

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Amanda Bickel, JBC Staff  
DATE May 19, 2020  
SUBJECT Governor plans for allocation of federal CARES Coronavirus Relief Funds for Higher Education

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As the Committee is aware, yesterday the Governor announced plans for allocation of \$1.7 billion in federal Coronavirus Relief Funds received by the State under Title V of H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Title V created the Coronavirus Relief Fund to provide \$150.0 billion to states, tribal governments, territories, and local governments. Local governments with populations exceeding 500,000 receive their own allocations; other funds are allocated to the State. Federal awards to Colorado are shown below.

Total allocation \$2,233,011,164

	<i>Eligible local governments that certified:</i>
Adams County	\$90,285,974
Arapahoe County	114,569,892
Denver city	126,892,712
El Paso County	125,704,768
Jefferson County	101,708,240
Payment to the state	1,673,849,579

Under the law, and as certified by public officials receiving the money, this funding is to be used "to cover those expenditures that:

- (1) are necessary expenditures incurred due to the public health emergency with respect to [COVID-19];
- (2) were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and
- (3) were incurred during the period that begins March 1, 2020, and ends on December 30, 2020."

Guidance from the federal Department of the Treasury dated April 22, 2020 states that "funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments."

Executive Order D 2020 070 regarding Colorado's use of the funds is attached for the Committee's reference.

This Governor's letter to the General Assembly and the Executive Order specifically addresses the \$450.0 million for public institutions of higher education that the governor indicates is for "expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, including payments to stimulate the economy by supporting Colorado's workforce". The

JBC STAFF MEMO: ALLOCATION OF CARES ACT FUNDS FOR HIGHER EDUCATION

PAGE 2

MAY 19, 2020

Governor’s letter indicates that \$450 million will be “transferred to public institutions of higher education for student retention and completions, given Colorado’s critical shortage of skilled workforce. The funds will be used to facilitate compliance with COVID-19 related public health measures and to increase student retention and completions at state institutions of public education.”

In response to staff questions, OSPB has indicated that the funds are to be allocated to the institutions as follows. *The net result of these calculations is a 52.92 percent increase per state governing board, local district college, and area technical college on the FY 2019-20 General Fund appropriation for each for each, excluding amounts for “limited purpose” fee-for-service contracts.* According to the Executive Order, **these amounts are awarded for FY 2019-20.** The Committee may wish to reflect these in the Long Bill as an FY 2019-20 add-on to the Long Bill for transparency, but staff recommends holding off on this decision until we have a more comprehensive recommendation for how to address these funds statewide.

	FY 2019-20 Operating Appropriation	Resident Enrollment (FY 2019-20)	State Funding Per Resident Student	CARES Allocation % of State Funding	Federal CARES Act Allocation	CARES Allocation Per Resident Student	FY 19-20 State & CARES Funding	FY 19-20 State & CARES Funding per Resident Student
Adams State University	\$17,280,257	1,525	\$11,331	52.9%	9,144,890	\$5,997	\$26,425,147	\$17,328
Colorado Mesa University	\$32,184,959	6,490	\$4,959	52.9%	17,032,611	\$2,624	\$49,217,570	\$7,584
Metropolitan State University Denver	\$63,669,142	14,133	\$4,505	52.9%	33,694,364	\$2,384	\$97,363,506	\$6,889
Western Colorado University	\$15,035,379	1,566	\$9,601	52.9%	7,956,877	\$5,081	\$22,992,256	\$14,682
Colorado State University	\$170,828,219	20,729	\$8,241	52.9%	90,404,048	\$4,361	\$261,232,267	\$12,602
Fort Lewis College	\$14,136,437	1,316	\$10,742	52.9%	7,481,148	\$5,685	\$21,617,585	\$16,427
University of Colorado	\$241,373,927	41,683	\$5,791	52.9%	127,737,562	\$3,065	\$369,111,489	\$8,855
Colorado School of Mines	\$25,371,265	3,577	\$7,093	52.9%	13,426,734	\$3,754	\$38,797,999	\$10,847
University of Northern Colorado	\$47,004,464	6,995	\$6,720	52.9%	24,875,245	\$3,556	\$71,879,709	\$10,276
Colorado Community College System	\$189,865,735	46,054	\$4,123	52.9%	100,478,897	\$2,182	\$290,344,632	\$6,304
Colorado Mountain College	\$9,010,042	3,308	\$2,724	52.9%	4,768,207	\$1,441	\$13,778,249	\$4,165
Aims Community College	\$10,653,783	3,885	\$2,742	52.9%	5,638,091	\$1,451	\$16,291,874	\$4,194
Area Technical Colleges	\$13,910,021			52.9%	7,361,326		\$21,271,347	
<b>TOTAL</b>	<b>\$850,323,630</b>	<b>151,261</b>	<b>\$5,622</b>	<b>52.9%</b>	<b>450,000,000</b>	<b>\$2,975</b>	<b>\$1,300,323,630</b>	<b>\$8,597</b>



## **D 2020 070**

### **EXECUTIVE ORDER**

#### **Directing the Expenditure of Federal Funds Pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020**

Pursuant to the authority vested in the Governor of the State of Colorado and, in particular, pursuant to Article IV, Section 2 of the Colorado Constitution, I, Jared Polis, Governor of the State of Colorado, hereby issue this Executive Order directing the expenditure of federal funds pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), Public Law 116-136.

#### **I. Background and Purpose**

The CARES Act provides emergency assistance in response to the coronavirus disease 2019 (COVID-19) pandemic. The CARES Act established the Coronavirus Relief Fund, which provides payments to state, local, and tribal governments navigating the impact of COVID-19. Colorado's State government received approximately \$1.674 billion from the Coronavirus Relief Fund pursuant to the CARES Act. Under the CARES Act, a state must use the funds from the Coronavirus Relief Fund to cover expenses that (1) are necessary expenditures incurred due to the COVID-19 public health emergency (COVID-19 emergency); (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. As Governor, I have the authority to direct the expenditure of these federal funds.

Pursuant to the CARES Act, I certified to the United States Department of the Treasury on April 15, 2020, that the State's proposed use of the funds from the Coronavirus Relief Fund would comply with the specified purposes in the CARES Act. The State of Colorado has created the CARES Act Fund to receive Coronavirus Relief Fund moneys prior to allocation for eligible expenditures.

My administration, along with other State, local, and federal authorities, has taken a wide array of actions to mitigate the effects of the pandemic, prevent further spread, and protect against overwhelming our health care resources. The funds received by the State from the Coronavirus Relief Fund are essential for mitigating the effects of the pandemic. This Executive Order disburses those funds for the purposes described below.

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**II. Directives**

- A. I direct the following expenditures of federal funds received by the State pursuant to the CARES Act:
1. Forty-eight million dollars (\$48,000,000) for Fiscal Year (FY) 2019-20 and one hundred fifty-seven million dollars (\$157,000,000) for FY 2020-21 to be transferred from the CARES Act Fund to the Disaster Emergency Fund to respond directly to the COVID-19 emergency, such as by addressing medical or public health needs. These funds will be available for current and planned public health expenses.
  2. One million dollars (\$1,000,000) for FY 2019-20 and seven million dollars (\$7,000,000) for FY 2020-21 to be transferred from the CARES Act Fund to the Colorado Department of Corrections for expenditures to comply with public health measures pertaining to maintaining State prisons, including sanitation and effectively implementing social distancing measures.
  3. One million dollars (\$1,000,000) for FY 2019-20 and one million dollars (\$1,000,000) for FY 2020-21 to be transferred from the CARES Act Fund to the Colorado Department of Human Services (CDHS) for expenditures to comply with public health measures pertaining to maintaining veterans living facilities and other State facilities with congregate care, including relating to sanitation and improvement of social distancing measures.
  4. Thirty-seven million dollars (\$37,000,000) for FY 2020-21 to be transferred from the CARES Act Fund to the Colorado Department of Education (CDE) for expenditures incurred to respond to second-order effects of the COVID-19 emergency, in particular the increased number of at-risk pupils due to the COVID-19-driven recession.
  5. Two million dollars (\$2,000,000) for FY 2019-20 and twenty million dollars (\$20,000,000) for FY 2020-21 to be transferred from the CARES Act Fund to CDHS for expenditures incurred to respond to second-order effects of the COVID-19 emergency, specifically for increased caseload due to the COVID-19-driven recession.
  6. Ten million dollars (\$10,000,000) for FY 2019-20 transferred from the CARES Act Fund to the Colorado Department of Local Affairs (DOLA) for expenditures incurred to respond to second-order effects of the COVID-19 emergency, specifically for emergency rental and mortgage assistance to low to moderate income individuals, as well as additional direct assistance, if appropriate, for individuals that have been economically impacted by COVID-19, with preference given to

individuals who are ineligible for other forms of assistance such as unemployment insurance, food benefits, or direct federal stimulus payments.

7. Five hundred ten million dollars (\$510,000,000) for FY 2019-20 to be transferred from the CARES Act Fund to CDE for expenditures associated with actions to facilitate compliance with COVID-19-related public health measures, including facilitating distance learning and social distancing for in-person contact hours, mitigating lost learning, and the provision of economic support in connection with the COVID-19 emergency to stimulate the economy by supporting Colorado's workforce through increasing free instructional hours for our kindergarten through 12th grade education system. All funds must be distributed on a per pupil basis to local school districts, and proportionally by student population to the Charter School Institute and the Colorado School for the Deaf and the Blind, and \$25,000 to each Board of Cooperative Educational Services (BOCES).
8. Four hundred fifty million dollars (\$450,000,000) for FY 2019-20 to be transferred from the CARES Act Fund to the Colorado Department of Higher Education for expenditures associated with actions to facilitate compliance with COVID-19-related public health measures and with the provision of economic support in connection with the COVID-19 emergency to stimulate the economy by supporting Colorado's workforce through increasing student retention and completions at state institutions of public higher education. Institutions receiving such funds commit to raise by no more than three (3) percent their FY 2020-21 resident undergraduate tuition rate, or to seek a waiver of this requirement from the Governor's Office.
9. Twenty-eight million nine hundred twenty thousand dollars (\$28,920,000) for FY 2019-20 and fifty-five million nine hundred twenty thousand dollars (\$55,920,000) for FY 2020-21 in the CARES Act Fund shall remain available for payroll expenses and other necessary expenditures for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 emergency.
10. Two hundred seventy-five million dollars (\$275,000,000) for FY 2019-20 and FY 2020-21 in the CARES Act Fund shall remain available for units of local government that did not receive a direct distribution of funds in the CARES Act for expenses to facilitate compliance with COVID-19-related public health measures. The distribution will be informed by the recommendations from the Local Government consortium hosted by DOLA, as well as best practices from other states.

- B. I transfer seventy million dollars (\$70,000,000) from the CARES Act Fund to the State General Fund for eligible expenditures pursuant to the CARES Act Coronavirus Relief Fund.
- C. I direct the Office of the State Controller to issue instructions regarding the distribution of the funds described in Section II, and to monitor their expenditure. I designate the Governor's Office of State Planning and Budgeting as the final authority for resolution of any issues that may arise during the expenditure or allocation of these funds.

**III. Duration**

This Executive Order shall remain in effect unless modified or rescinded by future Executive Order of the Governor.



GIVEN under my hand and  
the Executive Seal of the  
State of Colorado, this  
eighteenth day of May, 2020

A handwritten signature in blue ink that reads "Jared Polis".

Jared Polis  
Governor