

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Emily Hansen, JBC Staff (303-866-4961)  
DATE March 11, 2024  
SUBJECT HCPF SB 22-200 ARPA Spending Authority

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Following discussion of ARPA roll-forward legislation in the Department of Human Services, the Department of Health Care Policy and Financing (Department) submitted a request to JBC Staff.

[Senate Bill 22-200](#) established the Rural Provider Stimulus Grant Program. The bill transferred \$10.0 million to the Rural Provider Access and Affordability Fund from the Economic Recovery and Relief Cash Fund, which originates as federal ARPA funds. The Rural Provider Access fund is continuously appropriated to the Department, and the bill therefore does not include an appropriations clause. However, the bill requires that any money that is unspent or unencumbered by July 1, 2024 must revert to the Economic Recovery and Relief Cash Fund (Section 25.5-1-207 (6)(c), C.R.S.).

However, the Department indicates that the federal guidelines associated with this program have changed and require the Department to administer the grant through December, 2024. [Executive Branch reports](#) indicate that the Department has expended \$54,746 and encumbered \$11,775 of the original appropriation as of December 2023. However, the Department indicates that \$9.5 million is currently encumbered and grants have been awarded to 23 hospitals. Of those awards, 20 are fully executed and the remaining 3 are expected to be executed soon.

The Department requests extended spending authority for the program to align with federal guidance. Extending the spending timeline would require legislation since any unexpended funds revert in July 2024. The Department brought the request forward expecting that the statutory change could be included in legislation the Committee has already approved to make statutory changes necessary to implement approved portions of the Statewide Supplemental request related to ARPA roll-forwards.

Staff expects that any funds not expended by the close of the current fiscal year would be swapped with one-time General Fund as part of the greater "ARPA Swap" proposal from the Executive Branch. If one bill is contemplated for statutory ARPA program changes, Staff assumes that this change would fit within that existing bill. Staff also agrees with aligning the state and federal spending timelines for the program. Staff is concerned about opening ARPA changes to programs outside of the original request submitted by OSPB, but is more concerned about programs not being proactively identified at this point in the process, resulting in piecemeal changes at a later time.

Staff recommends including statutory changes to extend spending authority for the program in legislation that has been approved by the Committee to make statutory changes to ARPA programs.