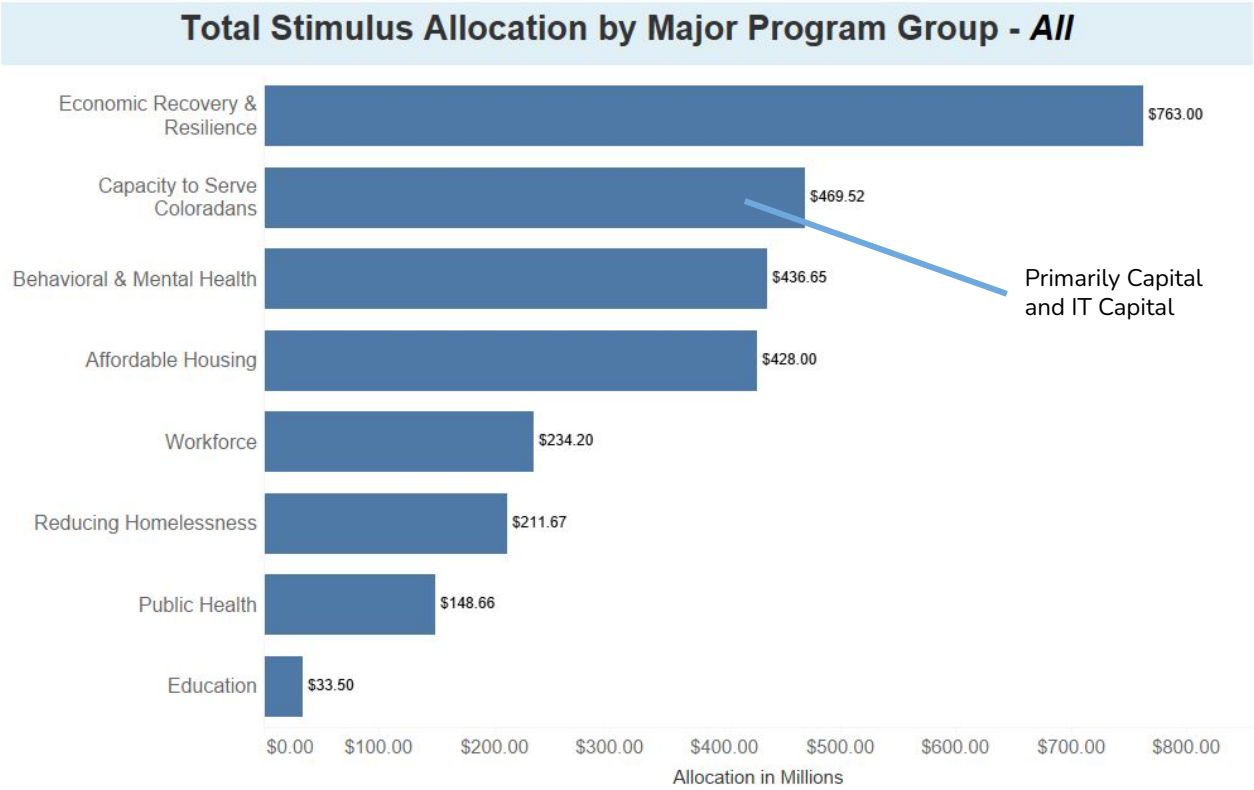
SLFRF Awards:

- 2021($84.8M)
- 2022 ($211.2M)

2022 Program Breakdowns

Almost all of the investments in 2022 were SLFRF.

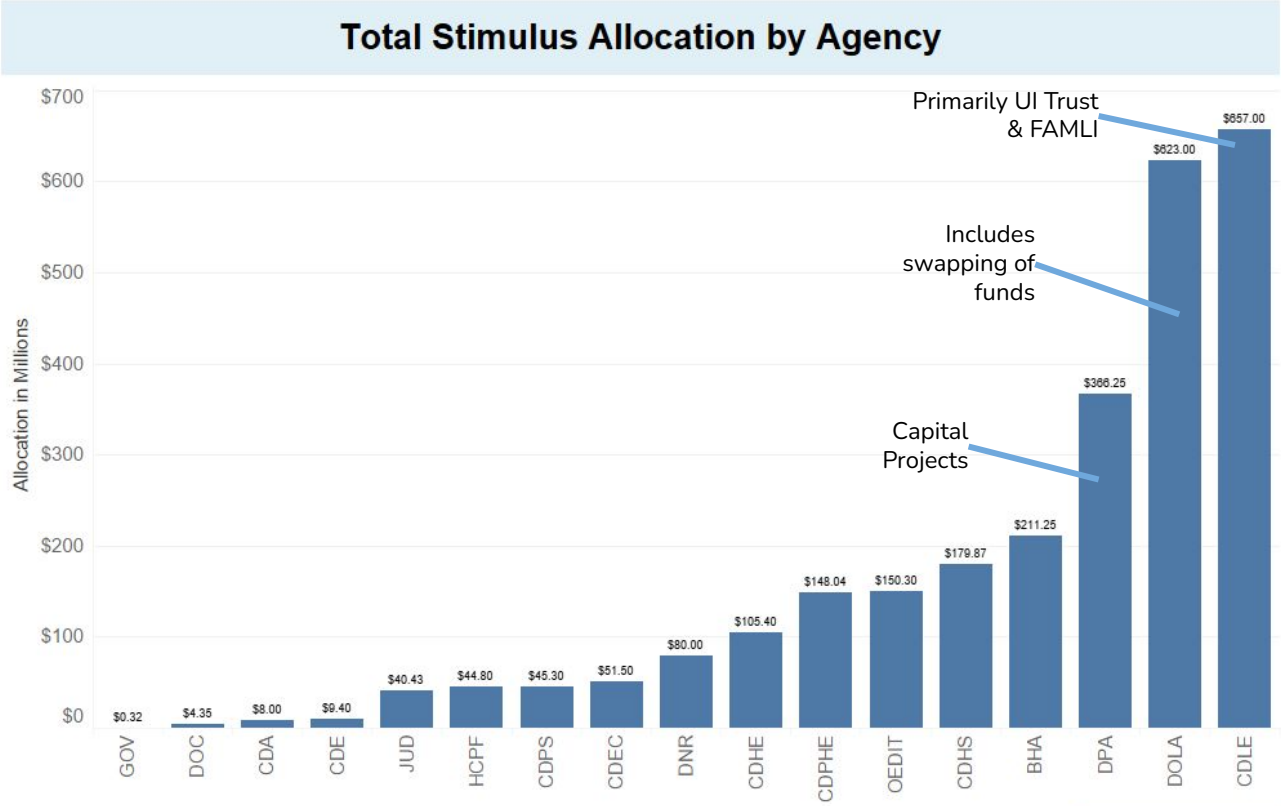
Economic Recovery and Resilience includes the $600M UITF investment.



2022 Investments by Agency

CDLE and DOLA numbers include large investments and GF Swaps.

Capital projects were made SLFRF to allow for GF to be used for loans in areas such as affordable housing.



Major Performance Implementation Areas

As we move forward with implementation of new programs, nine major program areas have been established across ARPA and Colorado Stimulus (general fund) investments to implement a comprehensive strategic vision that allows for the ongoing development and tracking of performance measures across 435 programs.

- Economic Recovery & Resilience
- Workforce
- Public Health & Safety
- Behavioral & Mental Health
- Affordable Housing
- Reducing Homelessness
- Capacity to Serve Coloradans
- Broadband
- Education

Meeting Treasury Requirements

Over the last year and a half, we have been adapting to evolving requirements and guidance to develop structures for implementing stimulus funding. The overall goal is to ensure we are maintaining the most funding for Colorado and maximizing transformation.

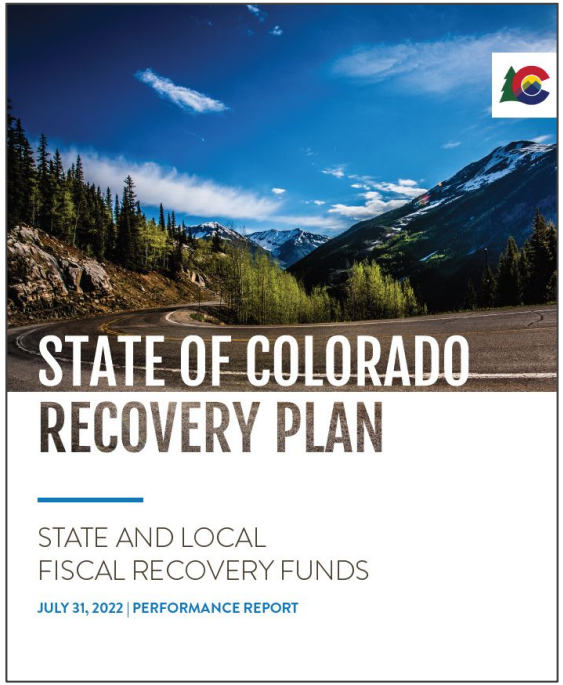
Treasury Requirements	Our Approach
Eligibility: Ensure our intended uses are meeting defined eligibility	Streamlined eligibility review process with RO, Ops, OSPB, and OSC
Performance & Evaluation: Develop output/outcome measures for projects	Development of overarching performance goals and follow-up performance management
Reporting: Quarterly and Annual Reporting	One-source of truth for spending, performance, and compliance (ongoing collaboration to maintain focus)
Compliance: Ensure proper use of funds and monitor those implementing funds	Development of statewide materials, early course corrections, and ongoing monitoring conducted through OSC and contract with KPMG

Meeting Treasury Requirements

Treasury requirements for reporting for SLFRF have been extensive, new, and ever-changing.

Table 3: Quarterly Project and Expenditure Report Timeline

Report	Year	Quarter	Period Covered	Due Date
1	2021	2 – 4	March 3 – December 31	January 31, 2022
2	2022	1	January 1 – March 31	April 30, 2022
3	2022	2	April 1 – June 30	July 31, 2022
4	2022	3	July 1 – September 30	October 31, 2022
5	2022	4	October 1 – December 31	January 31, 2023
6	2023	1	January 1 – March 31	April 30, 2023
7	2023	2	April 1 – June 30	July 31, 2023
8	2023	3	July 1 – September 30	October 31, 2023
9	2023	4	October 1 – December 31	January 31, 2024
10	2024	1	January 1 – March 31	April 30, 2024
11	2024	2	April 1 – June 30	July 31, 2024
12	2024	3	July 1 – September 30	October 31, 2024
13	2024	4	October 1 – December 31	January 31, 2025
14	2025	1	January 1 – March 31	April 30, 2025
15	2025	2	April 1 – June 30	July 31, 2025
16	2025	3	July 1 – September 30	October 31, 2025
17	2025	4	October 1 – December 31	January 31, 2026
18	2026	1	January 1 – March 31	April 30, 2026
19	2026	2	April 1 – June 30	July 31, 2026
20	2026	3	July 1 – September 30	October 31, 2026
21	2026	4	October 1 – December 31	April 30, 2027

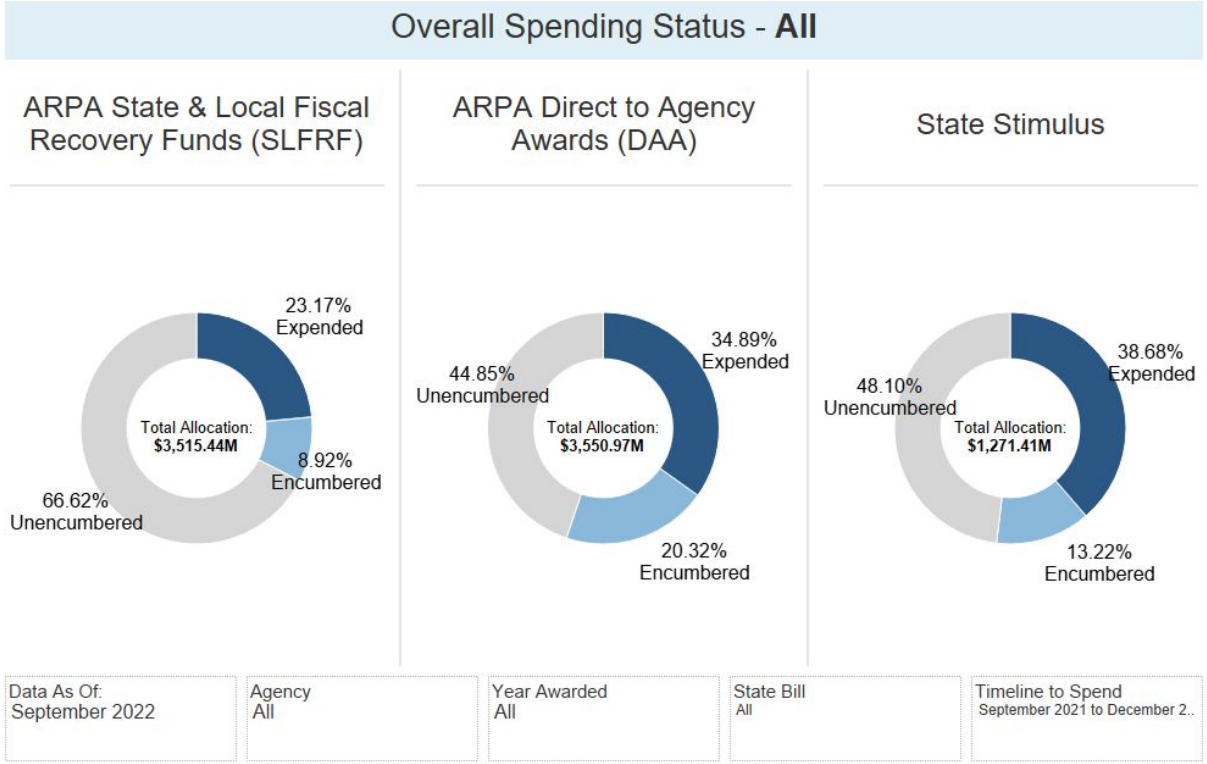


Overall Spending Status as of September 30th, 2022

Unencumbered: Amount that is in the process of contracting or planning

Encumbered: Amount that has been contracted and being spent or yet to be reimbursed

Expended: Amount spent and reimbursed



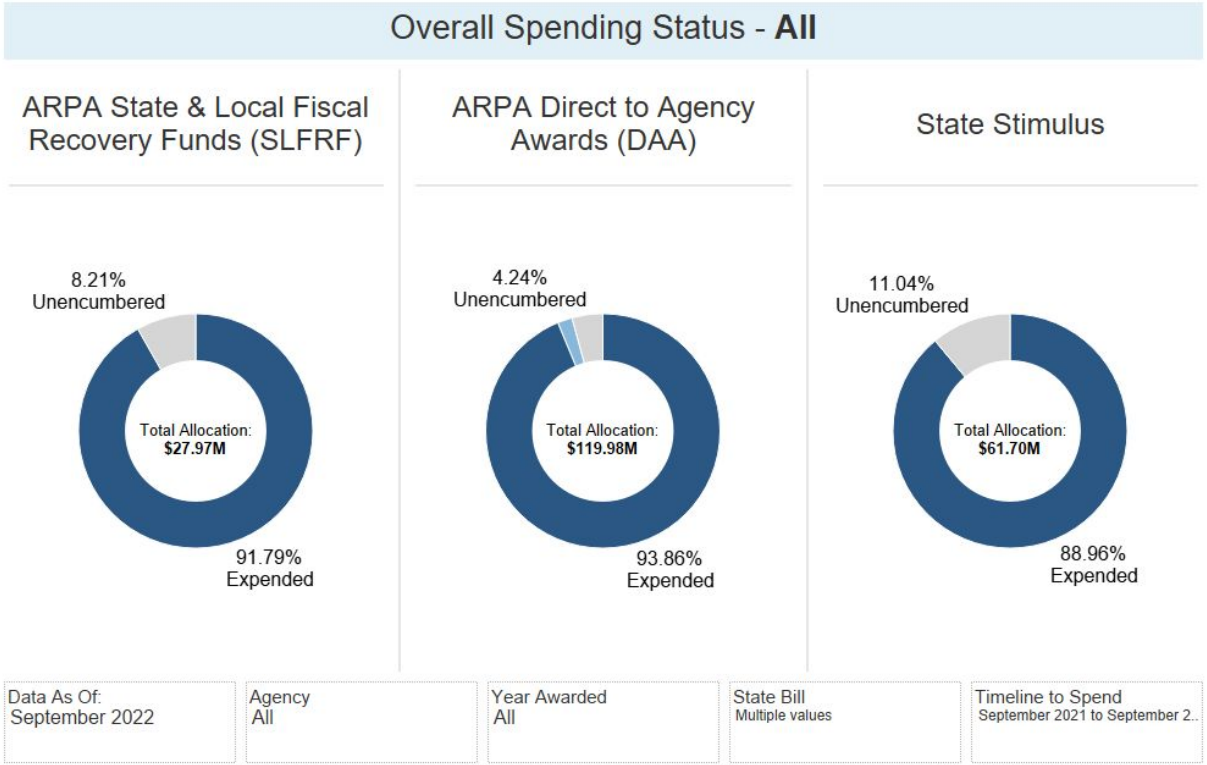
Source: https://coforward.colorado.gov/data

Spending with Deadlines in 2021 and 2022

Unencumbered: Amount that is in the process of contracting or planning

Encumbered: Amount that has been contracted and being spent or yet to be reimbursed

Expended: Amount spent and reimbursed



Source: https://coforward.colorado.gov/data

“Prepays” and Appropriating Remaining SLFRF

Consistent with the collaborative framework established for SLFRF spending, the utilization of “prepays” is a critical tool in balancing both this year’s budget and the next in order to align recurring expenses with recurring revenues and avoid growing the state’s structural deficit.

- As a part of the overall “prepays,” the Governor has proposed over two years, $305 million of remaining unallocated SLFRF funds is utilized to replace General Fund needs for ARPA-eligible programming:

ARPA PREPAY: Refinance ARPA-eligible base spending to close structural deficit			FY24	Save for FY25
Building workforce for economic recovery	DPA/CDHE	Higher education capital, controlled maintenance (levels 1&2)	80.6	0.0
Improving behavioral health	DHS	Mental Health Institute at Pueblo, Personal Services	32.1	108.9
	DHS	Mental Health Institute at Fort Logan, Personal Services	27.6	26.0
Securing affordable housing	DOLA	Fort Lyon Supportive Residential Community	5.0	5.0
Supporting local public health	CDPHE	Distributions to local Public Health Agencies	10.0	10.0
		TOTAL PREPAYS UTILIZED OVER 2 YEARS	155	150

Building A Model Beyond Recovery

Building upon the lessons from ARPA, we are able to develop a model that can be used on other sources of federal funding (IIJA/IRA)

Assessing Opportunities for CO

- Breaking down and tracking Federal funding opportunities
- Estimating CO's potential amount and matching needs
- Providing resources to agencies and other partners about opportunities

Prioritizing and Coordinating Opportunities at State and Local Level

- Developing State priorities
- Creating and providing additional resources for applying for funds
- Use RO structure to coordinate execution
- Coordinating and tracking applications of funding
- Work at the local level to promote opportunities and provide resources

Tracking and Monitoring Application and Implementation

- Tracking our success in receiving funding
- Continue to assess how to maximize additional funding

Infrastructure Investment and Jobs Act (IIJA) Overview

- Based on current federal guidance, **Colorado could receive ~ $4.1 billion to $7.1 billion** from the national IIJA bill over the next five years (estimates expected to evolve as additional federal guidance is received.)
- Low range estimates reflect formula-based grants and direct appropriations, whereas high range estimates add competitive grant estimates, using CO national population share as driver where allocation methodology is unknown. Estimates are subject to change with future federal funding guidance.
- Based on these high range estimates, up to ~ $1 billion could be required in match funds from the state or other Colorado entities to maximize funding opportunities.

Investment Category	CO Estimate- Low Range ($M)	CO Estimate- High Range ($M)	Total Match Needs- High Range ($M)
Airports	$430M	$849M	$149.4M
Broadband	$427M	$712M	$138M
Electric Vehicles and Buses	$57M	$220M	$27M
Environmental	$345M	$372M	$0M
Power and Grid	$283M	$1,239M	$128M
Passenger and Freight Rail	$28M	$237M	$42M
Public Transit	$227M	$247M	$54M
Ports/Waterways	$356M	$356M	$0M
Resiliency	$121M	$316M	$12M
Roads, Bridges & Major Projects	$1,000M	$1,507M	$378M
Safety & Research	$16M	$149M	$24M
Water Infrastructure	$856M	$936M	$95M
Grand Total	**$4,145M**	**$7,139M**	**$1,049M**

Maximizing IIJA Investment

- An additional $91 million in IIJA match for a total of $171 million in match fund resources to compete for up to $7 billion in federal funding over the next 5 yrs
- Building on SB22-215 appropriation - SB215 allocated $80.25 million and appropriated $60 million for:
  - 35% Transportation
  - 25% Water, Environmental, and Resiliency
  - 25% Power, Grid, and Broadband
  - 10% Local & Tribal Match Support
  - 5% Grant Writing, Administrative and Project Planning Support

IIJA Match & Local Capacity Support

- Priority projects for additional proposed match support include:
  - $61 million for rail and transit programs
  - $30 million to replace lead pipes and eliminate harmful chemicals in water among other projects
  - $51 million to increase broadband access in rural and other hard to connect areas
  - $10 million to double funds for Tribes and local agencies to apply for projects

- Local Capacity Building is the key to meeting our IIJA Goal of $7 billion in Colorado
  - Regional Navigator Position
  - DOLA Regional Summits
  - Recovery Office hours for Local & Tribal Governments

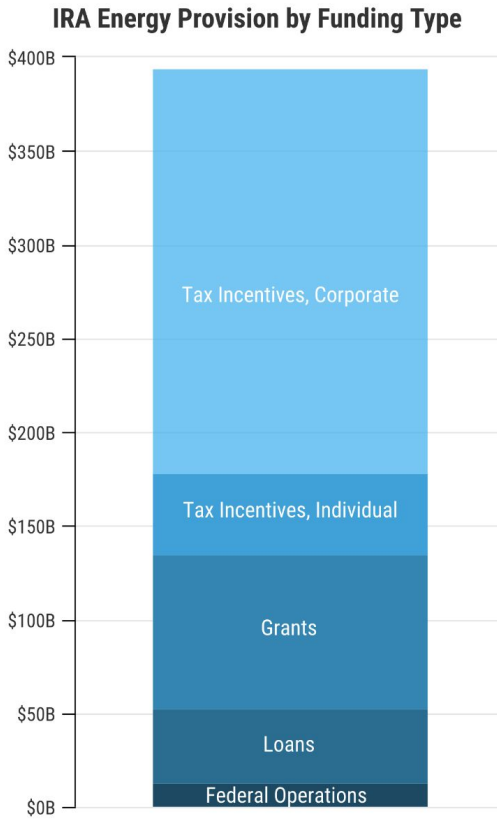
Inflation Reduction Act (IRA)

Overall Summary

- An estimated $500 billion in spending and tax credits.
- Nearly $400 billion in federal funding to clean energy, with the goal of substantially lowering the nation's carbon emissions.
- Key grants in neighborhood access and equity, private sector innovation, and rural development.

Key Components for CO:

- Colorado's ability to maximize the the available funding depends on how quickly and fully Coloradans can take advantage of incentives.
- Many of the tax credits are uncapped, allowing Colorado to maximize in areas of greatest interest to Colorado's priorities.



Public Websites

Grant Opportunities:

- https://cdola.colorado.gov/colorado-stimulus-funds

Funding Overview, Reporting, and Status:

- https://coforward.colorado.gov/
- https://www.colorado.gov/governor/ospb/emergency_funds
- https://osc.colorado.gov/american-rescue-plan-act