

CHAPTER 93

**HUMAN SERVICES - SOCIAL SERVICES**

SENATE BILL 00-067

BY SENATORS Owen, Lacy, and Tanner;  
also REPRESENTATIVES Saliman, Berry, Tool, Morrison, Plant, Tate, Tochtrop, and Vigil.

**AN ACT**

CONCERNING ALLOCATION OF FUNDS UNDER THE COLORADO WORKS PROGRAM.

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

**SECTION 1.** 26-2-720, Colorado Revised Statutes, is amended to read:

**26-2-720. Short-term works emergency fund.** (1) The state department shall create a short-term works emergency fund that shall consist of ~~moneys remitted by a county pursuant to section 26-2-714 (5) and~~ moneys ANNUALLY appropriated for the short-term works emergency fund TO SUCH FUND by the general assembly.

(2) The state department shall be authorized to allocate moneys in the short-term works emergency fund:

(a) ~~For state fiscal year 1997-98, to counties that did not maintain a JOBS program in state fiscal year 1994-95;~~

(b) ~~For state fiscal year 1997-98, to counties with greater costs for AFDC in state fiscal year 1996-97 than in state fiscal year 1994-95;~~

(c) To counties that negotiate a higher work participation rate than the work participation rate required by the federal law;

(d) ~~For state fiscal year 1997-98, to counties for costs for basic assistance grants that are in excess of five percent more than the cost for assistance under the AFDC program in state fiscal year 1996-97;~~

(e) ~~Beginning in state fiscal year 1998-99;~~ To counties for costs for basic assistance grants that are in excess of five percent more than the costs for basic assistance grants in the previous state fiscal year;

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

(f) To counties for the correction of TECHNICAL errors in the determination of the amount of the county block grant that are in excess of five percent of the total amount of the county block grant;

(g) TO COUNTIES FOR WORKS PROGRAM EXPENDITURES FOR EMERGENCIES THAT WERE NOT FORESEEN AT THE TIME COUNTY BLOCK GRANTS WERE DETERMINED;

(h) TO COUNTIES FOR ALLOWABLE CHILD CARE EXPENDITURES AS PROVIDED IN SECTION 26-2-804 (3).

(3) COUNTIES MAY REQUEST FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND FOR ANY OF THE PURPOSES SPECIFIED IN SUBSECTION (2) OF THIS SECTION AT ANY TIME DURING THE FISCAL YEAR, SUBJECT TO THE FOLLOWING PROVISIONS:

(a) A county shall not be required to deplete any moneys in a county reserve account before seeking moneys from the short-term works emergency fund for the purposes identified in paragraph (c) or (f) of subsection (2) of this section;

(b) IF A COUNTY REQUESTS FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND FOR THE PURPOSES IDENTIFIED IN PARAGRAPH (e) OR (g) OF SUBSECTION (2) OF THIS SECTION, THE COUNTY SHALL EXHAUST ANY FUNDS AVAILABLE FROM THE FOLLOWING SOURCES PRIOR TO RECEIVING FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND:

(I) THE COUNTY'S BLOCK GRANT FOR THE COLORADO WORKS PROGRAM FOR THAT STATE FISCAL YEAR; AND

(II) THE COUNTY'S RESERVE ACCOUNT.

(c) (I) IF A COUNTY REQUESTS FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND FOR THE PURPOSES IDENTIFIED IN PARAGRAPH (h) OF SUBSECTION (2) OF THIS SECTION, THE COUNTY SHALL EXHAUST ANY FUNDS AVAILABLE FROM THE FOLLOWING SOURCES PRIOR TO RECEIVING FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND:

(A) THE COUNTY'S BLOCK GRANT FOR THE COLORADO WORKS PROGRAM FOR THAT STATE FISCAL YEAR;

(B) THE COUNTY'S BLOCK GRANT FOR THE COLORADO CHILD CARE ASSISTANCE PROGRAM FOR THAT STATE FISCAL YEAR; AND

(C) THE COUNTY'S RESERVE ACCOUNT.

(II) IF THE COUNTY DEPARTMENT ELECTS TO TREAT THE ADDITIONAL MONEYS RECEIVED FROM THE SHORT-TERM WORKS EMERGENCY FUND FOR CHILD CARE EXPENDITURES AS A TRANSFER TO THE CHILD CARE DEVELOPMENT FUND, THE STATE DEPARTMENT SHALL ENSURE THAT THE AMOUNT OF ALL SUCH TRANSFERS DOES NOT EXCEED THE LIMIT IMPOSED BY THE FEDERAL LAW ON TRANSFERS OF FEDERAL FUNDS AS DESCRIBED IN SECTION 26-2-714 (7).

(4) The state department ~~shall reallocate~~ MAY MAKE ALLOCATIONS to counties ~~any~~

~~funds in~~ out of the short-term works emergency fund ~~in excess of twenty percent of the current state fiscal year federal block grant~~ DURING THE STATE FISCAL YEAR OR AT THE END OF ANY STATE FISCAL YEAR. AFTER SUCH ALLOCATIONS ARE MADE FOR A PARTICULAR STATE FISCAL YEAR, ANY FUNDS THAT REMAIN IN THE SHORT-TERM WORKS EMERGENCY FUND AT THE END OF THE SAME STATE FISCAL YEAR SHALL REVERT TO THE LONG-TERM WORKS RESERVE FUND CREATED IN SECTION 26-2-721.

(5) THE STATE DEPARTMENT SHALL ANNUALLY REPORT TO THE JOINT BUDGET COMMITTEE ON ANY ALLOCATIONS MADE FROM THE SHORT-TERM WORKS EMERGENCY FUND, INCLUDING THE AMOUNT REQUESTED BY EACH COUNTY AND THE COUNTY'S REASON FOR THE REQUEST FOR FUNDS, AND THE AMOUNT ALLOCATED TO EACH COUNTY AND THE REASONS FOR THE DEPARTMENT'S DECISION REGARDING EACH REQUEST.

**SECTION 2.** 26-2-713, Colorado Revised Statutes, is amended to read:

**26-2-713. State maintenance of effort.** The general assembly shall make annual appropriations from state ~~and federal~~ funds for the works program which, together with the expenditures made by counties under the works program, shall be applied toward the state's maintenance of historic effort as specified in section 409 (a) (7) of the social security act.

**SECTION 3.** 26-2-714 (2), (5) (a), (6) (c) (II), (7), (8) (a) (II), (8) (c), and (9) (a), Colorado Revised Statutes, are amended, and the said 26-2-714 is further amended by the ADDITION OF A NEW SUBSECTION, 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;
- (d.5) THE FACT THAT THE COUNTY RECEIVED FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND IN THE PREVIOUS FISCAL YEAR FOR WORKS PROGRAM EXPENDITURES, WHICH MAY INDICATE THAT THE PREVIOUS FISCAL YEAR'S ALLOCATION WAS INSUFFICIENT TO MEET THE COUNTY'S NEEDS;
- (e) Other factors determined by the state department that directly affect the population of needy families in a county.

(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~~ LONG-TERM WORKS RESERVE FUND CREATED IN SECTION 26-2-721 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.

(6) (c) **Actual spending levels - 1998-99 and thereafter.** (II) For state fiscal year 1998-99 and for each state fiscal year thereafter, each county's ACTUAL 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. PRIOR TO DETERMINING EACH COUNTY'S ACTUAL SPENDING LEVEL, THE WORKS ALLOCATION COMMITTEE SHALL ENSURE THAT ALL COUNTIES HAVE BEEN NOTIFIED OF THE RECOMMENDED ACTUAL SPENDING LEVEL AND GIVEN AN OPPORTUNITY TO PROVIDE COMMENT ON THE RECOMMENDATION. In the event that the works allocation committee does not reach an agreement on each individual county's ACTUAL 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.

(7) The county may transfer any amount of the county block grant that is designated as federal funds and that is specified by the state department as being available for transfer within the limitation imposed by the federal law on transfers of federal funds from the temporary assistance for needy families block grant to the child care ~~and~~ development ~~block grant~~ FUND if child care funds are not available.

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

(II) "Mitigation" means a specific reduction in a county's targeted spending level established pursuant to PARAGRAPH (a) OF subsection (6) of this section OR A SPECIFIC REDUCTION IN A COUNTY'S ACTUAL SPENDING LEVEL ESTABLISHED PURSUANT TO PARAGRAPH (c) OF SUBSECTION (6) OF THIS SECTION that is authorized pursuant to the provisions of this subsection (8). MITIGATION CAN OCCUR FOR TARGETED SPENDING LEVELS OR ACTUAL SPENDING LEVELS OR FOR BOTH TYPES OF SPENDING LEVELS.

(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 OR ACTUAL spending level for the small county;

(II) The extent to which the small county will have insufficient revenues to meet its targeted OR ACTUAL 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.

(9) (a) For state fiscal year 1997-98, and for each state fiscal year thereafter, a county may ~~make transfers to programs funded by Title XX of the federal social security act pursuant to this section. The amount that a county may transfer shall not exceed ten percent of that portion of the county block grant for that state fiscal year, as specified in subsection (1) of this section, that is designated as federal funds~~ TRANSFER ANY AMOUNT OF THE COUNTY BLOCK GRANT THAT IS DESIGNATED AS FEDERAL FUNDS and that is specified by the state department as being available for transfer within the limitation imposed by the federal law on transfers of federal funds from the temporary assistance for needy families block grant to programs funded by Title XX of the federal social security act.

(10) (a) IF THE STATE MEETS FEDERAL WORK PARTICIPATION RATES AND QUALIFIES FOR A PERCENT REDUCTION IN THE STATE'S MAINTENANCE OF EFFORT AS SPECIFIED IN FEDERAL LAW FOR ANY YEAR, THE ACTUAL SPENDING LEVEL FOR THE WORKS PROGRAM OF ALL COUNTIES COLLECTIVELY SHALL BE REDUCED BY THE SAME AMOUNT AS THE AMOUNT OF THE REDUCTION IN THE FEDERAL MAINTENANCE OF EFFORT REQUIREMENT.

(b) FOR THE PURPOSES OF THIS SUBSECTION (10), "PERCENT REDUCTION" MEANS THE PERCENT OF REDUCTION OF HISTORICAL EXPENDITURES AS THAT TERM IS DEFINED IN SECTION 409 (7) (b) OF THE FEDERAL SOCIAL SECURITY ACT, AS AMENDED.

(c) FOR ANY YEAR IN WHICH A PERCENT REDUCTION IN THE STATE'S MAINTENANCE OF EFFORT REQUIREMENT OCCURS, THE WORKS ALLOCATION COMMITTEE CREATED PURSUANT TO SUBPARAGRAPH (IV) OF PARAGRAPH (c) OF SUBSECTION (6) OF THIS SECTION SHALL DETERMINE EACH COUNTY'S SHARE OF THE REDUCTION IN ACTUAL SPENDING LEVELS. PRIOR TO MAKING SUCH DETERMINATION, THE WORKS ALLOCATION COMMITTEE SHALL ENSURE THAT ALL COUNTIES HAVE BEEN NOTIFIED OF THE RECOMMENDED REDUCTION FOR EACH COUNTY AND GIVEN AN OPPORTUNITY TO PROVIDE COMMENT ON THE RECOMMENDATION. IN THE EVENT THAT THE WORKS ALLOCATION COMMITTEE DOES NOT REACH AN AGREEMENT ON EACH INDIVIDUAL COUNTY'S REDUCTION IN ACTUAL SPENDING LEVELS, 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 REDUCTION IN ACTUAL SPENDING LEVELS. THE STATE DEPARTMENT IS AUTHORIZED TO ADJUST EACH COUNTY'S SHARE OF THE REDUCTION IN ACTUAL SPENDING LEVELS. THE STATE DEPARTMENT IS AUTHORIZED TO ADJUST EACH COUNTY'S ACTUAL SPENDING LEVEL FOR ANY PERCENTAGE REDUCTION EARNED IN ACCORDANCE WITH THE DETERMINATION OF THE WORKS ALLOCATION COMMITTEE CONCERNING EACH COUNTY'S SHARE OF THE REDUCTION.

**SECTION 4.** 26-2-716 (4) (b), Colorado Revised Statutes, is amended to read:

**26-2-716. County duties - appropriations - penalties - incentives.** (4) (b) Any county found out of compliance with its performance contract or any provision of the works program may be assessed a financial sanction. The financial sanction must be replaced by county funds. The state board shall promulgate rules for county sanctions that include financial sanctions and may include other sanctions. ANY FUNDS RESULTING FROM SUCH FINANCIAL SANCTION SHALL BE TRANSMITTED TO THE LONG-TERM WORKS RESERVE FUND CREATED IN SECTION 26-2-721, BUT ONLY IF THE STATE HAS NOT INCURRED A FEDERAL SANCTION FOR THE SAME ACT THAT GAVE RISE TO THE COUNTY SANCTION.

**SECTION 5.** 26-2-721, Colorado Revised Statutes, is amended to read:

**26-2-721. Long-term works reserve fund - creation - use.** There is hereby created the Colorado ~~works program~~ LONG-TERM WORKS reserve fund that shall consist of TANF block grant ~~or~~ MONEYS, state general funds appropriated thereto by the general assembly, OR MONEYS TRANSFERRED PURSUANT TO SECTION 26-2-714 (5) (a), 26-2-716 (4) (b), OR 26-2-720 (4). Moneys in the reserve fund shall be used only for the purpose of implementing the works program and shall be subject to annual appropriation by the general assembly. FEDERAL FUNDS AVAILABLE TO THE STATE UNDER THE TANF BLOCK GRANT NOT OTHERWISE APPROPRIATED SHALL BE APPROPRIATED TO THE COLORADO LONG-TERM WORKS RESERVE FUND. All interest derived from the deposit or investment of the moneys in the reserve fund shall be credited to the reserve fund.

**SECTION 6.** 26-2-804 (2), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**26-2-804. Funding - allocation - maintenance of effort.** (2) In state fiscal years 1998-99 and thereafter, the state department may adjust the county block grant identified in subsection (1) of this section by increasing or reducing the amount of such grants based upon factors that shall include but not be limited to:

(d) THE FACT THAT THE COUNTY RECEIVED FUNDS FROM THE SHORT-TERM WORKS EMERGENCY FUND IN THE PREVIOUS FISCAL YEAR FOR ALLOWABLE CHILD CARE EXPENDITURES, WHICH MAY INDICATE THAT THE PREVIOUS FISCAL YEAR'S ALLOCATION WAS INSUFFICIENT TO MEET THE COUNTY'S NEEDS.

**SECTION 7.** 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'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 AND FOR STATE FISCAL YEARS THEREAFTER 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 8. 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: March 31, 2000