

## Item 8: Department of Administrative Services

### Federal Coronavirus Relief Fund

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**Analyst:** Paul Siebert

**Request:** Establish a \$300,000,000 Federal Funds expenditure limitation for the Department of Administrative Services for funding made available to states through the Coronavirus Relief Fund, with the understanding that \$275,000,000 of the Federal Funds expenditure limitation increase will be unscheduled pending the identification of specific eligible response activity costs.

**Description:** On March 27, 2020 the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act became law. One of the many funding components the CARES Act contains is a \$150 billion Coronavirus Relief Fund. Through the Coronavirus Relief Fund (CRF), the CARES Act provides for payments to State, Local, and Tribal governments to pay costs associated with the impact of COVID-19.

The CARES Act requires that payments from the CRF can only be used to cover expenses that:

- (1) are necessary expenditures incurred due to the public health emergency created by COVID-19;
- (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or local government; and
- (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Amounts paid to states and eligible units of local government are based on population using U.S. Census Bureau data. Under this methodology, the U.S. Treasury determined Oregon's share of the \$150 billion total funding to be \$1,635,472,404. The amount available to each state will be reduced by the aggregate amount of payments that will be disbursed to eligible local governments within that state but cannot fall below 55% of the total state allocation. The U.S. Treasury determined that three local governments are eligible for payments from the CRF, the City of Portland, Multnomah County, and Washington County. It is not yet known how much each of these entities will receive or expend. Local governments apply directly to the U.S. Treasury for funding from the CRF, not through the state.

The Department of Administrative Services (DAS) will be the receiving agency for state funding from the CRF, which the Department will then expend as Federal Funds. DAS currently has no Federal Funds expenditure limitation and is therefore unable to expend any federal monies from the CRF.

**Recommendation:** The Co-Chairs of the Emergency Board recommend establishing a \$300,000,000 Federal Funds expenditure limitation for the Department of Administrative Services for funding made available to states through the Coronavirus Relief Fund, with the understanding that \$275,000,000 of the Federal Funds expenditure limitation increase will be unscheduled pending identification of specific eligible response activity costs. The Department of Administrative Services shall report to the Legislative Fiscal Office in a timely manner details on expenditures of all funds from the Coronavirus Relief Fund by month through February 2021.