

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel and Robin Smart, JBC Staff
DATE November 13, 2020
SUBJECT Federal Funds and the State Budget: Control and Reporting

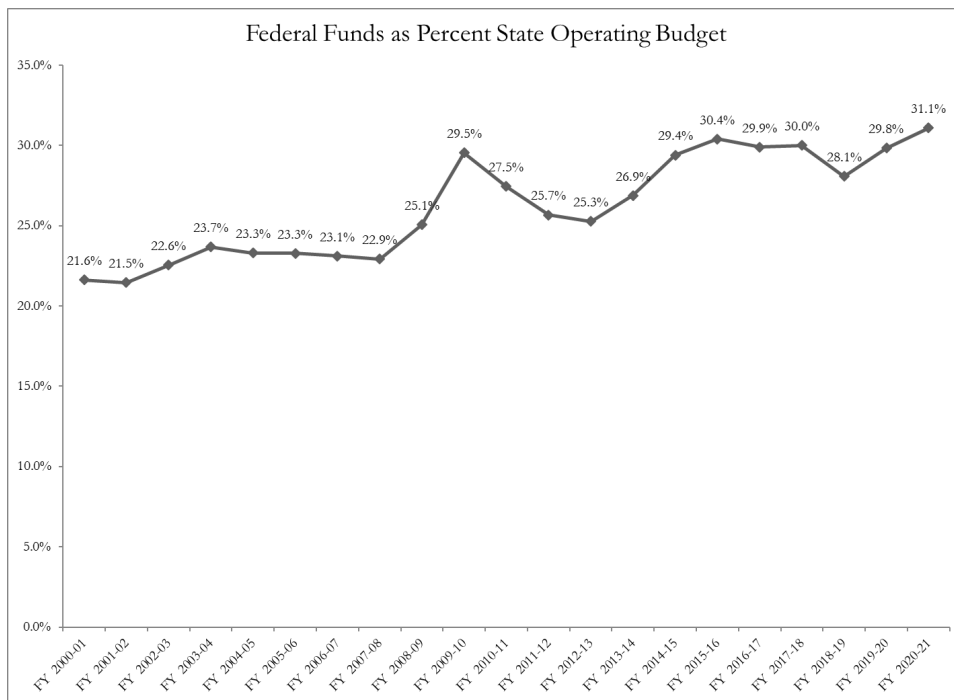
SUMMARY OF RECOMMENDATIONS

- **Staff recommends that the Committee request the Executive Branch provide an interim report on Coronavirus Relief Fund allocations and expenditures that is more current** (at least through November 15) and present this to the JBC by the end of November. While quarterly reporting is appropriate under most circumstances, Coronavirus Relief Funds are scheduled to expire on December 30, 2020. Data provide this week indicates that, as of September 30, 2020, 69.0 percent of Coronavirus Relief Funds allocated to the State (\$1,155,186,323 of the \$1,673,849,578 from the U.S. Treasury) had not been expended and \$433,771,867 had not been obligated, including more than half of the \$450.0 million allocated by the Governor to Higher Education institutions.
- **Staff recommends that the Committee and staff work with the Executive Branch to develop a consolidated statement of revenues and expenditures that is more useful for budgeting purposes than the State's annual Comprehensive Annual Financial Report (CAFR).** While the CAFR is an important document for bond ratings agencies to compare the fiscal health of state governments, it is not a helpful tool for budget staff in either the legislative or executive branches in most respects. The State's accounting system, CORE, includes the data necessary to develop reports that are more useful from a budget perspective, but this will require a significant effort on the part of staff in the Controller's Office, in collaboration with JBC staff, Legislative Council staff, and staff from the Governor's Office of State Planning and Budgeting.
- **Federal funds reports submitted thus far under H.B. 20-1426 have some weaknesses that should be addressed in future reports.** In particular, the data on funds *not* related to the disaster emergency are clearly incomplete. Staff hopes that this will be addressed in future reports. Staff also believes that the JBC should continue to request improvements in reporting on disaster emergency spending and notes that the General Assembly could choose to assert more control over the Disaster Emergency Fund.
- **Staff does not recommend supplemental adjustments to capture federal funds allocated primarily in FY 2019-20 by the Governor.** FY 2019-20 and FY 2020-21 budgets do not currently include an estimated \$1.0 billion in federal allocations for administrative expenditures related to the coronavirus disaster emergency and at least \$2.8 billion in federal unemployment and related stimulus payments to Coloradans that are being managed by the State. However, staff is not convinced that adding these amounts retroactively would provide more transparency than is offered by better reporting mechanisms. This is particularly true given that there is already substantial inconsistency in how federal funds are reflected in the state budget.

SIGNIFICANCE OF FEDERAL FUNDS TO STATE OPERATIONS

Federal funds represent a significant source of funding for Colorado State government. The FY 2020-21 state budget reflects \$9,946,281,692 in federal funds. This represents 31.1 percent of all funding reflected in the budget.

- Under typical circumstances, federal intergovernmental transfers are a critical part of state operations and have grown more significant over time, primarily due to growth in the Medicaid budget, which now includes over two-thirds of all federal funds shown in the state budget.
- During recessions, federal funding often increases to provide some counter-cyclical stimulus. This approach was used in the American Recovery and Reinvestment Act in 2009, and in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and other federal stimulus legislation enacted in 2020.



- Total federal spending reflected in the budget is understated. According to the Office of the State Auditor’s Statewide Single Audit for FY 2018-19, total federal funds expended by the state in FY 2018-19 were \$12,283,998,544. This includes significant categories of expenditures that the General Assembly has never chosen to reflect in the budget such as federal funding for food assistance (SNAP) and federal financial aid managed by state institutions of higher education.¹

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https://leg.colorado.gov/sites/default/files/documents/audits/1901f_statewide_single_audit_fiscal_year_ended_june_30_2019.pdf

CONTROL OVER FEDERAL FUNDS IN COLORADO VERSUS OTHER STATES

Despite the critical importance of these funds in state operations, the Colorado General Assembly has little or no control over a significant portion of federal funds. Of the federal funds in the state budget in FY 2020-21, \$2,823,379,222 (28.4 percent of all federal funds shown) are identified with an “(I)” notation, indicating that they are shown for informational purposes only because the funds are not subject to a required state match (such as Medicaid funds) nor subject to appropriation (such as Temporary Assistance for Needy Families funds).

A separate memorandum from the Office of Legislative Legal Services explains the legal reasons that a large share of federal funds, those identified as “custodial”, are considered to be outside the control of the General Assembly. In this memorandum, we simply provide some context for how Colorado’s level of control compares to that in other states.

- Analyses by the National Association of State Legislatures and surveys by other states conducted since 2003 have indicated that *Colorado is one of only four states where the legislature does not need to authorize or appropriate the use of most federal funds.* The other states are Arizona, Connecticut, and Delaware. Oklahoma, which was earlier in this category, has adopted a state constitutional amendment that gives the legislature authority to appropriate federal funds.
- While most other state legislatures have authority to appropriate/authorize the use of federal funds, related power is often ceded back to the executive branch. For example, in many states where federal funds are subject to legislative authorization or appropriation, the legislature provides open-ended authorization for at least some federal funds received. This may include allowing the executive branch to over expend amounts reflected in the state budget, authorizing “continuous spending authority” for certain types of federal funds received, and/or delegating authority to the Governor or administrative entities to expend federal funds under certain conditions.
- While Colorado exerts less control than most states over *routine* federal expenditures, *the majority of states give the executive branch a large degree of control over unanticipated federal funds that arrive when the legislature is not in session.* The table below was compiled by Idaho’s Legislative Services Office from data collected by the National Association of Legislative Fiscal Officers. The table classifies the fifty states with respect to the degree of control legislatures exert over unanticipated federal funding received during the legislative interim. As shown, while legislatures have binding control in 12 states and exert joint control in 6 states, in most other states, including Colorado, the executive branch has substantial or complete authority over such funds.

DEGREE OF LEGISLATIVE AUTHORITY OVER UNANTICIPATED FEDERAL FUNDING DURING LEGISLATIVE INTERIM	# OF STATES
None: Executive has complete discretion over unanticipated federal funds received between legislative sessions (AL, AZ, GA, IN, ME, MS, MT, VA, WA)	9
Advisory: A legislative board may provide advice during the interim, but lawmakers have no control over unanticipated federal funds (AK, AR, FL, KY, MD, MA, MN, NC, TN, WI)	10
Conditional: Lawmakers defer to the executive for some spending decisions between legislative sessions. Practice may vary depending upon the source, purpose or type of unanticipated federal funds received (CA, CO, CT, HI, ID, IL, IA, NH, NJ, NM, UT, WV, WY)	13
Joint: Executive and legislative branch sit together on a board and during the interim share the decision on spending unanticipated federal funds (DE, KS, ND, OH, OK, RI)	6

DEGREE OF LEGISLATIVE AUTHORITY OVER UNANTICIPATED FEDERAL FUNDING DURING LEGISLATIVE INTERIM	# OF STATES
Binding: The executive branch may receive but cannot spend unanticipated federal funds without prior authorization or subsequent legislative approval (LA, MI, MO, NE, NV, NY, OR, PA, SC, SD, TX, VT)	12
Total	50

Source: Memo to the Idaho Finance-Appropriations Working Group from Paul Headlee, Manager, Budget and Policy Analysis, Idaho Legislative Services Office, October 5, 2020, based on a survey of the National Association of Legislative Fiscal Officers.

- The National Conference of State Legislatures has also compiled a database specifically on use of the federal Coronavirus Relief Funds and a report on stimulus oversight plans. As is evident from this, in some states, legislatures have reviewed and approved or appropriated these funds, while in others' decisions have been made predominantly or entirely by the executive branch. See: <https://www.ncsl.org/ncsl-in-dc/publications-and-resources/state-oversight-of-federal-stimulus-funds.aspx>

REPORTING ON THE USE OF FEDERAL FUNDS

It would take a Constitutional change or reinterpretation for the Colorado General Assembly to assert more control over most federal funds. However, the General Assembly can and has demanded better reporting and information about the use of such funds, as well as the use of the Disaster Emergency Fund, which is supported through both state and federal sources.

During the 2020 legislative session, the General Assembly adopted H.B. 20-1426 (Limit Emergency Spending and Authorize Additional Appropriation) which, among other provisions:

- Creates a formal structure for reporting by the executive branch to the legislature related to a disaster emergency, via quarterly presentations by the Governor or designee to the Executive Committee of the Legislative Council and the Joint Budget Committee to provide information and respond to questions with respect to the disaster emergency; and
- Requires quarterly reports to the Joint Budget Committee about the expenditures from the disaster emergency fund and quarterly reports of federal funds that the state receives and spends. As outlined in Section 24-33.5-706, 717, and 104, this report is specifically required to include:
 - 1 Expenditures from the Disaster Emergency Fund during the last twelve months (includes expenditures of funds that originate as state, as well as federal funds)
 - 2 Expenditures of federal funds received by the State that are used for costs associated with a disaster during the last twelve months, excluding any federal funds included in the report on the Disaster Emergency Fund
 - 3 All expenditures of federal funds received by the State during the last twelve months, excluding those in the other two reports.

Staff reviewed the OSPB submission of September 21, 2020, which responded to this reporting requirement with data through the end of SFY 2019-20, as well as a spreadsheet provided this week that provided Coronavirus Relief Fund expenditure data through September 30, 2020. Staff understands that the executive branch has committed to providing a useful report and is therefore

providing feedback that we hope will assist the JBC and lead to better reports from OSPB in the future.

- In general, the report has been laid out in a logical manner that provides sufficient detail to raise questions but not so much detail as to be overwhelming. We believe the reports will be helpful for members of the General Assembly, staff, and the public. We look forward to receiving an improved report that OSPB indicates it is working on for the next iteration.
- At the end of last week, at JBC staff's request, OSPB provided the report in Excel format. Staff hopes that future reports will also be provided in a spreadsheet format that makes them easier to search and summarize. Some changes in the formatting would make the spreadsheets easier to analyze using filters and pivot tables. Staff will reach out to OSPB about these and hopes that OSPB will be willing to make related adjustments.
- The weakest element of the September 21 report responds to a new requirement to report on **all** expenditures of federal funds. The report submitted clearly does **not** include all expenditures of federal funds by the State, as no federal funds at all are included for some departments, such as Labor and Employment, which clearly rely heavily on federal funds. OSPB is aware of this problem. Staff anticipates this will be addressed in future reports. Staff notes that the Statewide Single Audit includes a full list of federal funds expenditures, so this will provide an opportunity for year-end reconciliation.
- The additional spreadsheet provided this week (summarized below as Summary of Supplementary Report 2) raises concerns about the level of expenditures from the Coronavirus Relief Fund that occurred through September 30, 2020. These concerns are discussed further below.

SUMMARY OF REPORT 1 - DISASTER EMERGENCY FUND FY 2019-20

<u>Expenditures</u>	
Expenditures for specified fire and flood events authorized in Executive Orders CY 2013 to 2018	\$16,676,698
Expenditures for fires, floods, snow storms and election security authorized in executive orders in CY 2019	250,365
Expenditures for executive orders in CY 2020 other than COVID 19	910,236
Expenditures for COVID-19 disaster emergency in 2020	41,807,884
Total Expenditures	\$59,645,183
<u>Transfers to Fund in FY 2019-20</u>	
Controlled Maintenance Trust Fund (for COVID-19)	\$23,000,000
Coronavirus Relief Fund (for COVID-19)	205,000,000
Federal Emergency Management Agency (FEMA)*	0
Total Transfers	\$228,000,000

*The Governor's Office indicates that in FY 2019-20, FEMA is making direct expenditures for COVID-19, rather than reimbursements, and no reimbursements were therefore provided this year.

SUMMARY OF REPORT 2: FEDERAL FUNDS AWARDED AND EXPENDED FOR DISASTER EMERGENCY IN FY 2019-20*

DEPARTMENT	CORONAVIRUS RELIEF FUNDS AWARDED	OTHER FUNDS AWARDED	TOTAL FEDERAL FUNDS AWARDED	EXPENDED FY 2019-20
Corrections	\$10,600,000	\$6,200,000	\$16,800,000	3,600,000
Education	547,000,000	219,999,183	766,999,183	164,673,389

NOVEMBER 13, 2020

**SUMMARY OF REPORT 2: FEDERAL FUNDS AWARDED AND EXPENDED FOR DISASTER EMERGENCY IN
FY 2019-20***

DEPARTMENT	CORONAVIRUS RELIEF FUNDS AWARDED	OTHER FUNDS AWARDED	TOTAL FEDERAL FUNDS AWARDED	EXPENDED FY 2019-20
Governor's Office except Special Purpose	24,800,000	47,334,961	72,134,961	270,724
Health Care Policy and Financing	5,068,381	397,581,262	402,649,643	251,565,729
Higher Education	450,600,000	\$2,275,400	452,875,400	7,857,254
Human Services	58,580,000	64,756,440	123,336,440	53,203,938
Judicial	350,000	0	350,000	-
Labor and Employment	0	2,780,427,417	2,780,427,417	2,750,716,149
Local Affairs	304,650,000	72,646,263	377,296,263	212,001
Law	0	120,000	120,000	-
Public Health	7,655,497	235,923,580	243,579,077	17,623,369
Public Safety	0	167,055,041	167,055,041	11,399
State	0	6,665,335	6,665,335	172,511
Transportation	0	39,754,866	39,754,866	9,509,748
Total	\$1,409,303,878	\$4,040,739,748	\$5,450,043,626	\$3,259,416,212
<u>Other CRF Amounts</u>				
Governor - Other payroll for public safety	59,484,503		59,484,503	
Disaster Emergency Fund	205,000,000		205,000,000	
Total	\$1,673,788,381		\$5,714,528,129	

*The statutory requirement is to exclude amounts deposited to the Disaster Emergency Fund; but staff has included the DEF award here to show all awards of Coronavirus Relief Funds.

**SUMMARY OF SUPPLEMENTARY REPORT 2: CORONAVIRUS RELIEF FUND ALLOCATIONS AND EXPENDITURES
THROUGH SEPTEMBER 30, 2020 (SEE APPENDIX A FOR DETAIL)**

	ALLOCATION	OBLIGATIONS	EXPENDITURES THROUGH SEPTEMBER 30, 2020	UNEXPENDED ALLOCATION	UNOBLIGATED ALLOCATION
Agriculture	\$1,688,408	\$500,000	\$0	\$1,688,408	1,188,408
Corrections	29,608,685	10,681,067	10,628,211	18,980,474	18,927,618
Education	547,000,000	509,992,813	219,602,479	327,397,521	37,007,187
Governor's Office	25,959,890	25,609,160	2,482,652	23,477,238	350,730
Health Care Policy and Financing	5,201,121	0	0	5,201,121	5,201,121
Higher Education	450,600,000	188,918,219	176,974,750	273,625,250	261,681,781
Human Services	87,205,246	49,905,326	36,477,504	50,727,742	37,299,920
Judicial	350,000	0	0	350,000	350,000
Local Affairs	304,650,000	256,523,506	28,782,258	275,867,742	48,126,494
Law	120,000	119,411	32,900	87,100	590
Personnel	1,200,000	0	0	1,200,000	1,200,000
Public Health	190,363,937	174,717,505	44,385,157	145,978,780	15,646,432
Public Safety	23,169,426	23,169,426	0	23,169,426	0
Other	6,791,588	0	0	6,791,588	6,791,588
Total	\$1,673,908,301	\$1,240,136,434	\$519,365,910	\$1,154,542,391	\$433,771,867

STATE APPROPRIATIONS OF FEDERAL FUNDS COMPARED TO FEDERAL AWARDS FOR COVID-19

- As the high-level summary of Report 2 indicates, **as of the end of FY 2019-20, the State had received awards of \$5.7 billion in federal funds related to COVID-19.** The vast majority of these funds have not been included in state budget bills.

- Approximately \$1.9 billion of the total **has** been included in appropriations or transfers in other bills in FY 2019-20 and/or FY 2020-21. This includes:
 - \$70.1 million in Coronavirus Relief Funds that the Governor deposited to the CARE subfund in the General Fund for appropriation by the General Assembly in multiple bills
 - \$667.0 million awarded for K-12 education that was reflected in the school finance act
 - \$450.0 million awarded for higher education institutions added as a Long Bill supplemental
 - Amounts related to a higher Medicaid match in the Department of Health Care Policy and Financing, including \$222.9 million in FY 2019-20 and \$244.1 million in FY 2020-21 (which will be subject to further adjustment and correction dependent upon the extension of the federal disaster emergency beyond December 31, 2020)
 - \$46.1 million reflected in (and in some cases appropriated) in the Department of Human Services
 - \$9.8 million reflected in the Department of Corrections
 - \$10.1 million reflected in the Department of Labor and Employment for unemployment insurance administration

- Of amounts that are presently “off budget,” the most significant is \$2.8 billion in federally-paid unemployment insurance benefits. The state budget does not include any unemployment insurance benefits payments, whether paid by state or federal funds, so including these federal amounts in the budget, even for informational purposes, would make little sense.

- An additional amount of approximately \$1.0 billion is also not shown in the budget. This includes, among other amounts, \$606.8 million in Coronavirus Relief Funds as follows:
 - \$275.0 million in allocations to local governments
 - \$205.0 million deposited to the Disaster Emergency Fund
 - \$84.8 million for government payroll costs related to the emergency
 - \$22.0 million for human services second order impacts on caseload
 - \$10.0 million for COVID-19 response in state correctional and youth services facilities
 - \$10.0 million for housing programs

STAFF OBSERVATIONS AND RECOMMENDATIONS

POTENTIAL UNDEREXPENDITURE OF CORONAVIRUS RELIEF FUNDS

The State of Colorado received \$1.67 billion in federal Coronavirus Relief Funds. As of September 30, 2020, \$1.24 billion was obligated; however, \$1.15 billion remained unexpended (Supplementary Table 2 and Appendix A). Unless state and local government is able to increase expenditures rapidly during the last quarter of the year or the federal government changes restrictions related to the use of these funds, it seems likely that the State may need to transfer funds to the Unemployment Insurance Trust Fund at the end of December 2020 to avoid reverting Coronavirus Relief Funds to the federal government. This eventuality was contemplated by the General Assembly and reflected in legislation, but would not be ideal.

Expenditures by Local Governments: Some of the low level of spending to date may be related to the way allocations were structured. Executive Order D 2020 070 provided \$275.0 million to local

governments for COVID-19 support. This includes: \$219.1 million to the 59 counties that did not receive direct allocations from the federal government and \$27.4 million to special districts. For a breakdown of funding made available to each county, please see Appendix B. JBC staff has been informed that some counties have spent very little or none of the funding that was made available to them. Counties were not provided the funding directly, but must cover the cost of expenditures with their local budget and submit a request for reimbursement to the Department of Local Affairs with no guarantee that the department will deem the expenditures eligible for reimbursement. It appears that this may be discouraging the use of the funds by local governments.

In light of the low level of expenditure reported on September 30, 2020, staff recommends that the JBC request an update on expenditures prior to the next formal spending report in December.

IMPROVE REPORTING ON ACTUAL EXPENDITURES OF STATE AND FEDERAL FUNDS

STATEWIDE REVENUE AND EXPENDITURE REPORTS: The General Assembly and the Executive Branch could benefit from better mechanisms for reporting on actual expenditures of both state **and** federal funds. Actual statewide expenditures are reconciled and reported on each year through the Comprehensive Annual Financial Report or CAFR <https://www.colorado.gov/pacific/osc/cafr>. The CAFR is required to comply with generally accepted accounting principles and is supposed to align as closely as possible to the layout used for other governmental entities. **The primary audience for the CAFR is bond rating agencies--not the state government itself.** As a result, the document is strikingly unhelpful as a tool for the Joint Budget Committee. For example:

- The CAFR groups state General Fund and most federal funds into a single fund category--the CAFR definition of “General Fund”, which is different from the state budget definition of “General Fund”.
- Most of the CAFR is organized around areas of activity such as “health and rehabilitation” which may be meaningful from a functional perspective but which do not align with the organization of Colorado cabinets.
- The Colorado CAFR *does* include a reconciliation between spending from the state General Fund as the General Assembly defines it and General Fund as the CAFR defines it, but the reconciliation is at the total government level and there is no similar reconciliation for other funding sources.
- The CAFR appropriately incorporates obligations such as depreciation and pension liabilities that are important for understanding the state’s fiscal health but less relevant to a budget-focused audience.

At present, the most useful source of actual spending data is what is submitted as part of the state budget request. However, this data is also less than ideal for a number of reasons:

- The only data submitted is based on line items that exist in the state budget. If a line item is not included in the budget, no actual data is provided. As a result, both federal funds and a range of cash funds with “continuous spending authority” are omitted from budget documents. If staff request information on a particular funding source, agencies are generally willing and able to provide it, but it may be difficult for staff to assess what is missing.

- There is not always a clear rationale for why some informational line items are included in the budget and some are not. Some analysts believe that showing informational amounts is important for context; others prefer to eliminate line items that do not actually control appropriations.
- Because many federal funds are not appropriated, even if a federal funds line item is included in the budget, the quality of data provided may be poor. Agencies may reflect actual expenditures in line items other than those where the General Assembly elected to show the funds. They may also avoid updating federal funds estimates, since the amount shown in the Long Bill does not affect their operations.

The federal funds report required by H.B. 20-1426 has the potential to be useful. However, the version submitted in September 2020 was clearly incomplete. In staff's opinion, such a report might be most helpful if it were part of a larger set of reports about actual state spending.

Staff believe that the JBC, General Assembly, and likely OSPB and the Governor's Office would benefit from a consistent and reliable set of spending reports. When the previous COFRS accounting system was used, staff had access to monthly reports that showed actual spending from a budgetary perspective, including for line items that were not in the budget. The CORE accounting system has the capability to produce more sophisticated reports, and it stores the data that is needed for these kinds of reports. However, developing an appropriate set of reports will require time and effort. **Ultimately, staff believes a statutory provision requiring the State Controller to produce an annual (or more frequent) account of state expenditures from a *budgetary* perspective would be helpful.**

This week the Controller's Office provided staff with an initial spreadsheet showing all expenditures by state department. This is a useful starting point, *and staff greatly appreciates the cooperation of the Department of Personnel, the Controller's Office, and the Governor's Office in taking this initial step. If the Committee is supportive, staff would like to continue to engage with the Governor's Office and the Controller's Office to further refine an appropriate set of reports from the CORE accounting system.*

DISASTER EMERGENCY FUND: The Governor has an exceptional amount of authority to transfer funds into and out of the Disaster Emergency Fund without legislative appropriation. This includes state funds, often from the Controlled Maintenance Trust Fund but also from other sources. The Fund is also supported by reimbursements from the Federal Emergency Management Agency (FEMA).

- While the report on Disaster Emergency Fund expenditures submitted pursuant to H.B. 20-1426 is a useful step, accounting for revenues and expenditures in the Disaster Emergency Fund remains a challenge. For example, the Governor's Office reports that, in FY 2019-20, FEMA is not using a reimbursement method for COVID-19-related expenditures but is instead making related expenditures directly. Thus, the revenue and expenditures from this source in FY 2019-20 are not clear in the report submitted under H.B. 20-1426.
- Ultimately, staff hopes to see continuous improvement in reports that summarize, by disaster, state and federal spending from the Disaster Emergency Fund over a multi-year period.

- Since funding transferred into the fund comes from state sources, as well as federal reimbursements for state expenditures, *this is a fund over which the General Assembly could assert greater control if it wished to do so.* The analyst for the Department of Public Safety will be presenting a more in depth informational issue on the Fund which will provide an opportunity to discuss Fund operations in more depth if desired.

APPROPRIATIONS TO SHOW ADDITIONAL COVID-19 -RELATED FUNDS

Staff does not recommend amending *prior year* appropriations bills to reflect federal fund allocations related to COVID-19. As identified above, not all of the federal funds allocated to the State of Colorado in response to the COVID-19 disaster emergency are reflected in the Long Bill. While amending the FY 2019-20 and/or FY 2020-21 Long Bill(s) would provide an historic record of these federal funds, doing so would require a great deal of work and is not recommended by staff. There is already considerable inconsistency in what federal funds are shown in the state budget. Not reflecting all COVID-19 funding will add to this, but only on the margins. JBC staff believes that the statutory provision described in the preceding paragraphs will provide the necessary record of allocations and expenditures associated with the COVID-19 disaster emergency.

Appendix A.

OFFICE OF THE STATE CONTROLLER CORONAVIRUS RELIEF FUNDS STATUS AS OF SEPTEMBER 30, 2020							
ALLOCATION SOURCE (BASED ON EXECUTIVE ORDER 2020-070)	PROJECT NAME	ALLOCATION	OBLIGATIONS	EXPENDITURES MARCH - JUNE	EXPENDITURES JULY - SEPTEMBER	UNEXPENDED ALLOCATION	UNOBLIGATED ALLOCATION
EO70-1-DEF-CDPS	COVID-19 Alternate Care Sites	\$23,169,426	\$23,169,426	\$0	\$0	\$23,169,426	\$0
EO70-1-DEF-CDPHE	Public Health COVID-19 Response	161,275,364.00	161,275,364.00	2,562,674.20	32,117,594.32	126,595,095.48	0
EO70-1-DEF-DOC	State Correctional Facilities COVID-19 Response	12,808,685.00	428,091.76	0	240,345.76	12,568,339.24	12,380,593.24
EO70-1-DEF-OIT	COVID-19 Alternate Care Sites	1,159,890.00	829,160.00	0	150,191.45	1,009,698.55	330,730.00
EO70-1-DEF-CDA	Meat Processing Facility COVID-19 Response	1,688,408.00	500,000.00	0	0	1,688,408.00	1,188,408.00
EO70-1-DEF-UNALLOCATED		4,898,227.00	0	0	0	4,898,227.00	4,898,227.00
EO70-2-DOC	State Correctional Facilities COVID-19 Response	8,000,000.00	8,000,000.00	2,600,000.00	5,400,000.00	0	0
EO70-3-CDHS	State Congregate Care Facilities COVID-19 Response	2,000,000.00	1,000,000.00	1,000,000.00	0	1,000,000.00	1,000,000.00
EO70-4-CDE	Public K-12 Education Second-Order Response	37,000,000.00	0	0	0	37,000,000.00	37,000,000.00
EO70-5-CDHS	Human Services Second-Order Caseload Response	22,000,000.00	2,000,000.00	2,000,000.00	0	20,000,000.00	20,000,000.00
EO70-6-DOLA	Housing Support Programs	10,000,000.00	4,674,700.00	-	735,416.55	9,264,583.45	5,325,300.00
EO70-7-CDE	Public K-12 Education COVID-19 Response	510,000,000.00	509,992,813.11	99,346,460.63	120,256,017.99	290,397,521.38	7,186.89
EO70-8-DHE	Higher Education COVID-19 Response	450,000,000.00	188,895,983.62	7,857,254.29	169,095,259.60	273,047,486.11	261,104,016.38
EO70-9-Payroll-DOC	State Correctional Facilities COVID-19 Response	8,800,000.00	2,252,975.54	1,000,000.00	743,932.75	7,056,067.25	6,547,024.46
EO70-9-Payroll-CDHS	Human Services COVID-19 Response	48,625,246.00	32,978,605.43	19,974,194.00	13,004,411.43	15,646,640.57	15,646,640.57
EO70-9-Payroll-CDPHE	Public Health COVID-19 Response	24,188,573.00	10,276,251.35	2,613,541.77	6,887,070.26	14,687,960.97	13,912,321.65
EO70-9-Payroll-DPA	Coronavirus Relief Fund Reporting and Monitoring Activities	1,200,000.00	0	0	0	1,200,000.00	1,200,000.00
EO70-9-Payroll-HCPF	Public Health COVID-19 Response	132,820.00	0	0	0	132,820.00	132,820.00
EO70-9-Payroll-UNALLOCATED		1,893,361.00	0	0	0	1,893,361.00	1,893,361.00

OFFICE OF THE STATE CONTROLLER
CORONAVIRUS RELIEF FUNDS
STATUS AS OF SEPTEMBER 30, 2020

ALLOCATION SOURCE (BASED ON EXECUTIVE ORDER 2020-070)	PROJECT NAME	ALLOCATION	OBLIGATIONS	EXPENDITURES MARCH - JUNE	EXPENDITURES JULY - SEPTEMBER	UNEXPENDED ALLOCATION	UNOBLIGATED ALLOCATION
EO70-10-DOLA	Local Government COVID-19 Support	275,000,000.00	243,986,531.20	0	21,112,344.37	253,887,655.63	31,013,468.80
EO70-B-GF-1197-CDHS	2-1-1 Human Services Referral System COVID-19 Response	500,000.00	500,000.00	0	0	500,000.00	0
EO70-B-GF-1410-DOLA	Housing Support Programs	19,650,000.00	7,862,274.99	0	6,934,496.99	12,715,503.01	11,787,725.01
EO70-B-GF-1410-JUD	Housing Support Programs	350,000.00	0	0	0	350,000.00	350,000.00
EO70-B-GF-1411-CDHS	Substance Abuse Behavioral Health COVID-19 Response	3,530,000.00	3,530,000.00	0	0	3,530,000.00	0
EO70-B-GF-1411-CDHS	Community Mental Health Organization Behavioral Health COVID-19 Support	3,250,000.00	3,250,000.00	0	0	3,250,000.00	0
EO70-B-GF-1411-CDHS	Substance Abuse Behavioral Health COVID-19 Response	500,000.00	500,000.00	0	0	500,000.00	0
EO70-B-GF-1411-CDHS	School-Based Behavioral Health COVID-19 Response	2,000,000.00	2,000,000.00	0	0	2,000,000.00	0
EO70-B-GF-1411-CDHS	Co-Responder COVID-19 Response	3,800,000.00	3,409,117.00	0	0	3,800,000.00	390,883.00
EO70-B-GF-1411-CDPHE	COVID-19 Response Training Program	250,000.00	250,000.00	0	58,545.61	191,454.39	0
EO70-B-GF-1411-CDPHE	Behavioral Health COVID-19 Response for At-Risk Populations	1,150,000.00	415,890.00	0	145,730.54	1,004,269.46	734,110.00
EO70-B-GF-1411-DHE-CU	Substance Abuse Behavioral Health COVID-19 Response	600,000.00	22,235.87	0	22,235.87	577,764.13	577,764.13
EO70-B-GF-1411-LAW	School-Based Behavioral Health COVID-19 Response	120,000.00	119,410.50	0	32,900.00	87,100.00	589.50
EO70-B-GF-1412-CEO	Utility Payment Assistance Program	4,800,000.00	4,800,000.00	0	2,232,460.88	2,567,539.12	0
EO70-B-GF-1422-CDHS	Food Pantry Programs	500,000.00	265,000.00	0	265,000.00	235,000.00	235,000.00
EO70-B-GF-1417-CDLE	Unemployment Insurance Support	RESIDUAL					
EO70-B-GF-212-HCPF	Telehealth Alternatives COVID-19 Response	5,068,301.00	0	0	0	5,068,301.00	5,068,301.00
EO70-B-GF-222-OEDIT	Small Business Grant Program	20,000,000.00	19,980,000.00	0	100,000.00	19,900,000.00	20,000.00

OFFICE OF THE STATE CONTROLLER
CORONAVIRUS RELIEF FUNDS
STATUS AS OF SEPTEMBER 30, 2020

ALLOCATION SOURCE (BASED ON EXECUTIVE ORDER 2020-070)	PROJECT NAME	ALLOCATION	OBLIGATIONS	EXPENDITURES MARCH - JUNE	EXPENDITURES JULY - SEPTEMBER	UNEXPENDED ALLOCATION	UNOBLIGATED ALLOCATION
EO70-B-GF-1360-LB- CDHS	Domestic Abuse Program COVID-19 Response	500,000.00	472,603.24	0	233,898.36	266,101.64	27,396.76
EO70-B-GF-1360-LB- CDPHE	Public Health COVID-19 Response	1,500,000.00	1,500,000.00	0	0	1,500,000.00	0
EO70-B-GF-1360-LB- CDPHE	Immunization Support Program	2,000,000.00	1,000,000.00	0	0	2,000,000.00	1,000,000.00
TOTAL ALLOCATION		\$1,673,908,301	\$1,240,136,434	\$138,954,125	\$379,767,853	\$1,155,186,323	\$433,771,867.39



Coronavirus Relief Fund (CVRF) Local Government Distribution Executive Summary

Distribution Available: \$275,000,000

- \$219,120,000 - Counties and Municipalities
- \$ 27,390,000 - Special Districts
- \$ 27,390,000 - Reserve - method of use pending collaboration with Fiscal Impact Funding working group
- \$ 1,100,000 - 0.004% Department of Local Affairs (DOLA) Administrative Costs

Purpose

Title V, Section 5001(d) of the CARES Act provides the eligible purposes for which Coronavirus Relief Fund payments may be used. Specifically, it allows local governments to request reimbursement for program payments that:

- 1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
- 2) were not accounted for in the budget most recently approved as of the date of enactment [March 27, 2020] of this section for the local government; and
- 3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Eligible expenditure guidance is provided by the U.S. Treasury [Guidance](#) and further information is shared in U.S. Treasury's [Frequently Asked Questions](#).

Eligible Entities

Colorado Counties, Municipalities, and Special Districts **with the exception** of the five (5) counties that received a direct distribution from the US Treasury and the municipalities within those counties. Municipalities that lie partially within the four (4) counties that received a direct distribution but did not receive a CARES Act allocation from those counties will be eligible for reimbursement from this distribution.

Process for Counties/Municipalities/Special Districts Funds

Pending State Controller confirmation of compliance with state and federal requirements.

All local governments that choose to participate are invited to:

- Complete a one-time opt-in web-based form open for 30 days. This form requires affirmations of spending, reporting, monitoring, and certain federal requirements of local government participants for the Coronavirus Relief Funds. **Opt in live date TBD*
 - a. Counties and Municipalities: Required to collaborate within each county on requested funding and provide agreement documentation including current and projected expenses per unit of local government to establish place markers for

“drawdown” of funds. The 2019 U.S. Census Bureau Countywide population figures set the funding pool cap for allocations within County boundaries.

- b. Municipalities, which “straddle” multiple Counties that are **not within one of the five counties that received a direct allocation**, shall provide agreement documentation on the local funding allocation process to avoid duplication of funding streams.
 - c. Special Districts: There is a 10% set aside for Special Districts. Since Special Districts do not have a population established, and often cross jurisdiction boundaries, requests will be capped at \$500,000 per request to establish a *place marker* amount per special district.
- All participating local governments will receive an **allocation** to proceed with reimbursement requests.
 - All eligible reimbursement requests must be accompanied by the Request for Reimbursement (RFR) form provided by DOLA along with all supporting documentation and proof of payment.
 - All **allocation** agreements will expire by March 31, 2021, for expenses incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Process for Reserve Funds

- 10% will be set aside for future use into a Reserve Fund.
- Colorado Counties, Municipalities, and Special Districts with the exception of the five counties that received a direct distribution from the US Treasury and the municipalities within those counties.
- Criteria for the uses of the Reserve Funds will be determined in collaboration with the Fiscal Impact Funding working group as will allocation of unused funds returning to the Reserve Fund in the deobligation process based on regular reconciliation reporting of fund expenditures to ensure timely redeployment of unused funds. ****Future meeting TBD.**

Fiscal Impact Funding Working Group

- Members shall represent Counties, Municipalities and Special Districts.
- The working group shall serve as an advisory entity if there are disputes to mediate about the local government CARES Act distributions.
- It will also provide input and advice for accessing the reserve dollars, which may include specification of the times at which and purposes for which the mitigation fund may be accessed.
- Clarification of the Working Group process, roles, responsibilities, and process for Reserve Funds ****Further meeting TBD.**

Contact: For questions and technical assistance please call Colorado Department of Local Affairs, Division of Local Government, Field Services Team’s Regional Manager in your region: <https://cdola.colorado.gov/regional-managers>

**Place Marker Amount per County Geographic Area
County and Municipal Allocation**
Rev. 5/29/2020

	2,554,230	\$219,120,000	\$ 27,390,000	\$ 27,390,000
Area	County	Per Capita Share	10% set aside for Special Districts	10% Set Aside "In Case" Needed
Alamosa County	16,233	\$1,392,582	Opt-in up to	Method of
Archuleta County	14,029	\$1,203,507	\$500k	use to be
Baca County	3,581	\$307,204	No population	determined
Bent County	5,577	\$478,435	available	with the
Boulder County	326,196	\$27,983,411		Fiscal Impact
Broomfield County	70,465	\$6,044,988		Funding
Chaffee County	20,356	\$1,746,282		Working Group
Cheyenne County	1,831	\$157,076		
Clear Creek County	9,700	\$832,135		
Conejos County	8,205	\$703,883		
Costilla County	3,887	\$333,454		
Crowley County	6,061	\$519,956		
Custer County	5,068	\$434,769		
Delta County	31,162	\$2,673,298		
Dolores County	2,055	\$176,293		
Douglas County	351,154	\$30,124,485		
Eagle County	55,127	\$4,729,186		
Elbert County	26,729	\$2,293,004		
Fremont County	47,839	\$4,103,969		
Garfield County	60,061	\$5,152,459		
Gilpin County	6,243	\$535,569		
Grand County	15,734	\$1,349,774		
Gunnison County	17,462	\$1,498,014		
Hinsdale County	820	\$70,345		
Huerfano County	6,897	\$591,674		
Jackson County	1,392	\$119,416		
Kiowa County	1,406	\$120,617		
Kit Carson County	7,097	\$608,831		
Lake County	8,127	\$697,192		
La Plata County	56,221	\$4,823,037		

Larimer County	356,899	\$30,617,332		
Area	County	Per Capita Share		
Las Animas County	14,506	\$1,244,428		
Lincoln County	5,701	\$489,072		
Logan County	22,409	\$1,922,403		
Mesa County	154,210	\$13,229,230		
Mineral County	769	\$65,970		
Moffat County	13,283	\$1,139,510		
Montezuma County	26,183	\$2,246,164		
Montrose County	42,758	\$3,668,085		
Morgan County	29,068	\$2,493,660		
Otero County	18,278	\$1,568,017		
Ouray County	4,952	\$424,818		
Park County	18,845	\$1,616,658		
Phillips County	4,265	\$365,882		
Pitkin County	17,767	\$1,524,180		
Prowers County	12,172	\$1,044,201		
Pueblo County	168,424	\$14,448,608		
Rio Blanco County	6,324	\$542,518		
Rio Grande County	11,267	\$966,563		
Routt County	25,638	\$2,199,410		
Saguache County	6,824	\$585,411		
San Juan County	728	\$62,453		
San Miguel County	8,179	\$701,653		
Sedgwick County	2,248	\$192,849		
Summit County	31,011	\$2,660,344		
Teller County	25,388	\$2,177,963		
Washington County	4,908	\$421,043		
Weld County	324,492	\$27,837,230		
Yuma County	10,019	\$859,500		
	2,554,230	\$219,120,000		

Annual Estimates of the Resident Population for Counties in Colorado: April 1, 2010 to July 1, 2019
(CO-EST2019-ANNRES-08)

Source: U.S. Census Bureau, Population Division

Release Date: March 2020