



J. Kevin Stitt
Office of the Governor
State of Oklahoma

July 9, 2020

Dear U.S. Senators Rick Scott, Ron Johnson, and Ted Cruz:

Thank you for your inquiry on how CARES Act funds are being spent in Oklahoma and across our various government entities. We share the same core principle that American taxpayers deserve to know how their money is being spent to address a critical pandemic. Transparency is a central focus in Oklahoma, which is why my administration has been posting daily online the latest distribution of CARES Act funds and why we are working to further develop our digital checkbook transparency tools to make this data more detailed and user-friendly for the public.

As it relates to your questions, we have provided initial responses below and we welcome further opportunities to provide additional supporting documents or explanations as to our process for overseeing the distribution of reimbursements from the CARES Act Coronavirus Relief Fund (CRF).

How much federal funding for coronavirus response, per program or federal agency, has your state received?

The State of Oklahoma received \$1,259,072,819.70 in CRF to distribute through reimbursements to our State agencies and to city and county governments for services impacted due to the presence of COVID-19. Through CRF, the following local governments also received direct allocations as directed by Congress through the CARES Act:

- Oklahoma County - \$47,292,000.00
- Tulsa County - \$113,691,000.00
- Oklahoma City - \$114,302,000.00

Various State agencies also received an additional \$1,918,280,000.00 of coronavirus response funds directly allocated to these entities at the direction of Congress. The breakdown is as follows (table in thousands):

Agency	Amount
Education	\$381,392.00
Labor	\$13,056.00
Justice	\$11,619.00
Dept of Ag	\$14,394.00

Commerce	\$573.00
Homeland Security	\$3,545.00
HUD	\$68,099.00
FTA / USDOT	\$149,017.00
Independent Agencies	\$6,749.00
HHS	\$1,269.836.00

Of the money noted above for education, \$39,919,354.00 was provided to the Governor’s Emergency Education Relief (GEER) fund, of which \$8 million has been committed, to date, to support a grant program for local public school districts, Pre-K to 12th grade, to improve digital connectivity and to enhance distance learning. More information is [available here](#).

How much federal coronavirus response funds has your state spent?

The State has maintained a rigorous accounting system to monitor and properly execute on the \$1.25 billion provided through CARES Act CRF. After receiving the funds from the U.S. Treasury in late April, we focused the first few weeks on building a platform to meticulously track the requests for and fulfillment of CRF and on training various public entities on how to use the system. We also built a strategically focused team of cabinet secretaries and public employees, called *CARES FORWARD*, with expertise in accounting, auditing, and federal grant writing to oversee this process. As a result, Oklahoma began processing CRF reimbursements to State agencies in May and to city and county governments in June. Over the course of 9 weeks, the State has committed \$439,507,766.36 (35%) of CRF funds to reimbursement requests.

What is the balance of federal coronavirus response funding you have left?

At the time of this letter, \$819,565,053.34 remains available. Since Congress first passed the CARES Act, I have been communicating with the Oklahoma Congressional delegation that instead of another stimulus to States, that Congress should first consider further flexibility with CRF.

For example, at this time, the State of Oklahoma is expecting maximum demand on the State’s \$1.25 billion in CRF, but we are facing a constraint with the current timeline for all funds to be distributed or clawed back by Dec. 31, 2020. The State is committed to being judicious and methodical in the delivery of funds to ensure it meets the intention of Congress. We aren’t going to cut a check just to deplete funds for public narrative purposes. The State instead recognizes that these federal funds will need to support the adjustment of critical, frontline public services for a prolonged, unknown period of time until there is a cure or vaccine for COVID-19 that can be administered in mass. More flexibility, both in timeline and on what qualifies as a reimbursement, would allow the State and local governments to invest in more forward planning to restore some sense of certainty and build a new normal to advance public health services that in turn will protect our fragile economies.

How were the federal coronavirus response funds allocated? How much of the federal coronavirus response funding have you specifically allocated to your cities and counties? (Please provide detail of the allocation.)

Per the guidance of the U.S. Treasury, the State of Oklahoma has maintained a rigorous process to distribute the funds as reimbursements to various government entities and closely monitors the distribution of funds to best adhere to the guidance from the U.S. Treasury.

When it comes to the distribution of CRF funds to local governments, the CARES FORWARD team reserves the first 10 days of every month to receive reimbursement requests from cities and counties. This formal process began in June, and at the time of this letter, the State has only processed one wave of reimbursement requests from local governments, totaling \$4.2 million. The State expects this amount to exponentially grow over the next few months, and we stand ready to provide another update in the fall if of interest. Current allocation to the local entities is available in the chart.

The State does not have reporting capabilities for the use of CRF funds directly allocated to Tulsa County, Oklahoma County, and Oklahoma City. We maintain regular communications with these local government entities in preparation to provide additional financial support as the need arises.

As for the distribution of CRF funds to State Agencies, the State has approved or distributed \$312,206,060.00 at the time of this letter. The two largest consumers of CRF funds to date are the Oklahoma State Department of Health for testing, tracing, emergency personal protection equipment, and surge hospital leases; and the Oklahoma Department of Commerce for emergency economic aid to support businesses in their recovery from the economic downturn caused by the introduction of COVID-19 to the U.S.

Entity	Amount
Choctaw County	\$ 19,183.47
City of Anadarko	\$ 38,654.62
City of Edmond	\$ 1,705.03
City of El Reno	\$ 17,954.84
City of Eufaula	\$ 4,489.98
City of McAlester	\$ 1,250,413.93
City of Ponca City	\$ 2,333,358.49
City of Tonkawa	\$ 27,796.22
Comanche County	\$ 161,369.81
Eakly	\$ 2,401.19
Guthrie	\$ 40,987.96
Marlow	\$ 1,399.00
Okfuskee County	\$ 1,020.87
Owasso	\$ 48,738.43
Payne County	\$ 57,309.33
Pittsburg County	\$ 48,996.84
Pontotoc County	\$ 35,773.29
Wagoner County	\$ 156,546.52

Has your state used or does it plan to use the Federal Reserve’s Municipal Liquidity Facility?

The State of Oklahoma does not plan to use the Federal Reserve Municipal Liquidity Facility.

In your state, have Medicaid costs gone up because of the coronavirus? How much has enrollment changed?

From January 2020 to May 2020, the State of Oklahoma’s Medicaid program, SoonerCare, grew by more than 50,000 new enrollees (7%). A breakdown of Oklahoma’s SoonerCare enrollment is available by [clicking here](#). This is mostly attributable to the continuous eligibility provision (MOE) in the FFCRA but also unemployment related enrollment. The Oklahoma Health Care Authority (OHCA) is budgeting for a significant enrollment increase in SFY 2021 related to both unemployment and the continuous eligibility provision and anticipate an increase in volume due to deferred services from SFY 2021. Overall, the State is projecting a \$567M program budget increase, a number reflecting both federal and state dollars, in SFY 21 with almost 55% of the

increase related to enrollment. This estimate does not take into consideration at this time Medicaid Expansion that recently passed via a State Question.

What changes have the state made to control cost, and quickly and accurately verify enrollment eligibility information?

The State developed Modified Adjusted Gross Income (MAGI) eligibility system changes to ensure verification is requested for income sources that are not verifiable through available electronic sources. The state will be verifying 100% of income through electronic sources, or by seeking information from the member's household. Supplementary work will be processed by staff trained to complete manual verification. The state will require additional information from households attesting to having zero income throughout the application period. The state is planning additional eligibility training and oversight to ensure timely and complete eligibility reviews of non-MAGI eligibility cases processed by agency partner, Oklahoma Human Services (OHS). Audits will be performed by the Program Integrity and Accountability Division of Oklahoma Health Care Authority (OHCA) to measure the effectiveness of all new procedures and enhancement measures completed by the two agencies responsible for Medicaid and CHIP eligibility decisions. The Program Integrity auditors, in conjunction with operations and policy leadership, will increase communication with OHS to ensure adequate information sharing and review of eligibility procedures.

How often does the state re-verify enrollee eligibility?

The state verifies eligibility at application and prior to renewal near the 11-month mark in the application period. In addition to those required verifications, the state is expanding use of quarterly wage data from Oklahoma Employment Security Commission (OESC). The state will now compare all wage data matches to the member attested, or previously verified, income information to ensure ongoing eligibility. The state is working toward establishing additional income verification sources through the federal hub and Oklahoma Tax Commission (OTC). The state is moving forward with pursuing a contract to assist with additional eligibility verification required by the HOPE Act.

Has your state applied for FEMA Disaster Relief Fund assistance provided in the CARES Act? If so, how much has your state requested from FEMA?

The State of Oklahoma requested a Major Disaster Declaration for COVID-19, and the State was approved for Public Assistance Category B (Emergency Protective Measures), an allotment of \$350,000.00, and Individual Assistance Limited to Crisis Counseling, an estimated expense of \$4.5 million. FEMA also opened up a supplemental Emergency Management Performance Grant (EMPG) which was authorized through the CARES Act. As you are aware, distribution was based on population, in which Oklahoma was allocated \$1,465,525.00.

The State of Oklahoma is also closely working with cities, towns, counties, tribes, state agencies, and other eligible applicants who may be submitting their FEMA PA Cat B costs. At this time, it is too early to know what the total dollar figure will be.

Thank you again for your support of the CARES Act and for your continued public service to ensure these funds are stewarded in the best interest of the people. As we advance forward, we welcome your collaboration to ensure proper resources are available and used responsibly to protect the taxpayer, to recover our economy, and to win a war being waged by a novel virus. Oklahoma is resilient. We are people guided by our deep hope for the future and enduring compassion for our neighbor, which makes me confident as Governor that Oklahoma will come out stronger on the other side of this pandemic.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Stitt". The signature is fluid and cursive, with the first name "Kevin" written in a larger, more prominent script than the last name "Stitt".

J. Kevin Stitt
Governor
State of Oklahoma