



May 18, 2020

To Members of the General Assembly:

Thank you for your extraordinary efforts to guide our state during the COVID-19 pandemic. Congress has acted quickly to stimulate the economy and we must do so in kind. The State is facing significant costs to respond to the public health emergency and the economic disruption caused by COVID-19.

Pursuant to Title V of the CARES Act P.L. 116-136, \$1.674 billion in Federal funds have been transferred to the State of Colorado specifically to address these costs. Pursuant to Executive Order 20-070 I am directing the expenditure of **\$1.101 billion for costs incurred and immediate needs** in the current fiscal year and **\$503 million to cover eligible costs through December 30, 2020**. Approximately **\$70 million will remain unallocated** and will be transferred to the General Fund by today's Executive Order to be available for appropriation by the General Assembly.

Transfers and Allocations for Fiscal Years 2019-20 and 2020-21 (through 12/30/20) as follows for:

1. **Medical Expenses And Public Health Expenses** incurred or expected to be incurred in the State's Disaster Emergency Fund, **\$48 million transferred** for FY 2019-20 and **\$157 million set-aside** for FY 2020-21. This includes amounts expected to be distributed to local public health agencies for COVID-19 response.
2. **Expenditures To Comply With Public Health Measures** *to maintain state facilities with congregate care, including as it relates to sanitation and improvement of social distancing measures*, **\$2 million transferred** for FY 2019-20 and **\$8 million set-aside** for FY 2020-21. These funds will be available to improve the safety of our prisons, veterans living facilities, youth services centers, and mental health facilities.
3. **Expenditures Incurred To Respond To Second-order Effects Of The Emergency**, including:
  - a. **Caseload increases** for at-risk pupils and human services programs during the COVID-driven recession, **\$2 million transferred** for FY 2019-20 and **\$57 million set aside** for FY 2020-21.
  - b. **Payments for emergency rental and mortgage assistance**, as well as additional direct assistance where appropriate, for individuals that have been economically impacted by COVID-19, with preference given to individuals that are ineligible for other forms of assistance such as unemployment insurance, food benefits, or direct federal stimulus payments, **\$10 million transferred** for FY 2019-20.

4. **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:

**\$500 million transferred 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 BOCES in the state for a total of **\$510 million** above the Constitutionally required state share of public school finance to increase free instructional hours for our kindergarten through 12th grade education system, while complying with COVID-19 public health orders to support Colorado's workforce with school-aged children; and,

**\$450 million 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 higher education.

5. **Payroll Expenses And Other Necessary State 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 public health emergency*, **\$85 million million set aside** for FY 2019-20 and FY 2020-21, including at the Office of the State Controller for expenses related to accounting for and monitoring the use of federal funds related to the COVID-19 public health emergency.
6. **Expenses of local governments** that did not receive a direct distribution of funds in the CARES Act *to facilitate compliance with COVID-19-related public health measures*, **\$275 million** for FY 2019-20 and FY 2020-21.

These federal resources will support local communities both directly, as funds flow from State agencies to local partners, and indirectly. A significant portion of the allocation for the public health response will flow directly to local county public health agencies to ensure we have a robust statewide response through testing and contact tracing. In addition to these funds, our local communities are receiving significant federal resources, including **\$125 million to Colorado communities** from the Department of Health and Human Services, **more than \$16 million in Community Development Block Grants**, **\$8 million in Community Services Block Grants**, and an estimated **\$30 million to local governments for COVID-19 testing**.

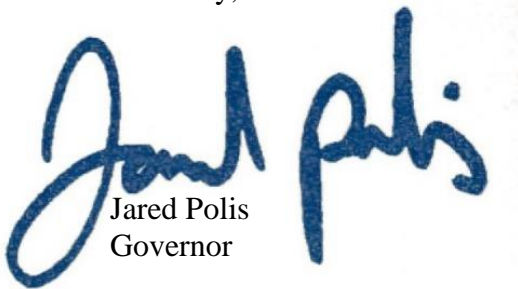
In addition to these funds, the state of Colorado has already or is expected to receive several direct transfers to fulfill critical needs including **\$2.25 million and as much as \$8 million for crisis counseling and mental health support**, **\$15.4 million in LEAP funds** to help Coloradans pay their home heating bills, and **\$9.1 million in Byrne Justice Assistance grants** to support local law enforcement in response to COVID 19. My administration looks forward to engaging with you on how to best serve Coloradans with these funds. I know that more federal resources will be needed and will continue to advocate strongly for more federal support for Colorado communities.

The remaining \$70 million in unallocated funds will be transferred to the General Fund. I appreciate the dialogue we have had to date on the remaining existing needs and the direction you are heading on the appropriate use of these remaining funds for the following expenditures eligible under the CARES Act:

- Additional assistance to local governments for COVID-19 response
- Provision of economic support to small businesses through working capital loans
- Grants to small business to ensure all businesses offer paid sick leave.
- Additional rental relief
- Other priorities as determined by the General Assembly and authorized under the CARES Act

My Administration will be pleased to work with legislative sponsors and committees for these appropriations.

Sincerely,



Jared Polis  
Governor