SENATE BILL 98-185
BY SENATORS Rizzuto, Blickensderfer, and Lacy; also REPRESENTATIVES Owen, Grampsas, Romero, and Musgrave.

AN ACT
CONCERNING IMPLEMENTATION OF FINANCING OPTIONS AVAILABLE PURSUANT TO THE FEDERAL "PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996", AND MAKING AN APPROPRIATION THEREFOR.

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

SECTION 1. 26-2-703, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

26-2-703. Definitions. As used in this part 7, unless the context otherwise requires:

(18.5) "TARGETED SPENDING LEVEL" MEANS THE AMOUNT OF COUNTY FUNDS THAT A COUNTY SHALL APPROPRIATE PURSUANT TO THE PROVISIONS OF SECTION 26-1-122 FOR THE PURPOSE OF DEFRAYING THE COUNTY’S MAINTENANCE OF EFFORT REQUIREMENT FOR THE WORKS PROGRAM.

(23) "WORKS ALLOCATION COMMITTEE" MEANS THE COMMITTEE CREATED PURSUANT TO SECTION 26-2-714 (6).

SECTION 2. 26-2-714 (2), (5), and (6), Colorado Revised Statutes, are amended, and the said 26-2-714 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

26-2-714. County block grants formula - use of moneys. (2) Subject to available appropriations, in state fiscal year 1998-99 and in each fiscal year thereafter, the state department, WITH INPUT FROM THE WORKS ALLOCATION COMMITTEE, CREATED
Pursuant to the provisions of subsection (6) of this section, may adjust the county block grant identified in subsection (1) of this section by increasing or reducing the amount of such grant based upon factors that shall include but not be limited to:

(a) The county's population and the Colorado works program caseload;

(b) The unemployment rate in the county based upon the state department of labor and employment assessment of county unemployment rates for the prior year;

(c) The county's performance in meeting the obligations under the performance contract with the state department pursuant to the provisions of section 26-2-715;

(d) A county's failure to maintain its historic effort as required pursuant to subsection (6) of this section;

(e) Other factors determined by the state department that directly affect the population of needy families in a county.

(2.5) In the event that the state department and the works allocation committee do not reach an agreement on adjustments to the county block grants pursuant to the provisions of subsection (2) of this section on or before June 15 of each state fiscal year, the works allocation committee shall submit alternatives to the joint budget committee of the general assembly from which such joint budget committee shall identify each individual county's block grant for the state fiscal year commencing on the immediately succeeding July 1.

(5) (a) A county shall be authorized to maintain a reserve account of county block grant funds pursuant to rules promulgated by the state department. At the end of each state fiscal year, a county shall remit to the short-term works emergency fund created in section 26-2-720 fifty percent of any amount in such county reserve account that is in excess of twenty percent of the total county block grant for such state fiscal year.

(b) A county shall be required to maintain in such county's social services fund created pursuant to section 26-1-123 any county funds that were appropriated pursuant to section 26-2-716 (1) (a) and section 26-1-122 (6) in order to meet the targeted spending level required pursuant to subsection (6) of this section but not actually expended on the works program during the state fiscal year for which the county appropriated such funds.

(6) (a) Targeted spending levels. For state fiscal year 1997-98 and each state fiscal year thereafter, a county shall be required to meet levels of spending on the works program that meet or exceed an amount that meets or exceeds one hundred percent of the county's spending on AFDC, JOBS, and the administrative costs related to those programs in state fiscal year 1995-96.

(b) Actual spending levels - 1997-98. For state fiscal year 1998-99 and for each fiscal year thereafter, a county shall be required to meet the levels of spending on the works program that are identified in the performance contract with the state
department entered into pursuant to section 26-2-715.  (I) For state fiscal year 1997-98, all counties collectively shall be required to meet an actual level of spending on the works program that constitutes eighty percent of what all counties collectively spent on AFDC, JOBS, and the administrative costs related to those programs in state fiscal year 1993-94.

(II) Subject to the provisions of subsection (8) of this section, the state department shall determine a specific spending level for each county for state fiscal year 1997-98 based upon the county’s proportionate share of expenditures on AFDC, JOBS, and the administrative costs related to those programs in state fiscal year 1995-96, as compared to the total level of spending on such programs and costs for all counties for state fiscal year 1995-96.

(III) In no event shall a county’s specific spending level for state fiscal year 1997-98 exceed the actual total expenditures in such county for the works program for state fiscal year 1997-98.

(c) Actual spending levels - 1998-99 and thereafter.  (I) For state fiscal year 1998-99 and for each state fiscal year thereafter, all counties collectively shall be required to meet levels of spending on the works program that are set forth in the annual long appropriation act, subject to the provisions of subsection (8) of this section.

(II) For state fiscal year 1998-99 and for each state fiscal year thereafter, each county’s level of spending shall be identified by the works allocation committee created in subparagraph (IV) of this paragraph (c) no later than June 15 of each state fiscal year for the immediately succeeding state fiscal year. In the event that the works allocation committee does not reach an agreement on each individual county’s level of spending for a state fiscal year on or before June 15 of such prior state fiscal year, the committee shall submit alternatives to the joint budget committee of the general assembly from which such joint budget committee shall identify each individual county’s level of spending for a state fiscal year. The amount identified for a county’s level of spending shall be identified in the county’s performance contract with the state department entered into pursuant to section 26-2-715.

(III) The works allocation committee shall also identify the amount of mitigation that shall be allocated for a small county in accordance with the provisions of subsection (8) of this section. The works allocation committee may create a subcommittee that represents the interests of small counties as defined in subsection (8) of this section, which subcommittee may make recommendations concerning the mitigation amounts to be allocated for a small county pursuant to the provisions of subsection (8) of this section.

(IV) There is hereby created the works allocation committee that shall consist of seven members, five of whom shall be appointed by a statewide association of counties and two of whom shall be appointed by the state
DEPARTMENT. The appointing authorities shall consult with each other to ensure that the works allocation committee is representative of the counties in the state. If a statewide association of counties does not appoint a representative from the county that has the greatest percentage of the state's works caseload, the state department shall appoint such a representative from such county. The works allocation committee shall develop its own operational procedures.

(8) (a) As used in this subsection (8), unless the context otherwise requires:

(I) "Annual maximum mitigation amount" means that portion of the total amount of county funds identified in the annual long appropriation act that may be used for mitigation for small counties in that state fiscal year.

(II) "Mitigation" means a specific reduction in a county's targeted spending level established pursuant to subsection (6) of this section that is authorized pursuant to the provisions of this subsection (8).

(III) "Small county" means a county with less than thirty-eight one hundredths of one percent of the total caseload of the works program statewide. The state department, with input from the works allocation committee, shall determine what shall constitute the total caseload of the works program and the time at which such caseload shall be established.

(b) Subject to the identification of an annual maximum mitigation amount in the annual long appropriation act and the criteria identified in paragraph (c) of this subsection (8), the works allocation committee created pursuant to subparagraph (IV) of paragraph (c) of subsection (6) of this section is authorized to identify the amount or amounts of any mitigation that shall be allocated to a small county in a specific state fiscal year. The works allocation committee shall notify the state department of any agreement concerning the allocation of any annual maximum mitigation amount in accordance with the provisions of this subsection (8).

(c) The criteria that the works allocation committee shall use include but are not limited to the following:

(I) The assessment of the equity of a small county's total program expenditures as they relate to the targeted spending level for the small county;

(II) The extent to which the small county will have insufficient revenues to meet its targeted spending level; and

(III) The extent to which the provision of any mitigation may enhance the efforts of a small county or group of small counties to regionalize pursuant to the provisions of section 26-2-718.
SECTION 3. Part 7 of article 2 of title 26, Colorado Revised Statutes, is amended by the addition of a new section to read:

26-2-723. Evaluation - audit committee - repeal. (1) The state auditor's office shall oversee the implementation of an evaluation of the Works Program pursuant to the provisions of this section. Out of any funds appropriated by the General Assembly to cover the costs of the evaluation described in this section, the state auditor's office shall be able to cover its reasonable and necessary costs incurred in connection with administering the contract for such evaluation.

(2) No later than August 1, 1998, the state auditor's office shall issue a request for proposals for a public or private entity to conduct the evaluation. The state auditor's office shall seek input from the welfare oversight committee created pursuant to section 26-2-722, a statewide association of counties, any county that is not represented by such an association, the state department, and representatives of advocate groups in developing the request for proposals for the evaluation.

(3) (a) No later than December 31 of each state fiscal year, the state auditor's office shall prepare a progress report on the evaluation required pursuant to this section and shall present such report to the members of the audit committee and the welfare oversight committee at a public meeting.

(b) No later than sixty days after the completion of the evaluation, the state auditor's office shall prepare a final report on the evaluation and shall present such report to the members of the audit committee and the welfare oversight committee at a public hearing.

(4) (a) The goals of the evaluation shall be to obtain an objective analysis of the outcomes realized as a result of the implementation of the Works Program. Such outcomes shall include but not be limited to:

(I) The number of adults who leave the Works Program for employment;

(II) Extent to which job placements result in job retention;

(III) The rate at which participants return to the program after periods of employment;

(IV) Extent to which job placements are leading participants to long-term self sufficiency;

(V) The number of adults who leave the Works Program for other reasons;

(VI) The impact of the implementation of the Works Program on the Medicaid, Child Care, and Child Welfare programs operated in the State.

(b) Baseline year is state fiscal year 1997-98.
(5) The evaluation shall not duplicate the monitoring and oversight responsibilities of the state department pursuant to section 26-2-712 nor shall it seek to address any individual county's implementation of the works program pursuant to the terms of such county's performance contract with the state department.

(6) The state auditor's office and the entity that conducts the evaluation shall have access to the following documents and records in connection with the works program:

(a) All records, documents, and reports maintained by the state department;

(b) All county plans for the implementation of the works program.

(7) The entity that conducts the evaluation shall report on a quarterly basis to the state auditor's office concerning its progress in completing the evaluation pursuant to the terms of this section.

(8) This section is repealed, effective July 1, 2004.

SECTION 4. 26-1-122 (6) (a), Colorado Revised Statutes, is amended to read:

26-1-122. County appropriations and expenditures - advancements - procedures.

(6) (a) Notwithstanding any other provision of this section, the board of county commissioners in each county of this state shall annually appropriate as provided by law such funds as shall be necessary to defray the county department's county's maintenance of effort requirement for the Colorado works program, created in part 7 of article 2 of this title, and the Colorado child care assistance program, created in part 8 of article 2 of this title, including the costs allocated to the administration of each, and shall include in the tax levy for such county the sums appropriated for that purpose. The county's maintenance of effort requirement for the Colorado works program for state fiscal year 1997-98 shall be the targeted spending level identified in section 26-2-714 (6). Such appropriation shall be based upon the county social services budget prepared by the county department pursuant to section 26-1-124, after taking into account state advancements provided for in this section.
SECTION 5. Part VII (5)(B) of section 2 of chapter 310, Session Laws of Colorado 1997, as adjusted by section 55 of chapter 234, Session Laws of Colorado 1997, as further amended by section 1 of HB 98-1344, enacted by the Second Regular Session of the Sixty-first General Assembly, is amended to read:

Section 2. Appropriation.

PART VII
DEPARTMENT OF HUMAN SERVICES

(5) SELF-SUFFICIENCY
(B) Special Purpose Welfare Programs

(1) Low Income Energy Assistance Program 19,504,693 2,500,000 a 17,004,693 b
(5.6 FTE)

a This amount shall be from a grant from the Colorado Energy Assistance Foundation.
b Included in this amount is $1,500,000 from the Temporary Assistance to Needy Families block grant.

(2) Food Stamp Job Search Units
Program Costs 1,957,314
<table>
<thead>
<tr>
<th>Service Description</th>
<th>Budget 2023</th>
<th>Budget 2022 Adjusted</th>
<th>Budget 2023 Adjusted</th>
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<tr>
<td>Dependent Care and Supportive Services</td>
<td>264,116 2,221,430</td>
<td>361,221(M)</td>
<td>385,736 a</td>
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<tr>
<td>a Of this amount, $285,736(L) are county matching funds, and $100,000 shall be from in-kind donations.</td>
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<tr>
<td>(3) Food Stamp System</td>
<td>1,115,212</td>
<td>557,606(M)</td>
<td>557,606</td>
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<td>(4) Income Tax Offset</td>
<td>32,922</td>
<td>16,461(M)</td>
<td>16,461</td>
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<td>(5) Food Distribution Program</td>
<td>522,192</td>
<td>241,723(M)</td>
<td>141,305 a</td>
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<td>a This amount shall be from recipient agencies.</td>
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<tr>
<td>(6) Low-Income Telephone Assistance Program</td>
<td>46,618</td>
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<tr>
<td>a This amount shall be from the Department of Regulatory Agencies.</td>
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<td>(7) Supportive Housing and Homeless Program</td>
<td>4,583,427</td>
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<td></td>
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<tr>
<td>Ch. 287 Appropriations</td>
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## Appropriations

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<tr>
<th>ITEM &amp; SUBTOTAL</th>
<th>TOTAL</th>
<th>GENERAL FUND</th>
<th>GENERAL FUND EXEMPT</th>
<th>CASH FUNDS</th>
<th>CASH FUNDS EXEMPT</th>
<th>FEDERAL FUNDS</th>
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<td>(8) JOBS Case Management System</td>
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<td>148,151</td>
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<td>(9) Personal Responsibility and Employment Demonstration Program</td>
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<td>0(M)</td>
<td></td>
<td>0(L)</td>
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<td>(10) Employment and Training Programs</td>
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<td>0(M)</td>
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<td>0(L)</td>
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* This amount shall be from the Temporary Assistance to Needy Families block grant.

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<thead>
<tr>
<th>ITEM &amp; SUBTOTAL</th>
<th>TOTAL</th>
<th>GENERAL FUND</th>
<th>GENERAL FUND EXEMPT</th>
<th>CASH FUNDS</th>
<th>CASH FUNDS EXEMPT</th>
<th>FEDERAL FUNDS</th>
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<tbody>
<tr>
<td>(11) Electronic Benefits Transfer Service&lt;sup&gt;55&lt;/sup&gt;</td>
<td>3,551,685</td>
<td>1,761,391(M)</td>
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<td>312,278(L)</td>
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<td>1,478,016</td>
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<td>(6.0 FTE)</td>
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<td>(12) Long-term Works Reserve Fund</td>
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<td>22,173,825</td>
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<td>20,673,825</td>
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<td>20,673,825</td>
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<sup>55</sup>
(13) Colorado Works
Program County Block

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<th>Grants</th>
<th>GRANTS $a</th>
<th>23,891,110</th>
<th>40,135,113 $b</th>
<th>121,498,234 $a</th>
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<td>185,524,457</td>
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<td>181,884,024</td>
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<td>(111.3 FTE)</td>
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</table>

\( a \) This amount shall be from the Temporary Assistance to Needy Families block grant.

\( b \) Of this amount, $35,669,852(L) shall be from local funds and $4,465,261 is estimated to be from the state's share of cash funds exempt revenues, including retained child support collections, retained fraud refunds, state revenue intercepts, and other refunds. Of the amount appropriated from local funds, $6,201,999 is estimated to be from the local share of cash funds exempt revenues, including retained child support collections, fraud refunds, state revenue intercepts, and other refunds.

(14) Short-term Works
Emergency Fund

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<th></th>
<th>3,000,000</th>
<th></th>
<th>3,000,000 $a</th>
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\( a \) This amount shall be from the Temporary Assistance to Needy Families block grant.

(15) Implementation of the
Personal Responsibility and
Work Opportunity
Reconciliation Act of 1996

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<tr>
<th></th>
<th>410,712</th>
<th></th>
<th>410,712 $a</th>
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</table>

\( a \) This amount shall be from the Temporary Assistance to Needy Families block grant.
(16) EVALUATION OF THE WORKS PROGRAM

1,500,000

\[321,822,995\]
\[328,182,562\]

\[399,700,930\]

**FOOTNOTES** -- The following statements are referenced to the numbered footnotes throughout section 2.

73a DEPARTMENT OF HUMAN SERVICES, SELF-SUFFICIENCY, SPECIAL PURPOSE WELFARE PROGRAMS, COLORADO WORKS PROGRAM COUNTY BLOCK GRANTS -- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE APPROPRIATION OF LOCAL FUNDS FOR COLORADO WORKS PROGRAM COUNTY BLOCK GRANTS MAY BE DECREASED BY
A MAXIMUM OF $100,000 TO REDUCE ONE OR MORE SMALL COUNTIES’ FISCAL YEAR 1997-98 TARGETED SPENDING LEVEL, PURSUANT TO SECTION 26-2-714 (8), C.R.S.

SECTION 6. Footnote 71 of part VII of section 2, as enacted by House Bill 98-1401, enacted at the Second Regular Session of the Sixty-first General Assembly, is repealed as follows:

71——Department of Human Services, Self-Sufficiency, Colorado Works Program, County Block Grants — It is the intent of the General Assembly that the amount appropriated from county funds be allocated among counties based on the county’s proportionate share of expenditures on the Aid to Families with Dependent Children program, Job Opportunities and Basic Skills program, and the administrative costs related to those programs in state fiscal year 1996-1997, as compared to the total level of spending for all counties for state fiscal year 1996-1997. It is further the intent of the General Assembly that the balance of the appropriation be allocated among counties using the same basis described above for the county funds.

SECTION 7. Part VII of section 2, as enacted by House Bill 98-1401, enacted at the Second Regular Session of the Sixty-first General Assembly, is amended BY THE ADDITION OF A NEW FOOTNOTE to read:

71a——Department of Human Services, Self-Sufficiency, Colorado Works Program, County Block Grants — It is the intent of the General Assembly that the appropriation of local funds for Colorado Works Program county block grants may be decreased by a maximum of $100,000 to reduce one or more small counties’ fiscal year 1998-99 targeted spending level, pursuant to section 26-2-714 (8), C.R.S.

SECTION 8. Appropriation. In addition to any other appropriation, there is hereby appropriated, to the legislative department, for allocation to the state auditor, for the fiscal year beginning July 1, 1997, the sum of one million five hundred thousand dollars ($1,500,000), or so much thereof as may be necessary, for the implementation of this act. Said sum shall be from cash funds exempt received from the department of human services.

SECTION 9. Appropriation - adjustments to the 1998 long bill. (1) For the implementation of this act, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 1998, shall be adjusted as follows:

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Appropriations
(a) The appropriation to the department of human services, self-sufficiency, Colorado works program, for the long-term works reserve fund, is decreased by three million dollars ($3,000,000). Said sum shall be from federal funds.

(b) The appropriation to the department of human services, self-sufficiency, Colorado works program, is increased by one million five hundred thousand dollars ($1,500,000). Said sum shall be for an evaluation of the works program pursuant to section 26-2-723, Colorado Revised Statutes. Said sum shall be from the federal Temporary Assistance to Needy Families Block Grant.

SECTION 10. Appropriation. In addition to any other appropriation, there is hereby appropriated, to the legislative department, for allocation to the state auditor, for the fiscal year beginning July 1, 1998, the sum of one million five hundred thousand dollars ($1,500,000), or so much thereof as may be necessary, for the implementation of this act. Said sum shall be from cash funds exempt received from the department of human services.

SECTION 11. 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: June 1, 1998