

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-1286.01 Ed DeCecco x4216

HOUSE BILL 20-1417

HOUSE SPONSORSHIP

Becker,

SENATE SPONSORSHIP

Hansen,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF ADMINISTRATIVE CONDITIONS**
102 **RELATED TO MONEY IN THE GENERAL FUND FROM THE FEDERAL**
103 **CORONAVIRUS RELIEF FUND THAT APPLY TO AN ALLOCATION**
104 **ESTABLISHED IN SEPARATE LEGISLATION UNTIL THE UNSPENT**
105 **MONEY REMAINING IN THE SUBFUND IS TRANSFERRED TO THE**
106 **UNEMPLOYMENT COMPENSATION FUND ON DECEMBER 30, 2020.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The state received \$1.67 billion from the federal coronavirus relief

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

fund created in the federal "Coronavirus Aid, Relief, and Economic Security Act of 2020" (CARES Act), and the governor allocated \$70 million of these federal funds to the general fund for further allocation by the general assembly for any permissible uses under the CARES Act. The state controller has set aside this money in a special account, known as the care subfund.

The bill codifies the care subfund (subfund) in the general fund and reiterates the requirement that the money in the subfund can only be used as permitted under the CARES Act. Any state department that receives an appropriation from the subfund is required to comply with any reporting and record-keeping requirements established by the state controller or the office of state planning and budgeting. Any appropriations from the subfund are excluded from the base for purposes of calculating the state reserve for fiscal year 2020-21.

The bill establishes that any unexpended amounts before the close of business on December 30, 2020, revert to the subfund and the state treasurer is directed to transfer such amount to the unemployment compensation fund, which is a permissible use of the federal funds.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-75-224 as
3 follows:

4 **24-75-224. Care subfund - creation - administration - transfer**
5 **- legislative declaration.** (1) THE CARE SUBFUND IS CREATED IN THE
6 GENERAL FUND. THE SUBFUND CONSISTS OF SEVENTY MILLION DOLLARS
7 TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE WITH THE
8 GOVERNOR'S EXECUTIVE ORDER D 2020 070. MONEY IN THE SUBFUND IS
9 SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY FOR ALLOWABLE
10 EXPENDITURES UNDER SECTION 42 U.S.C. 801 (d).

11 (2) A STATE DEPARTMENT THAT RECEIVES AN APPROPRIATION
12 FROM THE CARE SUBFUND SHALL COMPLY WITH ANY REPORTING OR
13 RECORD-KEEPING REQUIREMENTS ESTABLISHED BY THE STATE
14 CONTROLLER OR THE OFFICE OF STATE PLANNING AND BUDGETING FOR THE
15 FEDERAL FUNDS INCLUDED IN THE SUBFUND.

1 (3) (a) JUST PRIOR TO THE CLOSE OF BUSINESS ON DECEMBER 30,
2 2020, ANY UNEXPENDED APPROPRIATIONS FROM THE CARE SUBFUND
3 REVERT TO THE SUBFUND, AND THE STATE TREASURER SHALL TRANSFER
4 THE FINAL BALANCE IN THE SUBFUND TO THE UNEMPLOYMENT
5 COMPENSATION FUND, CREATED IN SECTION 8-77-101 (1).

6 (b) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

7 (I) THE PUBLIC HEALTH EMERGENCY CAUSED BY COVID-19
8 CAUSED A HISTORIC INCREASE IN UNEMPLOYMENT IN THE STATE AND THIS
9 HAS CAUSED A DRAMATIC INCREASE IN THE NUMBER OF CLAIMS FOR
10 BENEFITS FROM THE UNEMPLOYMENT COMPENSATION FUND;

11 (II) AS A RESULT, IT IS ESTIMATED THAT THE UNEMPLOYMENT
12 COMPENSATION FUND WILL HAVE A DEFICIT OF APPROXIMATELY TWO
13 BILLION DOLLARS BY THE END OF THE FISCAL YEAR 2020-21;

14 (III) THESE COSTS WILL NOT BE REIMBURSED BY THE FEDERAL
15 GOVERNMENT, NOR ARE THEY ACCOUNTED FOR IN THE BUDGET APPROVED
16 AS OF MARCH 27, 2020;

17 (IV) THE UNITED STATES DEPARTMENT OF TREASURY HAS STATED
18 THAT PAYMENTS TO THE STATE UNEMPLOYMENT INSURANCE FUND ARE AN
19 ALLOWABLE USE OF THE MONEY FROM THE FEDERAL CORONAVIRUS RELIEF
20 FUND, UNDER SECTION 42 U.S.C. 801 (d); AND

21 (V) THE TRANSFER FROM THE CARE SUBFUND TO THE STATE
22 UNEMPLOYMENT COMPENSATION FUND IS A NECESSARY EXPENDITURE
23 INCURRED DUE TO THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO
24 COVID-19.

25 (c) THE MONEY TRANSFERRED FROM THE CARE SUBFUND IS NOT A
26 GRANT TO THE UNEMPLOYMENT COMPENSATION FUND UNDER SECTION
27 24-77-102 (7)(b)(III).

1 **SECTION 2.** In Colorado Revised Statutes, 24-75-201.1, **add**
2 (2)(d) as follows:

3 **24-75-201.1. Restriction on state appropriations - legislative**
4 **declaration - definitions - repeal.** (2) The basis for the calculation of
5 the reserve as specified in this section includes all appropriations for
6 expenditure from the general fund for such fiscal year, except for any
7 appropriations for:

8 (d) (I) EXPENDITURES FROM THE CARE SUBFUND CREATED IN
9 SECTION 24-75-224 (1).

10 (II) THIS SUBSECTION (2)(d) IS REPEALED, EFFECTIVE JULY 1, 2021.

11 **SECTION 3. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.