

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Robin J. Smart and Amanda Bickel, JBC Staff  
DATE May 20, 2020  
SUBJECT Concerning State of Colorado Expenditures Related to the COVID-19 Pandemic

Title V of H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, created the Coronavirus Relief Fund (CRF) and provided \$150.0 billion to states, tribal governments, territories, and local governments to address costs directly related to the novel coronavirus, COVID-19. Up to 45 percent of a state's allocation was directly allocated to local governments with populations exceeding 500,000. The local government allocation was calculated at a per capita rate based on the 2018 population. Awards to Colorado include the following:

Total Allocation	<u>\$2,233,011,164</u>
Adams County	90,285,974
Arapahoe County	114,569,892
City and County of Denver	126,892,712
El Paso County	125,704,768
Jefferson County	101,708,240
<b>Payment to the State</b>	<b>1,673,849,579</b>

Pursuant to federal law, "funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute." 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."

On May 18, 2020, the Governor issued Executive Order (EO) D 2020 070, including plans for the allocation of the \$1.7 billion CRF. The identified expenditures in the Departments of Correction, Human Services, Personnel, Public Health and Environment, and Public Safety specifically related to the COVID-19 pandemic. Subsequent to the EO, the Governor's Office of State Planning and Budgeting, provided JBC Staff with estimated expenditure data for the Departments of Correction and Human Services. These data also include expenditures related to the School Finance Act.

### ➔ ADJUSTMENTS TO APPROPRIATIONS AND INFORMATIONAL AMOUNTS FOR THE DEPARTMENTS OF HUMAN SERVICES AND CORRECTIONS

#### EXPENDITURES DIRECTLY RELATED TO THE COVID-19 PANDEMIC IN THE STATE OF COLORADO (PROVIDED BY THE OFFICE OF STATE PLANNING AND BUDGETING)

LINE ITEM	FY 2019-20 ESTIMATED EXPENDITURES	FY 2020-21 PROJECTED EXPENDITURES	PURPOSE
<b>DEPARTMENT OF CORRECTIONS</b>			
(2) Institutions			
(C) Housing and Security Subprogram			

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EXPENDITURES DIRECTLY RELATED TO THE COVID-19 PANDEMIC IN THE STATE OF COLORADO (PROVIDED BY THE OFFICE OF STATE PLANNING AND BUDGETING)			
LINE ITEM	FY 2019-20 ESTIMATED EXPENDITURES	FY 2020-21 PROJECTED EXPENDITURES	PURPOSE
Personal Services	\$0	\$7,000,000	Activities related to CDC guidelines (social distancing, PPE, sanitizer, and CCF-S, including operation of new towers at CCF-S)
Personal Services	2,600,000	6,200,000	Incentive pay, additional staff
(G) Superintendents Subprogram			
Operating Expenses	1,000,000	0	Activities related to CDC guidelines (social distancing, PPE, sanitizer, and CCF-S, including operation of new towers at CCF-S)
<b>SUBTOTAL CORRECTIONS</b>	<b>\$3,600,000</b>	<b>\$13,200,000</b>	
DEPARTMENT OF HUMAN SERVICES			
(1) Executive Director's Office	\$167,625	\$268,598	Personal services, operating expenses, incentive pay
(2) Office of Information Technology Services			See SNAP administration
(3) Office of Operations			
(A) Administration	2,186,303	4,912,414	Personal services, operating expenses, incentive pay, PPE
(6) Office of Early Childhood			
(A) Division of Early Care and Learning			
Child Care Licensing and Administration	188,494	0	Personal services, operating expenses, incentive pay, PPE
(7) Office of Self Sufficiency			
(A) Special Purpose Welfare Programs			
Supplemental Nutrition Assistance Program Administration	220,945	114,417	Personal services, operating expenses, incentive pay
(8) Office of Behavioral Health			
Community program subsubdivisions (A)(B)(C)(D)	126,689	126,689	Personal services, operating expenses, incentive pay
(E) Mental Health Institutes (1)(2)	12,059,313	14,482,717	Personal services, operating expenses, incentive pay, PPE
(3) Forensic Services	807,480	807,479	Personal services, operating expenses, incentive pay, PPE
(11) Division of Youth Services (A)(B)(C)	4,217,343	5,412,930	Personal services, operating expenses, incentive pay, PPE
<b>SUBTOTAL HUMAN SERVICES</b>	<b>\$19,974,194</b>	<b>\$26,125,246</b>	
<b>TOTAL DEPTS. OF CORRECTIONS AND HUMAN SERVICES</b>	<b>\$23,574,194</b>	<b>\$39,325,246</b>	

*STAFF RECOMMENDATION:*

Prior to the allocation of the State's portion of the CARES Act funding, department expenditures related the COVID-19 pandemic were covered through existing department appropriations. This resulted in a reduced FY 2019-20 General Fund reversion and an expectation that ongoing FY 2020-21 expenditures should be accounted for in the Long Bill. JBC Staff believes that the expenditures should be reflected in the Long Bill as federal Coronavirus Relief Funds, providing an opportunity for General Fund savings in line items that would have otherwise been reverted in FY 2019-20 or reduced in FY 2020-21. It is important to note that JBC Staff is concerned that expenditures in only two departments have been provided.

**JBC Staff recommends that General Fund appropriation reductions be made in both FY 2019-20 and FY 2020-21 for department line items identified in the above table.**

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**JBC Staff recommends that all state-department Coronavirus Relief Fund allocations identified in the Governor’s Executive Order D 2020 070 for the Departments of Human Services and Corrections be reflected as informational federal funds a single line item in each department or division as appropriate.**

## → ADJUSTMENTS TO FY 2019-20 INFORMATIONAL AMOUNTS FOR HIGHER EDUCATION

As discussed in a staff memo on May 19, 2020, the 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.” The net result 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.

**JBC Staff recommends increasing FY 2019-20 informational federal funds amounts reflected in the Long Bill for each of the higher education state government boards, local district colleges, and area technical colleges, as shown below.**

FEDERAL CARES ACT ALLOCATION FOR HIGHER EDUCATION FY 2019-20	
Adams State University	9,144,890
Colorado Mesa University	17,032,611
Metropolitan State University Denver	33,694,364
Western Colorado University	7,956,877
Colorado State University	90,404,048
Fort Lewis College	7,481,148
University of Colorado	127,737,562
Colorado School of Mines	13,426,734
University of Northern Colorado	24,875,245
Colorado Community College System	100,478,897
Colorado Mountain College	4,768,207
Aims Community College	5,638,091
Area Technical Colleges	7,361,326
<b>TOTAL</b>	<b>\$450,000,000</b>