



## Decisions About the Use of Supplemental Federal Funds

### *Department of Administration*

We conducted a limited-scope review of how the Department of Administration (DOA) used supplemental federal funds provided in response to the public health emergency. These funds were provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the Consolidated Appropriations Act; and the American Rescue Plan Act (ARPA).

#### **From March 2020 through June 2022, DOA was provided \$5.7 billion in supplemental federal funds**

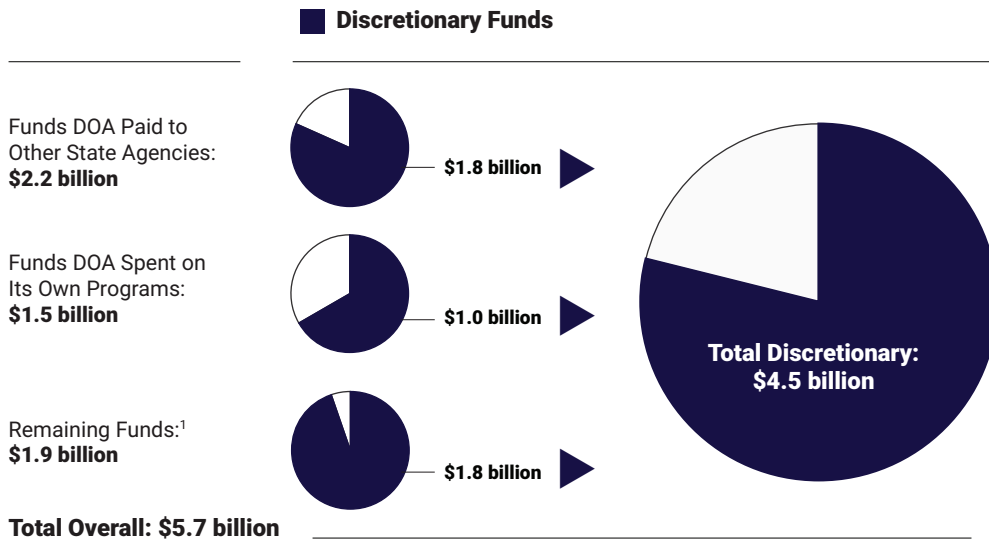
From March 2020 through June 2022, DOA paid \$2.2 billion of the \$5.7 billion in supplemental federal funds to other state agencies, including a total of \$1.8 billion to the departments of Revenue and Health Services. These state agencies used the funds for programs they administered. DOA spent \$1.5 billion of the \$5.7 billion on its own programs. As of June 30, 2022, \$1.9 billion was remaining.

#### **The State has the discretion to spend \$4.5 billion of the \$5.7 billion in supplemental federal funds**

Federal law provides the State with the discretion to spend \$4.5 billion of the \$5.7 billion in supplemental federal funds, but federal law requires that \$1.1 billion be spent for specified purposes, such as on particular programs that state agencies administer.

Statutes provide the Governor with the authority to decide how to spend discretionary federal funds provided to the State. As of June 30, 2022, \$1.8 billion in discretionary funds were remaining. In December 2022, DOA indicated it had plans for using most of these funds.

## Supplemental Federal Funds Provided to DOA | March 2020 through June 2022



<sup>1</sup> As of June 30, 2022.

DOA did not provide us with information DOA indicated it and the Governor's Office had considered in deciding to use discretionary funds for the nine state programs we selected for our review. However, DOA provided us with information on the planned use of the \$1.8 billion in remaining discretionary funds as of June 30, 2022.

### DOA should improve the transparency and clarity of the State's use of supplemental federal funds

Federal law permits some supplemental federal funds to be spent through December 2026. We recommend that DOA increase the transparency and clarity of the State's use of supplemental federal funds, including by documenting how decisions were made to use discretionary funds for particular state programs. DOA should also include on its website additional information about supplemental federal funds, including plans for spending the remaining funds and how such plans change over time. Providing clear and comprehensive information will allow legislators and the public to more readily identify how these funds are spent in the future.

To see the complete list of our recommendations, as well as one issue for legislative consideration, please visit our website.