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**State Underspending of Administrative Expenses Maximizes
Pandemic Relief Aid for Coloradans**

DENVER—The Office of the State Auditor (OSA) has released a performance audit of administrative expenses for eight pandemic relief programs that were authorized by the Colorado General Assembly during its special session convened in November and December last year.

To help address the economic impacts of the COVID-19 pandemic in Colorado, the General Assembly passed five bills during the 2020 special session that appropriated about \$178.6 million in financial relief aid to benefit individuals and businesses through eight state programs. Auditors found that nearly \$155 million, or about 87 percent of the total funds available, will be spent by June 2022, leaving \$24 million to be retained in the respective program funds for future use or returned to the General Fund.

Conducted in response to a legislative request, the audit examined how funds were used administratively by the various agencies charged with implementing relief programs established by the General Assembly. Auditors estimated that the programs will use \$7.9 million, or 5 percent of their total relief aid expenses, for administrative purposes, such as grantees' administrative costs, services and supplies obtained by the State, and payroll expenses for state employees. Auditors also found that state agencies were using less for administrative expenses than the limit allowed by statute in order to maximize the amount of aid to be awarded and distributed to individuals and businesses impacted by the pandemic.

Based on their review of actual and expected spending as of April 2021, auditors reported that state agencies expect to be within the statutory limits on administrative spending at the conclusion of their programs and that administrative expenses appeared to be reasonable and necessary in accordance with State Fiscal Rules.

“The information we compiled in this audit is valuable for the public and policy makers because it highlights the many different ways in which the State responded to help Coloradans during the pandemic,” said Dana Berry, Legislative Auditor.

Auditors worked with five state agencies to collect and summarize information on each program’s funding, expenses, and grantee awards. The report presents detailed information about the appropriations and program spending for the following eight programs: Emergency Housing Assistance (Department of Local Affairs), Child Care Provider Assistance (Department of Human Services), Small Business Relief Program (Department of Local Affairs), Connecting Colorado Students Grant Program (Department of Education), Colorado Arts Relief Fund (Governor’s Office of Economic Development and International Trade), Food Pantry Assistance Grant Program (Department of Human Services), Disproportionately Impacted Business Relief Program (Governor’s Office of Economic Development and International Trade), and Eviction Legal Defense Program (Judicial Department).

The full report is available @ www.colorado.gov/auditor.

About the Office of the State Auditor (OSA)

Under the direction of the State Auditor, the OSA’s nonpartisan, professional staff promote government accountability by conducting independent performance, financial, and IT audits and evaluations of state agencies, departments, and institutions of higher education, conducting independent evaluations of the State’s tax expenditures (e.g., credits, exemptions, deductions), tracking about 4,000 Colorado local governments for compliance with the Local Government Audit Law, and operating a statewide fraud reporting hotline.

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