



**STATE OF CONNECTICUT**  
**OFFICE OF POLICY AND MANAGEMENT**

***TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE***  
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Testimony Opposing Raised Bill No. 6555

**AN ACT CONCERNING LEGISLATIVE OVERSIGHT AND APPROVAL**  
**OF COVID-19 RELIEF FUNDS**

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Senator Osten, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer testimony on Raised Bill No. 6555, An Act Concerning Legislative Oversight and Approval of COVID-19 Relief Funds.

This bill's stated purpose is to establish a process for legislative oversight and approval of the allocation of COVID-19 funds received from the federal government pursuant to the American Rescue Plan Act of 2021, or subsequent federal act. More specifically, the bill requires the Governor to submit an allocation plan within 30 days of passage of such act to the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The Governor's recommended allocations under the bill would then be referred to the Appropriations Committee, which would report its approval or modifications to the General Assembly for approval.

The bill states that disbursements shall be in accordance with the allocations approved by the General Assembly. This implies that the General Assembly will be able to modify the Governor's allocation plan after the recommendations of the Appropriations committee without further action by the Governor. This appears to be in conflict with the regular appropriations process by which the General Assembly passes an appropriations act and the Governor has the power to consider approval. Under the bill, it appears that a simple majority of the General Assembly would be able to spend a billion dollars or more without approval of the executive to whom the federal government will look for compliance with relevant federal requirements.

Connecticut has experienced remarkable success in managing the pandemic. Since COVID-19 came to the state a year ago, the Governor has mounted one of the most comprehensive and effective responses in the nation. In the early days of the pandemic, amid uncertain and shifting Federal guidance, he moved quickly to shut down non-essential activities and businesses to protect our residents.

Despite a global shortage of personal protective equipment (PPE), he threw out the traditional procurement playbook to bring in PPE from around the world. We've now purchased over 300 million units of PPE that have been distributed to our healthcare partners and used to fully stock a 90 day supply in the state's emergency stockpile.

Nursing homes have been the epicenter of the pandemic and were blindsided in the spring of 2020 as part of the New York area hotspot. Our response was among the most extensive in the nation, rapidly mobilizing the National Guard to assist Department of Public Health (DPH) staff with thousands of infection control inspections, organizing and paying for repetitive asymptomatic testing of staff and residents, providing PPE, and establishing COVID recovery facilities to receive COVID-positive hospital discharges and protect nursing homes from further spread. We partnered with our hospital partners to stand up field hospitals and forged innovative partnerships to move the homeless into hotels to prevent spread.

We worked with Connecticut laboratories to scale up COVID-19 testing, building a program that has consistently been in the top five in the nation in testing per capita and helped keep infection rates among the lowest in the nation. We've deployed testing resources into underserved and disproportionately impacted communities. We've tested aggressively in our colleges and universities, enabling them to operate successfully, and provided dedicated testing access to first responders, educators and other frontline workers.

We set up from scratch a statewide contact tracing platform, integrating the work of 64 local health departments with DPH to seamlessly share data in the cloud and provide surge capacity contact tracers to local teams that became overwhelmed. We established supports for vulnerable cases and contacts who needed help to quarantine including food, housing and direct financial support. With extensive planning and partnership, we opened K-12 schools on-time in September, providing PPE and resources for cleaning and improving ventilation. We've provided extensive support to childcare facilities to support our frontline workers.

Since the Pfizer vaccine began to roll out on December 14<sup>th</sup>, Connecticut has consistently ranked in the top five in the nation in the percentage of our population that has been vaccinated. We prioritized nursing homes and were the first state in the nation to complete first dose clinics on January 8<sup>th</sup> of this year, leading to a rapid decline ever since in resident cases and deaths. Our vaccine rollout has focused on both speed and equity, recognizing the importance of getting shots in arms to prevent illness and death while ensuring the everyone has access regardless of where they live or the color of their skin.

While the results of this work give us hope that the worst of this pandemic is behind us, COVID-19 has taught us that we need to be prepared for new challenges and ready to respond rapidly to protect the state, particularly with the variants of COVID that have emerged.

These operational successes would not have been successful without the context of a flexible financial plan that evolved over time to align with the strategies as they were identified—and to ensure compliance with ever-changing federal guidance. The financial plan was designed to ensure

that smart, strategic investments could be supported over the anticipated duration of the pandemic. This financial plan required nimbleness to achieve these results.

These investments included early commitments to support nursing homes and evolved to provided support to various sectors as the pandemic unfolded, including support for nonprofits, hospitals, small businesses, arts organizations, and others. Our success has also been due to the nimbleness we have exhibited to adapt our investments and resource allocation plan to ensure we have access to resources as issues arose. For example, in late December, additional supports were announced including: \$20.8 million in Coronavirus Relief Fund (CRF) payments for nursing homes. Further, the state continued covering the costs of COVID-19 testing for staff in the state’s nursing home facilities, managed residential communities, and assisted living services agencies. Another example of an unanticipated need that had to be quickly addressed was use of CRF money to expand Unemployment Insurance call center capacity in the Department of Labor.

Flexibility was required to augment the rental assistance program to provide mortgage relief to homeowners, support renters who were facing eviction before the pandemic, rehouse people exiting homelessness or incarceration, and support renters excluded from federal assistance because of their or their loved ones’ immigration status.

From the very start, we have been fully transparent about the uses of the largest source of federal aid to the state – the Coronavirus Relief Fund. Commencing in March 2020—one year ago—OPM has included a detailed report each month as part of our publicly-available budget projections. That report identifies pandemic response activities in great detail. The data for this report is also provided directly to the Office of Fiscal Analysis.

As we have found with the five previous pieces of federal legislation designed to provide COVID-19 relief,<sup>1</sup> federal law, regulations, or implementing guidance frequently dictate the uses of such funds. All federal grants we have received to date have required a variety of certifications, assurances, and commitments to assure adherence to various federal requirements. Because of this complexity, OPM has played a critical role in ensuring that our investment plan maintains compliance with the multitude of federal requirements. It has been vitally important for us to remain nimble in managing the resource flows given the frequency with which federal guidance has been revised, clarified, or otherwise changed over time, sometimes making a previously-approved allocation now disallowed and requiring a change in direction for our investments.

While Connecticut is on a positive path with COVID-19 positivity rates dipping under two percent, low rates of hospitalizations, and a strong rollout of the vaccination program, our work is not yet done. To continue this progress, utilizing these tools and having flexibility in responsiveness will continue to be key to meet the needs of Connecticut across stakeholder groups. We recognize the Legislative Branch’s role as a separate and co-equal branch of government that is oriented toward ensuring that constituents are represented and their needs addressed to the extent possible. We

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<sup>1</sup> Public Law 116-123, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020; P.L. 116-127, the Families First Coronavirus Response Act; P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act; P.L. 116-139, the Paycheck Protection Program and Health Care Enhancement Act; and P.L. 116-260, the Consolidated Appropriations Act, 2021.

welcome a partnership and are committed to working with you in a collaborative manner to identify meaningful uses of forthcoming federal funds for which the state retains some discretion.

I respectfully request that the committee refrain from approving this bill and immediately moving forward. If this bill moves forward, it must, at a minimum, provide for legislative action by passage of a legislative act in the normal course. Second, I would be remiss if I did not note that the Governor's recommended budget relies on \$1.75 billion of forthcoming federal aid to achieve General Fund balance. Decisions on allocations of the State stimulus funds under the American Rescue Plan Act of 2021 should be determined and agreed upon concurrent with final budget negotiation and passage.

To the extent that there is discretion as to any of the funding, the executive and legislative branches can negotiate arrangements under which priorities for both branches can be accommodated and the executive can retain the flexibility required to continue to respond to the exigencies of the pandemic environment as well as confidently provide assurances to the federal government that all funds are being used in accordance with federal requirements.

#### Attachments

- CRF Allocations by Category (pie charts)

- CRF Allocations by Agency and Item Description

- Overview of Federal COVID-19 Relief Funds Provided to CT to Date