



Governor's Office of Economic Recovery

Since Spring of 2021, the Colorado Governor's Office has been working diligently with the General Assembly, Office of the State Controller and Office of the Governor to determine the best path forward for supporting Coloradans in recovery from the COVID-19 pandemic.

Overview:

- The Joint Budget Committee and the Governor's office are committed to spending every SLFRF dollar allocated to the state government for transformative investments that were generated in a strong partnership over the past three years.
- The spending deadlines regarding ARPA have not changed.
 - As always, recipients must obligate SLFRF funds for eligible uses by December 31, 2024 and expend the funds by December 31, 2026.
 - Grant agreements and contracts that are already in place will still be able to spend as planned until December 31, 2026.
 - In Nov. 2023, the U.S. Treasury issued new guidance that restricts some of the flexibility for funds after December 2024, including spending on program staffing and the redeployment of funds that *become* unobligated after 2024 (for example, if a contract should need to be revised).
- The Governor's Office and the Joint Budgeting Committee are pursuing proactive solutions to protect Colorado's flexibility for a portion of the total dollars awarded to the state that are intended to be spent now and past 2024.
 - This effort will NOT change the timelines for any SLFRF funded projects. There are many mechanisms in place to spend down funds quickly without losing impact, and to retain flexibility for the existing planned programs and uses.
 - One of the proposed mechanisms for maintaining flexibility is to refinance remaining ARPA SLFRF funds with a one-time general fund swap.
 - At the same time, the state is reviewing programs to see if it would be prudent to reinvest funds that are at risk of not meeting the '24 or '26 deadlines due to a variety of reasons, such as supply chain delays. This ensures that programs that

have great impact and are able to spend funds quickly receive additional investment.

- This process does not create new funding available for new programs. All funds will still be directed towards the programming identified by the Legislature during previous sessions.
- Treasury's guidance mainly affects Colorado's ability to continue programs with programmatic staff. Colorado still remains on pace to spend much of our funds and we want to be proactive in protecting our flexibility to use these funds to support transformative projects in Colorado.