



Office of State Budget Director

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Andy Beshear
Governor

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John T. Hicks
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

September 9, 2020

Jenny Bannister, Deputy Director
Office of Budget Review
Legislative Research Commission
Capitol Annex Building
Frankfort, Kentucky 40601

Dear Deputy Director Bannister:

I am attaching the requested information about the specific uses of the federal Coronavirus Relief Fund. The attachment reflects that about 52 percent of the Fund has been awarded, committed or reserved to-date.

The Governor has allocated funds to cities, counties, and local health departments, to cover their extraordinary costs. The Fund has been used to acquire personal protective equipment and critical medical supplies, to pay for free testing of our citizens and contact tracing across the state, to ensure adequate testing in our long-term care facilities, and to address the unemployment insurance claim backlogs caused by the surge of lost jobs with an archaic technology system. Recent actions have been taken to assist in the prevention of Kentuckians from being evicted from their homes in the midst of a pandemic, to ensure that our school children have access to the internet for their education, and to provide the \$100 per week state match for the Lost Wages Assistance supplemental unemployment insurance benefits. We expect other exigent circumstances to arise that will require the use of these resources.

States have balanced allocations of the Fund with the prospect that Congress may act to allow state and local governments to use some of the funds for revenue shortfalls. Majority members of the U.S. Senate have sponsored legislation that would give state and local governments the ability to use some or all of the fund for revenue shortfalls in both fiscal years 2021 and 2022. For those reasons, I have recommended to the Governor to be mindful of possible Congressional action in the near term and to reserve a portion of the Fund in that event which could prevent spending cuts to critical services and programs that Kentucky state government provides.

If you have any questions or need further information, please let me know.

Sincerely,

A handwritten signature in black ink that reads "John T. Hicks".

John T. Hicks
State Budget Director