

CHAPTER 161

HUMAN SERVICES - SOCIAL SERVICES

HOUSE BILL 95-1144

BY REPRESENTATIVES Lawrence, Foster, Anderson, Clarke, DeGette, Gordon, Keller, Kerns, Kreutz, Lamm, Linkhart, Lyle, Morrison, Prinster, Prinzler, Reeser, Saliman, Schwarz, Sullivan, Sullivant, Tool, and Tucker; also SENATORS Coffman, Bishop, Duke, Hopper, Matsunaka, Mutzebaugh, and Pascoe.

AN ACT**CONCERNING THE ESTABLISHMENT OF AN ELECTRONIC BENEFITS TRANSFER SERVICE FOR THE DELIVERY OF PUBLIC ASSISTANCE, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. The general assembly hereby finds and declares that the implementation of the electronic benefits transfer service authorized in this act is beneficial to this state because of the efficiencies that will be gained by switching to a paperless distribution system for food coupons and other public assistance benefits. Through the use of state-of-the-art electronic banking technology, the labor intensive paper processing of food coupons and benefit checks will be eliminated. Recipients of public assistance and food coupons will benefit from better service and greater security. The general assembly also recognizes that a secondary benefit from the electronic benefits transfer service is that the new system should result in a greater capability to detect fraud and abuse.

SECTION 2. 26-1-122 (2), Colorado Revised Statutes, 1989 Repl. Vol., is amended to read:

26-1-122. County appropriations and expenditures - advancements - procedures. (2) (a) The county boards, in accordance with the rules and regulations of the state department, shall file requests with the state department for advancement of funds for the program costs of assistance payments, food stamps (except the value of food stamp coupons), and social services and for the administrative costs of each. The state department shall determine the requirements of each county for such program costs and administrative costs, taking into consideration available funds and all pertinent facts and circumstances, and shall certify by voucher to the controller the amounts to be paid to each county. The amounts so certified shall be paid from the

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

state treasury upon voucher of the state department and warrant of the controller and shall be credited by the county treasurer to the county social services fund in accordance with the law and rules of the state department.

(b) FOR PURPOSES OF OPERATING THE ELECTRONIC BENEFITS TRANSFER SERVICE AS AUTHORIZED IN SECTION 26-2-104 ONCE THE SERVICE HAS BEEN FULLY DEVELOPED AND IMPLEMENTED IN ANY COUNTY, THE STATE DEPARTMENT SHALL DETERMINE THE PROGRAM COSTS AND ADMINISTRATIVE COSTS RELATED TO ASSISTANCE PAYMENTS AND FOOD STAMPS FOR EACH COUNTY. UPON IMPLEMENTATION OF THE ELECTRONIC BENEFITS TRANSFER SERVICE IN ANY COUNTY, THE COUNTY SHARE OF THE PROGRAM AND ADMINISTRATIVE COSTS SHALL EITHER BE BILLED TO THE COUNTY OR DEDUCTED FROM APPROPRIATE ADVANCES TO THE COUNTY. THE COST OF ADMINISTERING THE ELECTRONIC BENEFITS TRANSFER SERVICE SHALL NOT EXCEED THE PROPORTIONAL COST PER CLIENT THAT WOULD HAVE BEEN PAID BY COUNTIES TO ISSUE BENEFITS THROUGH THE NONELECTRONIC BENEFITS SYSTEM FOR THE SAME FISCAL YEAR. ANY SAVINGS THAT RESULT FROM THE USE OF THE ELECTRONIC BENEFITS TRANSFER SERVICE SHALL BE SHARED AMONG THE STATE AND LOCAL GOVERNMENTS IN PROPORTION TO SUCH ENTITIES' CONTRIBUTION TO THE ELECTRONIC BENEFITS TRANSFER SERVICE.

SECTION 3. 26-2-104, Colorado Revised Statutes, 1989 Repl. Vol., is amended to read:

26-2-104. Public assistance programs - electronic benefits transfer service.

(1) The state department is hereby designated as the single state agency to administer or supervise the administration of public assistance programs in this state in cooperation with the federal government pursuant to the social security act and this article. The state department shall establish public assistance programs consisting of assistance payments and social services to be made available to eligible individuals, including but not limited to old age pensions, aid to families with dependent children, aid to the needy disabled, and aid to the blind.

(2) THE STATE DEPARTMENT IS AUTHORIZED TO IMPLEMENT AN ELECTRONIC BENEFITS TRANSFER SERVICE FOR ADMINISTERING THE DELIVERY OF PUBLIC ASSISTANCE PAYMENTS AND FOOD STAMPS TO RECIPIENTS. THE ELECTRONIC BENEFITS TRANSFER SERVICE SHALL BE DESIGNED TO ALLOW CLIENTS ACCESS TO CASH BENEFITS THROUGH AUTOMATED TELLER MACHINES OR SIMILAR ELECTRONIC TECHNOLOGY. THE ELECTRONIC BENEFITS TRANSFER SERVICE SHALL ALLOW CLIENTS ELIGIBLE FOR FOOD STAMPS ACCESS TO FOOD ITEMS THROUGH THE USE OF POINT OF SALE TERMINALS AT RETAIL OUTLETS. IN THE DEVELOPMENT AND IMPLEMENTATION OF THE SERVICE, THE STATE DEPARTMENT SHALL CONSULT WITH REPRESENTATIVES OF THOSE PERSONS, AGENCIES, AND ORGANIZATIONS THAT WILL USE OR BE AFFECTED BY THE ELECTRONIC BENEFITS TRANSFER SERVICE, INCLUDING PROGRAM CLIENTS, TO ASSURE THAT THE SERVICE IS AS WORKABLE, EFFECTIVE, AND EFFICIENT AS POSSIBLE. THE ELECTRONIC BENEFITS TRANSFER SERVICE SHALL BE APPLICABLE TO THE PUBLIC ASSISTANCE PROGRAMS DESCRIBED IN SUBSECTION (1) OF THIS SECTION AND TO FOOD STAMPS AS DESCRIBED IN PART 3 OF THIS ARTICLE. THE STATE DEPARTMENT SHALL CONTRACT IN ACCORDANCE WITH STATE PURCHASING REQUIREMENTS WITH ANY ENTITY FOR THE DEVELOPMENT AND ADMINISTRATION OF THE ELECTRONIC BENEFITS TRANSFER SERVICE. IN ORDER TO ENSURE THE INTEGRITY OF THE ELECTRONIC BENEFITS TRANSFER SERVICE, THE SYSTEM DEVELOPED PURSUANT TO THIS SECTION

SHALL USE, BUT IS NOT LIMITED TO, SECURITY MEASURES SUCH AS INDIVIDUAL PERSONAL IDENTIFICATION NUMBERS, PHOTO IDENTIFICATION, OR FINGERPRINT IDENTIFICATION. THE SECURITY METHOD OR METHODS SELECTED SHALL BE THOSE THAT ARE MOST EFFICIENT AND EFFECTIVE. THE STATE DEPARTMENT SHALL ESTABLISH BY RULE A POLICY AND PROCEDURE TO LIMIT LOSSES TO A CLIENT AFTER THE CLIENT REPORTS THAT THE ELECTRONIC BENEFITS TRANSFER CARD OR BENEFITS HAVE BEEN LOST OR STOLEN.

SECTION 4. Appropriation. In addition to any other appropriation, there is hereby appropriated, to the department of human services, for the fiscal year beginning July 1, 1995, the sum of two hundred thirty-eight thousand eight hundred thirty-eight dollars (\$238,838) and 4.0 FTE, or so much thereof as may be necessary, for the implementation of this act. Of said sum, one hundred nineteen thousand four hundred nineteen dollars (\$119,419) shall be from the general fund, and one hundred nineteen thousand four hundred nineteen dollars (\$119,419) shall be from federal funds.

SECTION 5. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 22, 1995