

## Item 4: Department of Administrative Services

### Expenditure Limitation for State Agency Expenses due to COVID-19

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**Analyst:** Ken Rocco

**Request:** Establish an Other Funds expenditure limitation of \$8,000,000 for the Department of Human Services for funding from the Coronavirus Relief Fund (CRF) received by the Department of Administrative Services and transferred to the Department of Human Services for Self Sufficiency and Vocational Rehabilitation Services for increased funding for food programs during the COVID-19 pandemic and establish an Other Funds expenditure limitation for the Department of Human Services of \$21,767,055 for funding from the CRF received by the Department of Administrative Services and transferred to the Department of Human Services for Aging and People with Disabilities (APD) and Intellectual/Development Disabilities (IDD) for service rate increases and emergency COVID beds during the COVID-19 pandemic.

**Description:** The Department of Administrative Services (DAS) has been coordinating the purchase of supplies and services by state agencies in responding to the COVID-19 pandemic. Most of these costs are eligible to be paid with funds from the Coronavirus Relief Fund. DAS has expenditure limitation from prior Emergency Board actions to cover the transfer of funds to state agencies. The Emergency Board provided DAS with \$300 million Federal Funds expenditure limitation for the State Expenses category at the April 23, 2020, meeting. The recipient state agencies will need Other Funds expenditure limitation to spend the transferred CRF monies. In some cases, the state agency has already spent other available agency funding and will use the CRF to replace those expenditures.

As these expenditures are cleared through the state's accounting system, it is expected that DAS will come forward with requests to provide the recipient state agencies with the necessary Other Funds CRF expenditure limitation. This request is the first of these anticipated actions and is to provide DHS with a total of \$29.8 million of Other Funds expenditure limitation for enhanced Food Bank transfers (\$8 million), temporary 3-month rate increases of 10 percent for IDD 24-hour residential service providers delivering services to children or adults (\$9 million), and for a 97 bed Emergency Health Care Center dedicated to individuals and APD clients with COVID-19 that need to be quarantined or moved from nursing home settings (\$12.8 million).

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board establish an Other Funds expenditure limitation of \$8,000,000 for the Department of Human Services for funding from the Coronavirus Relief Fund (CRF) received by the Department of Administrative Services and transferred to the Department of Human Services for Self Sufficiency and Vocational Rehabilitation Services for increased funding for food programs during the COVID-19 pandemic and establish an Other Funds expenditure limitation for the Department of Human Services of \$21,767,055 for funding from the CRF received by the Department of Administrative Services and transferred to the Department of Human Services for Aging and People with Disabilities (APD) and Intellectual/Development Disabilities (IDD) for service rate increases and emergency COVID beds during the COVID-19 pandemic.