

Item 5: Department of Administrative Services

State Expenses Expenditure Limitation and Coronavirus Relief Fund Status Report

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Request: Increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$105,000,000, from funding made available to states through the Coronavirus Relief Fund (CRF) to provide flexibility and rapid response capability for the Department of Administrative Services to purchase equipment, supplies, and services on behalf of state agencies in responding to the effects of the COVID-19 pandemic.

Description: At the April 23, 2020, meeting of the Emergency Board, DAS was provided with upfront expenditure limitation of \$300 million to start spending the federal dollars received from the U.S. Treasury in the state's portion of the Coronavirus Relief Fund authorized in the CARES Act. At the May 15, 2020, meeting of the Emergency Board, the decision was made to categorize the \$1.39 billion received for the state from the CRF into three groupings - State Expenses (\$450 million), Local Government and Tribes (\$415 million), and Reserves (\$525 million). The original \$300 million of expenditure limitation was assumed to be toward the State Expenses category, leaving a balance of \$150 million. Item #2 on this Emergency Board agenda also includes a recommendation to increase the State Expenses expenditure limitation for DAS by \$45 million, leaving a balance of \$105 million. This request would provide DAS with the limitation for that remaining amount.

The risk with this approach is that DAS would have no budgetary restrictions on the use of the remaining expenditure limitation. The only authority the Legislature would maintain would be on providing the corresponding Other Funds expenditure limitation to recipient state agencies that would use the CRF transferred to them by DAS. The Legislative Fiscal Office (LFO) recommends that this proposal be allowed to proceed, but with the understanding that DAS will maintain the planned expenditures included on the attached table and that any notable deviation from this list be reported on a monthly basis to the Legislature through LFO. If LFO determines that the content of that monthly report warrants discussion with the Emergency Board, either due to the identification of unanticipated expenditures or the legitimate need for the provision of Other Funds expenditure limitation to state agencies for the use of CRF monies, LFO will recommend to legislative leadership that an Emergency Board meeting be scheduled.

There have also been questions raised about the current status of authority provided to spend the state's share of the CRF that totals \$1.39 billion. The second table on the following page identifies, at a summary level, the Federal Funds expenditure limitation provided by the Emergency Board in its meetings since the start of the COVID-19 pandemic and also shows the categorization of actual and planned expenditures to date by grouping. The table shows the original allocation of the \$1.39 billion into the three categories (with a sub-breakout of the Local Government category), the actual amount of expenditure limitation provided to DAS by category (assuming the August 5, 2020 Emergency Board requests), the remaining limitation available, the total of expenditures (actual to date and planned) by category, and the amount of each category's share remaining. The display shows that all of the \$1.39 billion CRF state share has currently been committed by DAS and by the Emergency Board process.

2020 Coronavirus Relief Fund Expenditures	
State Direct COVID-19 Costs (millions)	State Agency Expenses
Expenditures (Approved to Date and Planned)	
PPE Purchases (masks, gloves, shields, sanitizer)	45.0
Food Bank Increased Payments \$1 mil/wk	8.0
Battelle Face Mask Decon Facility in Eugene	0.2
Costs for PPE Distribution	1.0
Increased Telemedicine Capabilities	5.1
Increased Public Health Communication & Enforcement	24.2
Medical & Protective Supplies (Excluding DAS PPE Purchases)	16.4
Increased disinfecting public areas and other facilities	4.1
Public safety measures	2.3
Salaries for COVID-19 dedicated staff	139.4
Expenses to improve telework capabilities	7.1
COVID Beds APD 97	13.1
COVID Beds APD 150	20.3
Copays for ERDC clients, increase FPL for day childcare slots	21.0
Ten percent rate increase for APD providers	20.5
Additional 2.5% rate increase for Nursing Homes	3.5
Ten percent rate increase for IDD services	10.3
Family Supports and foster home sustainability payments	1.0
DHS BRS Temporary Rate Increase	0.4
OYA BRS Temporary Rate Increase	0.4
Flat Fee for Child Welfare Contractors	1.0
Salaries for OSP Patrol	56.0
CARES Act Subrecipient Monitoring Office	0.5
OHA Racial Disparities Plan	45.0
Subtotal of Estimated Expenditures	445.8

2020 Coronavirus Relief Fund Expenditures						
Oregon CRF Expenditures (millions)	State Expenses	Local Government			Reserves	Total
		Reimbursable for Cities, Counties, Other	Reimbursable for Tribes	State Provided		
CRF Allocation by Category	450.0	200.0	15.0	200.0	523.5	1,388.5
DAS Expenditure Limitation Provided	450.0	200.0	15.0	229.2	449.7	1,343.9
Remaining Limitation Available	0.0	0.0	0.0	(29.2)	73.8	44.6
Subtotal of Estimated Expenditures	445.8	200.0	15.0	245.2	482.6	1,388.5
Amount of Category Share Remaining	4.2	0.0	0.0	(45.2)	40.9	(0.0)
Total Share by Category	450.0	200.0	15.0	200.0	523.5	1,388.5
Primary Applicability (depending on individual program requirements)	State Agency Program Expenses	Local Gov't; no Multnomah or Washington	Tribes only; no Multnomah or Washington	Statewide Paid or Distributed	Assistance to Citizens and Businesses	

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$105,000,000, from funding made available to states through the Coronavirus Relief Fund to provide flexibility and rapid response capability for the Department of Administrative Services to purchase equipment, supplies, and services on behalf of state agencies in responding to the effects of the COVID-19 pandemic.