



TANF Coalition

Improving Colorado Works for Families

D

Support HB22-1259

Reps. Duran & Jodeh | Sen. Moreno

Temporary Assistance for Needy Families (TANF), known here as Colorado Works, provides financial support to families far below the federal poverty level. A parent with two children must make **less than \$421 a month** to qualify for TANF basic cash assistance. Families in extreme poverty were struggling to make ends meet before the pandemic and are likely still the furthest from economic recovery.

For a family of three, living in extreme poverty means getting by on only \$10 per person per day

To help lift families out of extreme poverty, Colorado should:

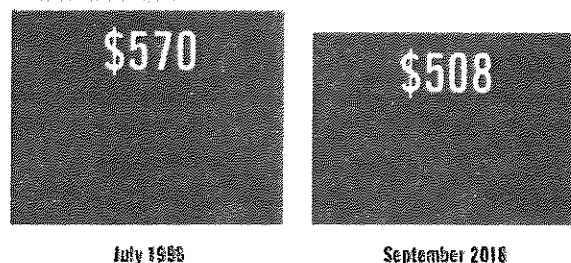
- ◆ Increase TANF basic cash assistance and ensure that it keeps up with the rising cost of living
- ◆ Make improvements to how TANF serves families
- ◆ Reduce the “cliff effect” and create a smoother off-ramp to economic security
- ◆ Improve engagement and outreach with families

Increase cash assistance and ensure that it keeps up with the rising cost of living

- Basic Cash Assistance (BCA) is the most targeted approach Colorado can take to reducing extreme childhood poverty, which has a lifelong impact on child well-being.
- BCA in Colorado is only \$508 a month for a family of three, leaving that family living at about 28% of the poverty level. Twenty-four states have BCA payments higher than Colorado.
- As amended, HB1259 will raise the monthly BCA by 20% and ensure an annual cost-of-living-adjustment so that payments keep up with the rising cost of living in Colorado in future years.
 - For the average family of three, this means an extra \$100 per month-the most meaningful increase that families enrolled in the program have seen in 25 years.

BECAUSE THE TANF BASIC CASH ASSISTANCE PAYMENT IS NOT TIED TO INFLATION, IT IS WORTH LESS TODAY THAN IN 1996.

MONTHLY TANF BCA BENEFIT LEVELS FOR A SINGLE-PARENT FAMILY OF 3 IN 2018 DOLLARS



Source: Center on Budget and Policy Priorities.

Make improvements to how TANF serves families

- Reduce punitive sanctions to minimize barriers for families seeking economic security
- Improve work requirements to be more responsive to the needs of families in circumstances of hardship
- Ease the drug felony restrictions from participation in the TANF program

Reduce the “cliff effect” and allow a smoother off-ramp to economic security

- Improve income calculations and disregards as parents find employment and move toward economic security
- Improve time limit extensions for participation in TANF to be more responsive to the needs of families
- Align eligibility and redetermination timelines with other programs to ease burdens on families and counties

Improve engagement and outreach with families

- Elevate family voices in the spaces where decisions about TANF policies are made and implemented
- Make investments to improve outreach and communication about TANF to eligible families, including immigrant families
- Require consistent communication with enrolled families about program options and services, including child care, work and education, and other supports

Supporters:

ACCESS Housing of Adams County Inc.
All Families Deserve a Chance Coalition
Almost Home, Inc.
Anne Litwinski-Advocate
Ayla Bussel-Advocate
Bayaud Enterprises, Inc.
Brace Gibson, J.D.
Center for Work Education and Employment (CWEE)
Children’s Hospital Colorado
Clayton Early Learning
Colorado Center on Law & Policy
Colorado Coalition for the Homeless
Colorado Children’s Campaign
Colorado Fiscal Institute
Colorado Latino Leadership Advocacy and Research Organization (CLLARO)
Colorado Poverty Law Project
Colorado School Medicaid Consortium
Colorado Social Legislation Committee (CSLC)
CommunityWorks Inc.
Denver’s Early Childhood Council
Ealasha Vaughner-Advocate
Early Childhood Council of Larimer County
The Early Childhood Partnership of Adams County
ECHO & Family Center Early Childhood Council
Elephant Circle
Emergency Family Assistance Association
Florence Crittenton Services
Focus Points Family Resource Center

FrontLine Farming
The Gathering Place
Healthy Child Care Colorado
Healthy Together
Heather Hageman-Advocate
Human Services Network of Colorado
Hunger Free Colorado
Illuminate Colorado
Jennifer Jepsen-Advocate
Kaylie Weese-Advocate
Laurie Harvey-Advocate
Lisa Saenz-Advocate
Little Giants Learning Center
Lutheran Advocacy Ministry Colorado
Maria Droste Counseling Services
Metro Caring
National Association of Social Workers, Colorado Chapter
Parent Possible
Raise Colorado
Rocky Mountain Children’s Discovery Center
Rocky Mountain Partnership
Rose Community Foundation
Skills2Compete – Colorado
Spring Institute for Intercultural Learning
Ty Johnson-Family Advocate
WeeCycle
Westminster Public Schools McKinney Vento
The Women's Foundation of Colorado

Summary of Amendments to HB22-1259

Amendment L.001 will do the following:

- Add required ARPA compliance language to the legislative declaration (Section 1)
- Align statute with what is currently in the TANF rules for length of participation in the program and will ensure statewide consistency in meeting families' needs in the program. (Section 4)
 - Further addresses County concerns around extensions, even though extensions are very rare. Most families stay enrolled in TANF for less than a year.
- Align statute with what is currently in the TANF rules for work requirements and ensure that participants are not penalized if they cannot work due to "good cause" including the birth of a new child for a single parent (Section 5)
 - Addresses County concerns around work requirements to more align with rule.
 - Also addresses slight concerns from CDHS.

Amendment L.002 will do the following (Section 6):

- Strike the income disregard language that would have required 100% of income not be counted for the first 6 months a participant is enrolled in TANF.
 - Addresses County concerns that this policy is not fiscally sustainable.
- Change the increase in basic cash assistance to a 20% increase starting in fiscal year 2022-23 and an annual cost of living adjustment starting in fiscal year 2023-24 of the greater of 2% or the three-year rolling average of the Social Security Administration's COLA.
 - Addresses County concerns around fiscal sustainability. Greatly reduces the overall fiscal impact and impact on county reserves.
- This reflects an agreement with counties after months of negotiations for a meaningful increase to basic cash assistance, which is critically needed for Colorado families.

Amendment L.004 will do the following (Section 7):

- Strongly encourage rather than require counties to attempt to contact participants for an exit interview, in order to minimize county workload implications.
 - Addresses County concerns related to increased workload. We believe that it is good government for counties to contact participants as they leave the program. The counties requested 50 FTE to "attempt to contact" participants.
- Ease requirements for the department related to monitoring and data collection in order to minimize state workload
- Allow the department to consider IT solutions related to annual reporting and outreach and engagement
 - Requested by Healthy Together

Amendment L.005 will do the following (New Section 9):

- Add language to specify that counties can request funds from the county block grant support fund in the event of an emergency or natural disaster if they are projected to overspend their reserves
 - This is a County request to clarify in statute that these funds can be used for this purpose

Amendment L.006 will do the following (Old Section 9, New Section 10):

- Streamline requirements for outreach and engagement and ensure that communications with clients are linguistically accessible
 - Requested by Spring Institute
- No longer encourages a caseworker for each participant, in order to minimize county and state workload implications
 - Addresses County concerns around workload increases.
- Clarify family engagement role at CDHS
- Require the department to include an update on the implementation of the outreach and engagement plan in its annual SMART Act hearing

Amendment L.007 will do the following (New Section 11):

- Authorize CDHS to use ARPA funds to provide subsidized employment and training opportunities to eligible Colorado Works program participants.
- Appropriate \$7 million of ARPA funds for the Colorado Works subsidized employment program.

- CDHS request

Amendments to protect county TANF reserves - these amendments reflect an agreement with counties after a long period of negotiations on a sustainable funding structure for the BCA increase:

- **Amendment L.003 will do the following (Section 6):**
 - Specify that \$18 million of ARPA Economic Relief & Recovery funds will be transferred to the state TANF reserve to fund the 20% BCA increase. This section will be repealed after the date by which the ARPA funds must be spent.
- **Amendment L.008 will do the following (Section 6):**
 - Amends L.003 to add the following language
 - Specify that starting in 2023-24 and each year after that, the BCA increase and COLA will be paid for using one-third TANF funds, one-third General Fund and one-third Unclaimed Property Trust Fund (UPTF).
 - Addresses County concerns around fiscal sustainability. Greatly reduces impact on county reserves.
 - Specify that there will be equitable funding of the TANF portion from state and county reserves, and that state TANF reserves and county TANF reserves will be utilized until the state reserves reach 25% of the block grant and county reserves reach 15% of their block grant.
 - This is part of the County-requested "backstop" language to ensure that both their local reserves and the state reserves remain solvent.
 - A reminder that counties currently have more than \$61m sitting in reserves and are projected to underspend TANF this year by more than \$20m.
- **Amendment L.009 will do the following (Section 6):**
 - Amends L.008 to add the following language
 - Specifies that if county reserves will fall below 15% of their block grant and the state reserve will fall below 25% of the block grant, then additional General Fund or UPTF must be appropriated to cover the BCA increase until the reserves are again in excess of those amounts
 - This is also part of the County-requested "backstop" language to ensure that both their local reserves and the state reserves remain solvent.
 - A reminder that counties currently have more than \$61m sitting in reserves and are projected to underspend TANF this year by more than \$20m
 - Add in ARPA reporting requirements language

Order for Amendments in Committee:

- Move L.001 (and vote on it)
- Move L.002 (and vote on it)
- Move L.004 (and vote on it)
- Move L.005 (and vote on it)
- Move L.006 (and vote on it)
- Move L.007 (and vote on it)
- Move L.003 (do not vote on it)
- Move L.008 to L.003 (do not vote on it)
- Move L.009 to L.008 (vote on L.009)
- Back to L.008 (vote on L.008, as amended by L.009)
- Back to L.003 (vote on L.003, as amended by L.008)

Changes Made for Counties HB1259: TANF

Changes Made Prior to Introduction:

Please note that numerous edits were made to the bill prior to introduction, and the sponsors even delayed introduction by several weeks to ensure that as many edits were made as possible.

- Section 1, Leg. Dec. Updated and clarified language at the counties' request.
- Section 2, Purposes of TANF. Added language around "economic mobility" at counties' request.
- Section 3, Redetermination timelines. Significantly softened the language around aligning eligibility and redetermination timelines and criteria at the counties' request. Language is now permissive.
- Section 6, Standard of Need. We added language for an annual review of the standard of need and an updating of the standard if deemed necessary. This was added after our first call with the counties in which they stated both earned income disregard and standard of need should be looked at to actually improve the "cliff effect."
- Section 6, Earned Income Disregard. Compromised to a 6-month period for income being disregarded when it was originally 12-months after county feedback. This is a codification of the time period that is already in rule, and it just increases the amount from 66% to 100%.
 - This language will be struck with L.002 at the counties' request.
- Section 6, Phased-In BCA Increase. The original bill had the BCA increase happening all at once. After talking with the counties, we instead changed it to a five-year phase-in.
 - This language will be changed even further with L.002 to a more modest increase of a 20% bump followed by an annual COLA.
- Section 6, Sustainability of Reserves. Page 12, Lines 7-16 is a copy and paste of language proposed by the counties and says that the JBC shall annually review both the state and county reserves for sustainability.
- Section 6, Redetermination Timelines. Again, significantly softened the language around aligning eligibility and redetermination timelines and criteria at the counties' request. Language is now permissive.
- Section 7, Exit Interviews. Page 13, Line 10. Copy and paste of language from counties around interviews being conducted with CDHS guidance.
 - This language will be made even more permissive with L.004.
- Section 7, Exit Interviews. Page 13, Lines 17-19 is a copy and paste of language from the counties around informing CDHS of any additional rule changes that are needed to improve participant experience.
- Section 7, County Workload. Page 13, Line 15 to Page 14, Line 7 copy and paste of language from the counties and says that CDHS shall monitor workload increases and make recommendations for any additional funded needed to support the counties.
- Section 7, SMART Act. Page 14, Line 20. States that all reporting needs to protect participants personally identifying information. This change was made after our first call with counties.
- Section 9, Caseworkers Strongly Encouraged. Page 17, Line 18. The language was edited prior to introduction from requiring counties to give everyone a caseworker to "strongly encourage" everyone to have a caseworker. Again, we were surprised to hear from several former TANF participants that they were never assigned anyone to help them through the program.
 - This language will be struck entirely with L.006.

Amendments to Further Address County Concerns:

Amendment L.001:

- Aligns statute with what is currently in the TANF rules for length of participation in the program and will ensure statewide consistency in meeting families' needs in the program. (Section 4)
 - Further addresses County concerns around extensions, even though extensions are very rare. Most families are enrolled in TANF for less than a year.

- Aligns statute with what is currently in the TANF rules for work requirements and ensure that participants are not penalized if they cannot work due to “good cause” including the birth of a new child for a single parent (Section 5)
 - Addresses County concerns around work requirements to more align with rule.

Amendment L.002 (Section 6):

- Strikes the income disregard language that would have required 100% of income not be counted for the first 6 months a participant is enrolled in TANF.
 - Addresses County concerns that this policy is not fiscal sustainable.
- Changes the increase in basic cash assistance to a 20% increase starting in fiscal year 2022-23 and an annual cost of living adjustment starting in fiscal year 2023-24 of the greater of 2% or the three-year rolling average of the Social Security Administration’s COLA.
 - Addresses County concerns around fiscal sustainability. Greatly reduces the overall fiscal impact and impact on county reserves.

Amendment L.003 (Section 6):

- Specifies that starting in 2023-24 and each year after that, the BCA increase and COLA will be paid for using one-third TANF funds, one-third General Fund and one-third Unclaimed Property Trust Fund.
 - Addresses County concerns around fiscal sustainability. Greatly reduces impact on county reserves.
- Specifies that there will be equitable funding of the TANF portion from state and county reserves, and that if county reserves will fall below 15% of their block grant and the state reserve will fall below 25% of the block grant, then additional General Fund or UPTF must be appropriated to cover the BCA increase until the reserves are again in excess of those amounts.
 - This is the County-requested “backstop” language to ensure that both their local reserves and the state reserves remain solvent.
 - A reminder that counties currently have more than \$61m sitting in reserves and are projected to underspend TANF this year by more than \$20m.

Amendment L.004 (Section 7):

- Strongly encourages rather than requires counties to attempt to contact participants for an exit interview, in order to minimize county workload implications.
 - Addresses County concerns related to increased workload. We believe that it is good government for counties to contact participants as they leave the program. The counties requested 50 FTE to “attempt to contact” participants.

Amendment L.005 (New Section 9):

- Adds language to specify that counties can request funds from the county block grant support fund in the event of an emergency or natural disaster if they are projected to overspend their reserves
 - This is a County request to clarify in statute that these funds can be used for this purpose

Amendment L.006 (Old Section 9, New Section 10):

- Streamlines requirements for outreach and engagement and ensure that communications with clients are linguistically accessible
- No longer encourages a caseworker for each participant, in order to minimize county and state workload implications
 - Addresses County concerns around workload increases.

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Public & Behavioral Health & Human Services.

HB22-1259 be amended as follows:

- 1 Amend printed bill, page 5, after line 27 insert:
- 2 "(3) The general assembly further finds and declares that the
3 increase in basic cash assistance grants and funding for subsidized
4 employment established in this act are critical government services."
- 5 Page 7, line 20, strike "INCLUDES" and substitute "INCLUDES, BUT IS NOT
6 LIMITED TO,".
- 7 Page 7, line 23, after "AGE;" insert "OR".
- 8 Page 7, line 25, strike "OR" and substitute "AND".
- 9 Page 7, strike lines 26 and 27.
- 10 Page 8, strike lines 1 and 2.
- 11 Page 8, strike lines 11 and 12 and substitute "REQUIRE COUNTIES TO
12 INFORM AND NOT PENALIZE ANY APPLICANT OR HOUSEHOLD THAT
13 DEMONSTRATES GOOD CAUSE FOR AN EXEMPTION FROM WORK
14 REQUIREMENTS, WHICH INCLUDES, BUT IS NOT LIMITED TO,".
- 15 Page 8, line 15, after "AGE;" insert "OR".
- 16 Page 8, line 17, strike "OR" and substitute "AND".
- 17 Page 8, strike lines 18 through 21.

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HB1259_L.002

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Public & Behavioral Health & Human Services.

HB22-1259 be amended as follows:

- 1 Amend printed bill, page 9, strike lines 24 through 27 and substitute
- 2 "becoming employed."

- 3 Page 10, strike lines 1 through 4 and substitute "The rules promulgated
- 4 by".

- 5 Page 10, line 14, strike "BY THE 2027-28 STATE".

- 6 Page 10, strike line 15 and substitute "FOR THE STATE FISCAL YEAR
- 7 COMMENCING JULY 1, 2022, is equal to or".

- 8 Page 10, strike lines 21 through 26 and substitute "~~a participant in a~~
- 9 ~~similarly sized household on January 1, 2008,~~ ONE HUNDRED PERCENT OF
- 10 THE AMOUNT OF BASIC CASH ASSISTANCE IN 2021, PLUS TWENTY PERCENT.
- 11 FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2023, AND EACH STATE
- 12 FISCAL YEAR THEREAFTER, THE AMOUNT OF BASIC CASH ASSISTANCE MUST
- 13 BE EQUAL TO OR EXCEED THE AMOUNT OF BASIC CASH ASSISTANCE FOR
- 14 THE PREVIOUS STATE FISCAL YEAR PLUS A TWO PERCENT COST OF LIVING
- 15 ADJUSTMENT OR A COST OF LIVING ADJUSTMENT THAT IS EQUAL TO THE
- 16 AVERAGE OF THE FEDERAL SOCIAL SECURITY ADMINISTRATION'S COST OF
- 17 LIVING ADJUSTMENT FOR THAT FISCAL YEAR PLUS THE PREVIOUS TWO
- 18 FISCAL YEARS, WHICHEVER IS GREATER."

** ** ** ** **

HB1259 L.004

HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Public & Behavioral Health & Human Services.

HB22-1259 be amended as follows:

- 1 Amend printed bill, page 13, lines 3 and 4, strike "~~is strongly encouraged~~
2 ~~to SHALL ATTEMPT TO~~" and substitute "is strongly encouraged to".
- 3 Page 13, strike line 25 through 27 and substitute:
4 "(2) ~~Repealed.~~".
- 5 Page 14, line 1, strike "WORKS PROGRAM."
- 6 Page 14, line 15, strike "THE" and substitute "TO THE EXTENT
7 PRACTICABLE, THE".
- 8 Page 14, line 16, strike "SHALL" and substitute "MAY".
- 9 Page 15, line 10, strike "DATA" and substitute "TO THE EXTENT
10 PRACTICABLE, DATA".
- 11 Page 15, after line 15 insert:
12 "(4) THE STATE DEPARTMENT MAY REVIEW AND CONSIDER
13 INFORMATION TECHNOLOGY SOLUTIONS FOR THE IMPLEMENTATION OF
14 THIS SECTION."
- 15 Page 18, after line 25 insert:
16 "(5) THE STATE DEPARTMENT MAY REVIEW AND CONSIDER
17 INFORMATION TECHNOLOGY SOLUTIONS FOR THE IMPLEMENTATION OF
18 THIS SECTION."

** ** ** ** **

HB1259_L.005

HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Public & Behavioral Health & Human Services.
HB22-1259 be amended as follows:

1. Amend printed bill, page 16, after line 1 insert:
 - 2 **"SECTION 9.** In Colorado Revised Statutes, 26-2-720.5, **amend**
 - 3 **(3) as follows:**
 - 4 **26-2-720.5. County block grant support fund - created.**
 - 5 **(3) (a)** A county that meets the criteria established by the state
 - 6 department and the works allocation committee pursuant to subsection (2)
 - 7 of this section may request ~~moneys~~ MONEY from the county block grant
 - 8 support fund. Priority shall be given to any county that exhausts all
 - 9 ~~moneys~~ MONEY available in the county's block grant for the Colorado
 - 10 works program for that fiscal year.
 - 11 **(b)** A COUNTY THAT IS PROJECTED TO EXHAUST ALL MONEY
 - 12 AVAILABLE IN THE COUNTY'S TANF RESERVE AND FACES A LOCAL OR
 - 13 STATEWIDE NATURAL DISASTER OR OTHER EMERGENCY MAY REQUEST
 - 14 MONEY FROM THE COUNTY BLOCK GRANT SUPPORT FUND. THE STATE
 - 15 DEPARTMENT, WITH INPUT FROM THE WORKS ALLOCATION COMMITTEE,
 - 16 SHALL DEVELOP CRITERIA AND PROCEDURES TO INCLUDE USE OF THE FUND
 - 17 IN CIRCUMSTANCES OF A NATURAL DISASTER OR OTHER EMERGENCY."
- 18 Renumber succeeding sections accordingly.

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HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Public & Behavioral Health & Human Services.
HB22-1259 be amended as follows:

- 1 Amend printed bill, page 16, strike line 21.
- 2 Reletter succeeding paragraphs accordingly.
- 3 Page 17, line 2, strike "IN" and substitute "THROUGH".
- 4 Page 17, line 3, after "TO" insert "SOCIAL MEDIA,".
- 5 Page 17, strike lines 18 through 21.
- 6 Reletter succeeding paragraphs accordingly.
- 7 Page 18, line 4, after "CULTURALLY" insert "AND LINGUISTICALLY".
- 8 Page 18, line 7, strike "STATE;" and substitute "STATE, OR, IN THE
9 INSTANCE OF A MONOLINGUAL SPEAKER OF A LANGUAGE OTHER THAN THE
10 SEVEN MOST COMMON LANGUAGES, USE BEST EFFORTS TO PROVIDE
11 SUPPORTS AND COMMUNICATION IN THE LANGUAGE SPOKEN BY THE
12 INDIVIDUAL;".
- 13 Page 18, lines 12 and 13, strike "ANY ALLOCATION OR POLICY ADVISORY
14 COMMITTEES." and substitute "OTHER POLICY CHANGES THAT IMPACT
15 RECIPIENTS.".
- 16 Page 18, after line 25 insert:
17 "(5) BEGINNING JANUARY 2023, AND EACH JANUARY THEREAFTER,
18 THE STATE DEPARTMENT SHALL INCLUDE INFORMATION ON THE
19 IMPLEMENTATION OF THE REQUIREMENTS IN THIS SECTION IN ITS REPORT
20 TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH
21 AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN
22 SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AS PART OF ITS
23 "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND
24 TRANSPARENT (SMART) GOVERNMENT ACT" PRESENTATION REQUIRED
25 BY SECTION 2-7-203.".
- 26 Strike "(4)(e)" and substitute "(4)(d)" on: **Page 18**, lines 15, 22, and 24.

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HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Public & Behavioral Health & Human Services.
HB22-1259 be amended as follows:

- 1 Amend printed bill, page 5, after line 18 insert:
- 2 "(f) To support the economic recovery from the COVID-19
3 pandemic, the department of human services may receive additional
4 money to support subsidized training and employment. The money may
5 be used to support current Colorado works participants and individuals
6 who are eligible for short-term non-recurrent assistance and other
7 assistance, as defined by the state board of human services, whose
8 income does not exceed 200% of the federal poverty level."
- 9 Page 18, after line 25 insert:
- 10 "**SECTION 10. Appropriation.** For the 2022-23 state fiscal
11 year, \$7,000,000 is appropriated to the department of human services for
12 use by the office of economic security. This appropriation is from the
13 economic recovery and relief cash fund created in section 24-75-228,
14 C.R.S., and is of money the state received from the federal coronavirus
15 state fiscal recovery fund. To implement this act, the office may use this
16 appropriation for the employment opportunities with wages program. Any
17 money appropriated in this section not expended prior to July 1, 2023, is
18 further appropriated to the office from July 1, 2023, through December
19 30, 2024, for the same purpose."
- 20 Renumber succeeding section accordingly.

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HB1259_L.003

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Public & Behavioral Health & Human Services.

HB22-1259 be amended as follows:

1 Amend printed bill, page 10, strike line 27.

2 Strike page 11.

3 Page 12, strike lines 1 through 16 and substitute:

4 "(II) (A) ON JULY 1, 2022, THE STATE TREASURER SHALL
5 TRANSFER EIGHTEEN MILLION DOLLARS FROM THE ECONOMIC RECOVERY
6 AND RELIEF CASH FUND, CREATED IN SECTION 24-75-228, TO THE
7 COLORADO LONG-TERM WORKS RESERVE TO COVER ANY INCREASE IN
8 BASIC CASH ASSISTANCE ABOVE THE AMOUNT OF BASIC CASH ASSISTANCE
9 IN STATE FISCAL YEAR 2021-22.

10 (B) THE MONEY TRANSFERRED PURSUANT TO SUBSECTION
11 (1)(b)(II)(A) OF THIS SECTION MUST BE EXPENDED NO LATER THAN
12 DECEMBER 30, 2026.

13 (C) THIS SUBSECTION (1)(b)(II) IS REPEALED, EFFECTIVE JULY 1,
14 2027."

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HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Public & Behavioral Health & Human Services.
HB22-1259 be amended as follows:

1 Amend printed bill, page 12, before line 17 insert:

2 "(II) (A) BEGINNING STATE FISCAL YEAR 2023-24, AND EACH
3 STATE FISCAL YEAR THEREAFTER, THE STATE DEPARTMENT SHALL EXPEND
4 MONEY IN EQUAL AMOUNTS FROM THE STATE GENERAL FUND, THE
5 UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-801, AND
6 AVAILABLE TANF FUNDS, WHICH MUST INCLUDE FUNDS IN THE COLORADO
7 LONG-TERM WORKS RESERVE AND THE TOTAL STATEWIDE COUNTY TANF
8 RESERVE TO COVER ANY INCREASE IN BASIC CASH ASSISTANCE ABOVE THE
9 AMOUNT OF BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22. THE
10 STATE DEPARTMENT AND COUNTIES SHALL IDENTIFY AN EQUITABLE
11 PORTION OF THE COLORADO LONG-TERM WORKS RESERVE AND TOTAL
12 STATEWIDE COUNTY TANF RESERVE FOR THE IMPLEMENTATION OF THIS
13 SUBSECTION (1)(b)(II)(A).

14 (B) IF THE TOTAL STATEWIDE COUNTY TANF RESERVE FALLS
15 BELOW FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT, THE
16 GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM THE COLORADO
17 LONG-TERM WORKS RESERVE TO THE COUNTY BLOCK GRANT UNTIL THE
18 BALANCE OF THE TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS
19 FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT OR UNTIL THE
20 COLORADO LONG-TERM WORKS RESERVE FALLS BELOW TWENTY-FIVE
21 PERCENT OF THE STATE BLOCK GRANT AMOUNT.

22 (C) IF THE COLORADO LONG-TERM WORKS RESERVE FALLS BELOW
23 TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE
24 TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF
25 THE COUNTY BLOCK GRANT AMOUNT, THE COUNTIES SHALL FUND THE
26 TANF PROGRAM FROM AVAILABLE TANF FUNDS UNTIL THE TOTAL
27 STATEWIDE COUNTY TANF RESERVE FALLS BELOW FIFTEEN PERCENT OF
28 THE COUNTY BLOCK GRANT AMOUNT. COUNTIES ARE ONLY REQUIRED TO
29 SPEND AVAILABLE TANF MONEY, INCLUDING COUNTY TANF RESERVES
30 AND THE MAINTENANCE OF EFFORT, FOR THE COLORADO WORKS
31 PROGRAM."

** ** ** ** **

HB1259_L.009

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Public & Behavioral Health & Human Services.

HB22-1259 be amended as follows:

1 Amend proposed committee amendment (HB1259_L.008), page 1, after
2 line 31 insert:

3 "(III) BEGINNING JANUARY 2023, AND EACH JANUARY
4 THEREAFTER, THE JOINT BUDGET COMMITTEE SHALL AT LEAST ANNUALLY
5 REVIEW THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE
6 AND THE TOTAL STATEWIDE COUNTY TANF RESERVE, AND, IF THE JOINT
7 BUDGET COMMITTEE DETERMINES THAT THE BALANCE OF THE COLORADO
8 LONG-TERM WORKS RESERVE WILL FALL BELOW TWENTY-FIVE PERCENT OF
9 THE STATE BLOCK GRANT AMOUNT AND THE BALANCE OF THE TOTAL
10 STATEWIDE COUNTY TANF RESERVE WILL FALL BELOW FIFTEEN PERCENT
11 OF THE COUNTY BLOCK GRANT AMOUNT IN THE CURRENT OR NEXT STATE
12 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM
13 THE STATE GENERAL FUND OR THE UNCLAIMED PROPERTY TRUST FUND TO
14 COVER ANY INCREASE IN BASIC CASH ASSISTANCE ABOVE THE AMOUNT OF
15 BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22 UNTIL THE
16 BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE EXCEEDS
17 TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE
18 TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF
19 THE COUNTY BLOCK GRANT AMOUNT.

20 (IV) THE STATE DEPARTMENT AND A COUNTY DEPARTMENT THAT
21 RECEIVES MONEY FROM THE STATE DEPARTMENT PURSUANT TO THIS
22 SECTION SHALL COMPLY WITH THE COMPLIANCE, REPORTING,
23 RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS
24 ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND
25 THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5)".

** ** ** ** **

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO
UNOFFICIAL PREAMENDED VERSIONED**

LLS NO. 22-0296.01 Shelby Ross x4510

HOUSE BILL 22-1259

HOUSE SPONSORSHIP

Duran and Jodeh, Froelich, Lontine

SENATE SPONSORSHIP

Moreno, Story

House Committees

Public & Behavioral Health & Human Services

Senate Committees

A BILL FOR AN ACT

101

CONCERNING MODIFICATIONS TO THE COLORADO WORKS PROGRAM.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill allows the state board of human services (state board) to utilize eligibility processes from other public assistance or entitlement programs when promulgating rules for redetermining and verifying eligibility for the Colorado works program (works program).

When determining income requirements for the works program, the bill requires the department of human services (state department) to use an income conversion ratio for converting weekly and biweekly income to a monthly amount using the lowest ratio or methodology that

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

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results in the lowest monthly income amount allowable under federal law.

Current law prohibits a person convicted of a drug-related felony offense from being eligible for assistance under the works program unless the person is determined by a county department of human or social services to have taken action toward rehabilitation. The bill removes the ban on eligibility.

The bill requires the state board to promulgate rules establishing statewide standards and procedures that require counties to offer an extension:

- Beyond the 60-month lifetime maximum for all households that demonstrate good cause, which includes an applicant or participant who is a child-only case, the head of a single parent household and has a child under one year of age, experiencing hardship, or addressing family or medical needs; and
- From work requirements to all households that demonstrate good cause, which includes for an applicant or participant who is the head of a single-parent household and has a child under one year of age, experiencing hardship, or addressing family or medical needs.

The bill requires the state department to annually review and promulgate rules as necessary to update the standard of need to ensure the standard of need is equitable, promotes economic mobility and self-sufficiency, and reflects the current economic status of the state.

The bill requires the state department to disregard any earned income for at least the first 6 months an applicant or participant is employed while enrolled in the works program. The bill requires that the state department determine the amount of earned income that must be disregarded after the first 6 months and ensure a gradual step down of the amount of earned income disregarded and that the appropriate work supports are made available to the applicant or participant.

Current law requires the state department to ensure the amount of a basic cash assistance grant that an applicant or participant receives is equal to or exceeds 102% of the need standard for a participant in a similarly sized household on January 1, 2008. By the 2027-28 state fiscal year, and each state fiscal year thereafter, the bill requires the amount of the basic cash assistance grant to equal or exceed 50% of the federal poverty guidelines established by the federal department of health and human services for a similarly sized household for that fiscal year.

No later than January 1, 2023, the bill requires the state department to begin phasing in the increase in basic cash assistance that is equal to or exceeds 50% of the federal poverty guidelines.

The bill requires a county department to attempt to contact each participant using each method of communication provided by the participant in order to conduct exit and follow-up interviews upon case

closure. The bill expands the purpose of the exit and follow-up interviews to include evaluating the participant's experience with the works program, how well the program met the participant's needs and assisted the participant in meeting the participant's goals, and informing the state department of any changes to rules that are needed to improve the participant's experience.

The bill requires the state department to monitor impacts to counties' workload in the works program and consult with counties regarding additional need for money to administer the works program.

Beginning January 2023, and each January thereafter, the state department is required to submit a report to the general assembly on the effectiveness of the works program.

Current law requires the state board to promulgate rules that require a percentage reduction in the basic cash assistance grant upon the imposition of a sanction affecting the grant, with the percentage to be specified in the rules but not to be less than 25%. The bill requires the percentage not to exceed one dollar.

No later than September 30, 2022, the bill requires the state department to develop an outreach and engagement plan to promote access to the works program for eligible persons.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) "Temporary Assistance for Needy Families" (TANF), known
5 as the "Colorado Works Program" (works program), provides financial
6 assistance and work supports to families living far below the federal
7 poverty level. The works program should promote family safety, stability,
8 and self-sufficiency by assisting with job preparation and supporting
9 career goals and employment. As of fiscal year 2021-22, a parent with
10 two children must make less than \$421 per month in income to qualify for
11 a basic cash assistance grant under the works program. The COVID-19
12 pandemic brought unprecedented hardships and changes to both families
13 and the works program. Even before the COVID-19 pandemic, families
14 enrolled in the works program were facing the greatest barriers to

1 financial security and well-being.

2 (b) Families enrolled in the works program are eligible to receive
3 cash assistance to help meet the family's ongoing basic needs, such as
4 diapers, food, bus passes, and school supplies. Cash assistance payments
5 were not adequate at the start of the works program in 1996 and since
6 payments have not adjusted for inflation, cash assistance has eroded even
7 further and failed to keep up with the cost of living in Colorado. In 1996,
8 the amount of Colorado's cash assistance was 32.9% of the federal
9 poverty level, but by 2021 it had fallen to 27.8% with the maximum
10 amount of cash assistance for a parent with two children at \$508 per
11 month.

12 (c) Families can often face a "cliff effect" when the family
13 receives more income through employment or a raise and then abruptly
14 has its public assistance reduced or discontinued. Too often families are
15 left without supports right when they begin to get their feet underneath
16 them. Reducing the "cliff effect" will incentivize work, help parents stay
17 employed, and create a smoother off-ramp toward employment,
18 self-sufficiency, and economic security.

19 (d) Families can be better supported in the works program by
20 reducing punitive sanctions and overly burdensome work requirements.
21 While sanctions and work requirements are required by the federal
22 government, states have some discretion on how to administer those
23 requirements. Colorado has made some strides in easing these
24 requirements and can do more to be responsive to families' circumstances
25 and needs. Sanctions, or financial penalties that are issued when a
26 participant does not meet the work requirements of the works program,
27 are disproportionately applied to certain families, including families of

1 color, do not achieve the intended outcome of connecting families to
2 sustainable employment, and increase the administrative burden on case
3 managers and counties. Moreover, families who receive sanctions face
4 the most significant barriers to employment and economic security, such
5 as a child being hospitalized, domestic violence, lack of a vehicle, or less
6 work experience.

7 (e) Colorado receives federal TANF funds each year and the state
8 is permitted to retain a certain amount of unexpended funds for future use
9 in the event of an economic downturn or caseload growth. Colorado has
10 two sets of TANF reserves: A state TANF long-term reserve and a TANF
11 reserve in each county. Although there was severe economic downturn,
12 including historic unemployment, during the COVID-19 pandemic, the
13 amount of money in the reserves actually increased in Colorado. The
14 beginning fiscal year 2021-22 balance of all county TANF reserves was
15 \$61.2 million and the balance in the state TANF long-term reserve, which
16 has a mandatory floor of \$33 million, was \$76.2 million. In total, there
17 was more than \$137 million in TANF reserves in Colorado at the end of
18 the 2020-21 fiscal year.

19 (f) To support the economic recovery from the COVID-19
20 pandemic, the department of human services may receive additional
21 money to support subsidized training and employment. The money may
22 be used to support current Colorado works participants and individuals
23 who are eligible for short-term non-recurrent assistance and other
24 assistance, as defined by the state board of human services, whose
25 income does not exceed 200% of the federal poverty level.

26 (2) Therefore, the general assembly declares that Colorado must
27 prioritize strategies and investments to remove barriers to employment

1 and economic security for families and children experiencing extreme
 2 poverty in the state. Colorado should ensure a basic cash assistance
 3 amount sufficient enough to lift families out of extreme poverty and
 4 ensure that it keeps with the rising cost of living; make improvements in
 5 the way the works program serves families, including reducing the "cliff
 6 effect"; elevate family voices in the works program; and improve
 7 outreach and communication about the works program.

8 (3) The general assembly further finds and declares that the
 9 increase in basic cash assistance grants and funding for subsidized
 10 employment established in this act are critical government services.

11 SECTION 2. In Colorado Revised Statutes, 26-2-705, amend
 12 (2)(a) and (2)(e) as follows:

13 26-2-705. Works program - purposes. (2) The purposes of the
 14 works program are to:

15 (a) Assist participants ~~to terminate their dependence on~~
 16 ~~government benefits~~ TOWARD SELF-SUFFICIENCY, ECONOMIC MOBILITY,
 17 AND FAMILY SAFETY AND STABILITY by promoting job preparation, work,
 18 and marriage;

19 (e) Develop strategies and policies that focus on SUPPORTING
 20 PARTICIPANTS IN THE PARTICIPANTS' EMPLOYMENT AND CAREER GOALS,
 21 REMOVING BARRIERS TO EMPLOYMENT FOR PARTICIPANTS, AND ensuring
 22 that ~~participants are in work activities as soon as possible so that~~ the state
 23 is able to meet ~~or exceed~~ work participation rates specified in the federal
 24 law; and

25 SECTION 3. In Colorado Revised Statutes, 26-2-706, amend (3)
 26 and (4); and add (2)(c) as follows:

27 26-2-706. Target populations. (2) (c) IN DETERMINING THE

1 INCOME REQUIREMENTS PURSUANT TO SUBSECTION (2)(a) OF THIS
2 SECTION, THE STATE DEPARTMENT SHALL USE AN INCOME CONVERSION
3 RATIO FOR CONVERTING WEEKLY AND BIWEEKLY INCOME TO A MONTHLY
4 AMOUNT USING THE LOWEST RATIO OR METHODOLOGY THAT RESULTS IN
5 THE LOWEST MONTHLY INCOME AMOUNT ALLOWABLE UNDER FEDERAL
6 LAW.

7 (3) A person convicted of a drug-related felony offense under the
8 laws of this state, any other state, or the federal government on or after
9 June 3, 1997, ~~shall not be~~ IS eligible for assistance under the works
10 program. ~~unless such person is determined by the county department to~~
11 ~~have taken action toward rehabilitation such as, but not limited to,~~
12 ~~participation in a drug treatment program.~~

13 (4) The state board shall promulgate rules to simplify the
14 requirements relating to determination and verification of eligibility
15 criteria. ELIGIBILITY PROCESSES FROM OTHER PUBLIC ASSISTANCE OR
16 ENTITLEMENT PROGRAMS MAY BE USED WHEN REDETERMINING AND
17 VERIFYING ELIGIBILITY. WHEN POSSIBLE, THE STATE BOARD IS STRONGLY
18 ENCOURAGED TO ALIGN REDETERMINATION AND VERIFICATION TIMELINES
19 WITH OTHER PUBLIC ASSISTANCE OR ENTITLEMENT PROGRAMS. Nothing in
20 this subsection (4) ~~shall authorize~~ AUTHORIZES the state board to amend
21 or delete eligibility criteria for participation in the works program that the
22 board is not otherwise authorized to amend or delete.

23 **SECTION 4.** In Colorado Revised Statutes, 26-2-706.5, **add** (4)
24 as follows:

25 **26-2-706.5. Restrictions on length of participation - rules.**

26 (4) THE STATE BOARD SHALL PROMULGATE RULES:

27 (a) ESTABLISHING STATEWIDE STANDARDS AND PROCEDURES THAT

1 REQUIRE COUNTIES TO OFFER EXTENSIONS BEYOND THE SIXTY-MONTH
2 LIFETIME MAXIMUM FOR ALL HOUSEHOLDS THAT DEMONSTRATE GOOD
3 CAUSE, WHICH INCLUDES, BUT IS NOT LIMITED TO, AN APPLICANT OR
4 PARTICIPANT WHO IS:

5 (I) A CHILD-ONLY CASE;

6 (II) THE HEAD OF A SINGLE PARENT HOUSEHOLD UNIT AND HAS A
7 CHILD UNDER ONE YEAR OF AGE; OR

8 (III) EXPERIENCING HARDSHIP, AS DEFINED IN RULES
9 PROMULGATED BY THE STATE BOARD; AND

10

11 (b) TO ADDRESS HOW THE STATE WILL MONITOR EXTENSIONS IN
12 RELATION TO REQUIREMENTS UNDER THE FEDERAL LAW.

13 SECTION 5. In Colorado Revised Statutes, 26-2-708, add (5.3)
14 as follows:

15 26-2-708. Assistance - assessment - individual responsibility
16 contract - waivers for domestic violence - rules. (5.3) (a) THE STATE
17 BOARD SHALL PROMULGATE RULES:

18 (I) ESTABLISHING STATEWIDE STANDARDS AND PROCEDURES THAT
19 REQUIRE COUNTIES TO INFORM AND NOT PENALIZE ANY APPLICANT OR
20 HOUSEHOLD THAT DEMONSTRATES GOOD CAUSE FOR AN EXEMPTION FROM
21 WORK REQUIREMENTS, WHICH INCLUDES, BUT IS NOT LIMITED TO, AN
22 APPLICANT OR PARTICIPANT WHO IS:

23 (A) THE HEAD OF A SINGLE-PARENT HOUSEHOLD UNIT AND HAS A
24 CHILD UNDER ONE YEAR OF AGE; OR

25 (B) EXPERIENCING HARDSHIP, AS DEFINED IN RULES PROMULGATED
26 BY THE STATE BOARD; AND

27

1 (II) ENSURING EQUAL ACCESS TO TANF SERVICES FOR THOSE
2 EXEMPTED WHO WISH TO PARTICIPATE ON A VOLUNTARY BASIS.

3 (b) WHEN PROMULGATING RULES PURSUANT TO THIS SUBSECTION
4 (5.3), THE STATE BOARD SHALL CONSIDER COMPLIANCE WITH THE FEDERAL
5 LAW IN RELATION TO THE CALCULATION OF THE STATE'S WORK
6 PARTICIPATION RATES SPECIFIED IN THE FEDERAL LAW.

7 **SECTION 6.** In Colorado Revised Statutes, 26-2-709, **amend**
8 (1)(a) introductory portion, (1)(a)(III), (1)(b), and (1.3) as follows:

9 **26-2-709. Benefits - cash assistance - programs - rules - repeal.**

10 (1) **Standard of need - basic cash assistance grant.** (a) The state
11 department shall promulgate rules determining the standard of need for
12 eligibility for a basic cash assistance grant, whether an applicant or
13 participant meets the standard of need, and the amount of the basic cash
14 assistance grant. THE STATE DEPARTMENT SHALL ANNUALLY REVIEW AND
15 PROMULGATE RULES AS NECESSARY TO UPDATE THE STANDARD OF NEED
16 TO ENSURE THE STANDARD OF NEED IS EQUITABLE, PROMOTES ECONOMIC
17 MOBILITY AND SELF-SUFFICIENCY, AND REFLECTS THE CURRENT ECONOMIC
18 SITUATIONS IN THE STATE. In addition to any other rules necessary for the
19 implementation of this part 7, the state department's rules shall:

20 (III) Establish the calculation for determining the amount of an
21 eligible applicant's or participant's basic cash assistance grant, which
22 calculation ~~shall~~ MUST include an earned income disregard ~~which shall be~~
23 THAT IS applied to the gross countable earned income of an applicant or
24 participant who is employed AND A GRADUAL STEP DOWN OF THE AMOUNT
25 OF INCOME DISREGARDED FOLLOWING THE INITIAL EARNED INCOME
26 DISREGARD. The INITIAL earned income disregard ~~shall~~ AND GRADUAL
27 STEP DOWN MUST promote work and self-sufficiency, BE RESPONSIVE TO

1 FAMILY CIRCUMSTANCES AND NEED, and shall benefit the applicant or
2 participant by reducing the unintended economic consequences of
3 becoming employed. The rules promulgated by the state
4 department pursuant to this subparagraph (HH) shall SUBSECTION
5 (1)(a)(III) MUST not establish an earned income disregard that results in
6 an applicant or participant having fewer financial resources available to
7 him or her THE APPLICANT OR PARTICIPANT than a similarly situated
8 applicant or participant would have had under the earned income
9 disregard pursuant to section 26-2-709 as it existed on July 1, 2009; and

10 (b) (I) In establishing the calculation for determining the amount
11 of an eligible applicant's or participant's basic cash assistance grant, the
12 state department shall ensure that the amount of the basic cash assistance
13 grant that a participant or applicant receives FOR THE STATE FISCAL
14 YEAR COMMENCING JULY 1, 2022, is equal to or exceeds one hundred two
15 percent of the need standard for a participant in a similarly sized
16 household on January 1, 2008. The state department is encouraged to
17 establish a calculation for determining the amount of a basic cash
18 assistance grant that results in a basic cash assistance grant that is equal
19 to or exceeds one hundred twelve percent of the need standard for a
20 participant in a similarly sized household on January 1, 2008, ONE
21 HUNDRED PERCENT OF THE AMOUNT OF BASIC CASH ASSISTANCE IN 2021,
22 PLUS TWENTY PERCENT. FOR THE STATE FISCAL YEAR COMMENCING JULY
23 1, 2023, AND EACH STATE FISCAL YEAR THEREAFTER, THE AMOUNT OF
24 BASIC CASH ASSISTANCE MUST BE EQUAL TO OR EXCEED THE AMOUNT OF
25 BASIC CASH ASSISTANCE FOR THE PREVIOUS STATE FISCAL YEAR PLUS A
26 TWO PERCENT COST OF LIVING ADJUSTMENT OR A COST OF LIVING
27 ADJUSTMENT THAT IS EQUAL TO THE AVERAGE OF THE FEDERAL SOCIAL

1 SECURITY ADMINISTRATION'S COST OF LIVING ADJUSTMENT FOR THAT
2 FISCAL YEAR PLUS THE PREVIOUS TWO FISCAL YEARS, WHICHEVER IS
3 GREATER.

4 (II) (A) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER
5 EIGHTEEN MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF
6 CASH FUND, CREATED IN SECTION 24-75-228, TO THE COLORADO LONG-
7 TERM WORKS RESERVE TO COVER ANY INCREASE IN BASIC CASH
8 ASSISTANCE ABOVE THE AMOUNT OF BASIC CASH ASSISTANCE IN STATE
9 FISCAL YEAR 2021-22.

10 (B) THE MONEY TRANSFERRED PURSUANT TO SUBSECTION
11 (1)(b)(II)(A) OF THIS SECTION MUST BE EXPENDED NO LATER THAN
12 DECEMBER 30, 2026.

13 (C) THIS SUBSECTION (1)(b)(II) IS REPEALED, EFFECTIVE JULY 1,
14 2027.

15 (III) (A) BEGINNING STATE FISCAL YEAR 2023-24, AND EACH
16 STATE FISCAL YEAR THEREAFTER, THE STATE DEPARTMENT SHALL EXPEND
17 MONEY IN EQUAL AMOUNTS FROM THE STATE GENERAL FUND, THE
18 UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-801, AND
19 AVAILABLE TANF FUNDS, WHICH MUST INCLUDE FUNDS IN THE COLORADO
20 LONG-TERM WORKS RESERVE AND THE TOTAL STATEWIDE COUNTY TANF
21 RESERVE TO COVER ANY INCREASE IN BASIC CASH ASSISTANCE ABOVE THE
22 AMOUNT OF BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22. THE
23 STATE DEPARTMENT AND COUNTIES SHALL IDENTIFY AN EQUITABLE
24 PORTION OF THE COLORADO LONG-TERM WORKS RESERVE AND TOTAL
25 STATEWIDE COUNTY TANF RESERVE FOR THE IMPLEMENTATION OF THIS
26 SUBSECTION (1)(b)(III)(A).

27 (B) IF THE TOTAL STATEWIDE COUNTY TANF RESERVE FALLS

1 BELOW FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT, THE
2 GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM THE COLORADO
3 LONG-TERM WORKS RESERVE TO THE COUNTY BLOCK GRANT UNTIL THE
4 BALANCE OF THE TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS
5 FIFTEEN PERCENT OF THE COUNTY BLOCK GRANT AMOUNT OR UNTIL THE
6 COLORADO LONG-TERM WORKS RESERVE FALLS BELOW TWENTY-FIVE
7 PERCENT OF THE STATE BLOCK GRANT AMOUNT.

8 (C) IF THE COLORADO LONG-TERM WORKS RESERVE FALLS BELOW
9 TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE
10 TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF
11 THE COUNTY BLOCK GRANT AMOUNT, THE COUNTIES SHALL FUND THE
12 TANF PROGRAM FROM AVAILABLE TANF FUNDS UNTIL THE TOTAL
13 STATEWIDE COUNTY TANF RESERVE FALLS BELOW FIFTEEN PERCENT OF
14 THE COUNTY BLOCK GRANT AMOUNT. COUNTIES ARE ONLY REQUIRED TO
15 SPEND AVAILABLE TANF MONEY, INCLUDING COUNTY TANF RESERVES
16 AND THE MAINTENANCE OF EFFORT, FOR THE COLORADO WORKS
17 PROGRAM.

18 (IV) BEGINNING JANUARY 2023, AND EACH JANUARY
19 THEREAFTER, THE JOINT BUDGET COMMITTEE SHALL AT LEAST ANNUALLY
20 REVIEW THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE
21 AND THE TOTAL STATEWIDE COUNTY TANF RESERVE, AND, IF THE JOINT
22 BUDGET COMMITTEE DETERMINES THAT THE BALANCE OF THE COLORADO
23 LONG-TERM WORKS RESERVE WILL FALL BELOW TWENTY-FIVE PERCENT OF
24 THE STATE BLOCK GRANT AMOUNT AND THE BALANCE OF THE TOTAL
25 STATEWIDE COUNTY TANF RESERVE WILL FALL BELOW FIFTEEN PERCENT
26 OF THE COUNTY BLOCK GRANT AMOUNT IN THE CURRENT OR NEXT STATE
27 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM

1 THE STATE GENERAL FUND OR THE UNCLAIMED PROPERTY TRUST FUND TO
2 COVER ANY INCREASE IN BASIC CASH ASSISTANCE ABOVE THE AMOUNT OF
3 BASIC CASH ASSISTANCE IN STATE FISCAL YEAR 2021-22 UNTIL THE
4 BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE EXCEEDS
5 TWENTY-FIVE PERCENT OF THE STATE BLOCK GRANT AMOUNT AND THE
6 TOTAL STATEWIDE COUNTY TANF RESERVE EXCEEDS FIFTEEN PERCENT OF
7 THE COUNTY BLOCK GRANT AMOUNT.

8 (V) THE STATE DEPARTMENT AND A COUNTY DEPARTMENT THAT
9 RECEIVES MONEY FROM THE STATE DEPARTMENT PURSUANT TO THIS
10 SECTION SHALL COMPLY WITH THE COMPLIANCE, REPORTING,
11 RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS
12 ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND
13 THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

14 (1.3) **Redetermination of eligibility for persons receiving cash**
15 **assistance.** The STATE BOARD SHALL PROMULGATE RULES THAT REQUIRE
16 county ~~department shall~~ DEPARTMENTS TO perform ~~an annual~~ A
17 redetermination of eligibility for all assistance units receiving cash
18 assistance. ELIGIBILITY PROCESSES FROM OTHER PUBLIC ASSISTANCE OR
19 ENTITLEMENT PROGRAMS MAY BE USED WHEN REDETERMINING
20 ELIGIBILITY. WHEN POSSIBLE, THE STATE BOARD IS STRONGLY
21 ENCOURAGED TO ALIGN REDETERMINATION TIMELINES WITH OTHER
22 PUBLIC ASSISTANCE OR ENTITLEMENT PROGRAMS.

23 **SECTION 7.** In Colorado Revised Statutes, **amend 26-2-709.5**
24 as follows:

25 **26-2-709.5. Exit interviews and follow-up interviews of**
26 **participants.** (1) In order to follow the legislative intent declared in
27 section 26-2-702 (1)(a), a county department is strongly encouraged to

1 CONTACT EACH PARTICIPANT USING EACH METHOD OF COMMUNICATION
2 PROVIDED BY THE PARTICIPANT IN ORDER TO conduct exit and follow-up
3 interviews upon case closure, either in person or by telephone, ~~with all~~
4 ~~participants of the Colorado works program~~, including participants who
5 are or have been receiving short-term assistance payments pursuant to
6 section 26-2-706.6. The interviews shall be CONDUCTED IN ACCORDANCE
7 WITH STATE DEPARTMENT GUIDANCE for the purpose of:

8 (a) EVALUATING THE PARTICIPANT'S EXPERIENCE WITH THE WORKS
9 PROGRAM;

10 (b) EVALUATING HOW WELL THE WORKS PROGRAM MET THE
11 PARTICIPANT'S NEEDS AND ASSISTED THE PARTICIPANT IN MEETING THE
12 PARTICIPANT'S GOALS;

13 (c) INFORMING THE STATE DEPARTMENT OF ANY CHANGES TO
14 RULES THAT ARE NEEDED TO IMPROVE THE PARTICIPANT'S EXPERIENCE;
15 AND

16 (d) Providing information to the participant and offering
17 assistance with applications for or continuance of assistance under
18 medicaid, food stamps, the Colorado child care assistance program, the
19 earned income tax credit, or other programs such as welfare-to-work or
20 other county benefits or services.

21 (2) ~~Repeated.~~ IF THE STATE DEPARTMENT, IN
22 CONSULTATION WITH COUNTIES, IDENTIFIES ADDITIONAL NEED FOR
23 FUNDING TO ADMINISTER THE WORKS PROGRAM, THE STATE DEPARTMENT
24 IS STRONGLY ENCOURAGED TO REQUEST STATE GENERAL FUND MONEY OR,
25 IF THE BALANCE OF THE STATE TANF RESERVE IS GREATER THAN THE
26 MANDATORY FLOOR, APPROPRIATE ADDITIONAL STATE TANF MONEY TO
27 FUND COUNTIES' ADMINISTRATION OF THE WORKS PROGRAM.

1 (3) BEGINNING JANUARY 2023, AND EACH JANUARY THEREAFTER,
2 THE STATE DEPARTMENT SHALL SUBMIT A REPORT TO THE HOUSE OF
3 REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH AND HUMAN
4 SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN SERVICES
5 COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AS PART OF ITS "STATE
6 MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT
7 (SMART) GOVERNMENT ACT" PRESENTATION REQUIRED BY SECTION
8 2-7-203, ON THE EFFECTIVENESS OF THE WORKS PROGRAM. ~~TO THE~~
9 ~~EXTENT PRACTICABLE, THE STATE DEPARTMENT MAY REQUEST A COUNTY~~
10 ~~DEPARTMENT TO PROVIDE ANY INFORMATION AND DATA THAT MAY BE~~
11 ~~NECESSARY TO DEVELOP THE REPORT, INCLUDING INFORMATION AND DATA~~
12 ~~FROM EXIT INTERVIEWS CONDUCTED BY THE COUNTY DEPARTMENTS~~
13 ~~PURSUANT TO SUBSECTION (1) OF THIS SECTION. ANY DATA USED MUST~~
14 ~~PROTECT PERSONAL IDENTIFYING INFORMATION OF THE PARTICIPANTS AND~~
15 ~~THE PARTICIPANTS' FAMILY MEMBERS. AT A MINIMUM, THE REPORT MUST~~
16 ~~INCLUDE:~~

17 (a) THE TOTAL NUMBER OF PARTICIPANTS ENROLLED IN THE
18 WORKS PROGRAM IN THE PREVIOUS FISCAL YEAR, DISAGGREGATED BY
19 CASE TYPE, RACE, AND ETHNICITY;

20 (b) THE TOTAL NUMBER OF PARTICIPANTS WHO EXITED AND
21 RE-ENROLLED IN THE WORKS PROGRAM ONE OR MORE TIMES IN THE
22 PREVIOUS FISCAL YEAR, DISAGGREGATED BY CASE TYPE, RACE, AND
23 ETHNICITY;

24 (c) THE TOTAL NUMBER OF INSTANCES A PARTICIPANT EXITED AND
25 RE-ENROLLED IN THE WORKS PROGRAM ONE OR MORE TIMES IN THE
26 PREVIOUS FISCAL YEAR, DISAGGREGATED BY CASE TYPE, RACE, AND
27 ETHNICITY;

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1 (d) THE TOTAL NUMBER OF MONTHS EACH PARTICIPANT REMAINED
2 ENROLLED IN THE WORKS PROGRAM IN THE PREVIOUS FISCAL YEAR,
3 DISAGGREGATED BY CASE TYPE, RACE, AND ETHNICITY; AND

4 (e) ~~TO THE EXTENT PRACTICABLE, DATA~~ GATHERED THROUGH
5 SURVEYS AND EXIT INTERVIEWS WITH PARTICIPANTS IN THE WORKS
6 PROGRAM REGARDING PARTICIPANTS' EXPERIENCE WITH THE PROGRAM,
7 BELIEFS ABOUT THE GOALS OF THE PROGRAM, PERCEPTIONS OF HOW
8 PARTICIPATION IN THE PROGRAM CONTRIBUTED TO THE FAMILY GOALS,
9 REASONS FOR LEAVING THE PROGRAM, AND CURRENT EMPLOYMENT
10 STATUS AND WAGE RATE.

11 (4) ~~THE STATE DEPARTMENT MAY REVIEW AND CONSIDER~~
12 ~~INFORMATION TECHNOLOGY SOLUTIONS FOR THE IMPLEMENTATION OF~~
13 ~~THIS SECTION.~~

14 **SECTION 8.** In Colorado Revised Statutes, 26-2-711, **amend**
15 (1)(a) introductory portion, (1)(a)(II), and (1)(a)(III) as follows:

16 **26-2-711. Works program - sanctions against participants -**
17 **rules.** (1) (a) The state board shall promulgate rules for the imposition of
18 sanctions affecting the basic cash assistance grant as described in section
19 26-2-709 (1). The rules ~~shall~~ **MUST** require:

20 (II) A ~~percentage~~ reduction in the basic CASH assistance grant
21 upon the first imposition of a sanction affecting ~~such~~ A basic CASH
22 assistance grant, with the ~~percentage~~ AMOUNT to be specified in the rules
23 but not ~~less than twenty-five percent~~ TO EXCEED ONE DOLLAR;

24 (III) Specific reductions in the basic CASH assistance grant for
25 second and subsequent sanctions affecting the basic CASH assistance
26 grant;

27 **SECTION 9.** In Colorado Revised Statutes, 26-2-720.5, **amend**

1 (3) as follows:

2 **26-2-720.5. County block grant support fund - created.**

3 (3) (a) A county that meets the criteria established by the state
4 department and the works allocation committee pursuant to subsection (2)
5 of this section may request moneys MONEY from the county block grant
6 support fund. Priority shall be given to any county that exhausts all
7 moneys MONEY available in the county's block grant for the Colorado
8 works program for that fiscal year.

9 (b) A COUNTY THAT IS PROJECTED TO EXHAUST ALL MONEY
10 AVAILABLE IN THE COUNTY'S TANF RESERVE AND FACES A LOCAL OR
11 STATEWIDE NATURAL DISASTER OR OTHER EMERGENCY MAY REQUEST
12 MONEY FROM THE COUNTY BLOCK GRANT SUPPORT FUND. THE STATE
13 DEPARTMENT, WITH INPUT FROM THE WORKS ALLOCATION COMMITTEE,
14 SHALL DEVELOP CRITERIA AND PROCEDURES TO INCLUDE USE OF THE FUND
15 IN CIRCUMSTANCES OF A NATURAL DISASTER OR OTHER EMERGENCY.

16 **SECTION 10.** In Colorado Revised Statutes, add 26-2-725 as
17 follows:

18 **26-2-725. Outreach and engagement plan - family voice**
19 **participation.** (1) NO LATER THAN SEPTEMBER 30, 2022, THE STATE
20 DEPARTMENT SHALL DEVELOP AN OUTREACH AND ENGAGEMENT PLAN TO
21 PROMOTE ACCESS TO THE COLORADO WORKS PROGRAM FOR ELIGIBLE
22 PERSONS.

23 (2) THE STATE DEPARTMENT SHALL PARTNER WITH COUNTIES AND
24 NONPROFIT ORGANIZATIONS WHEN DEVELOPING AND IMPLEMENTING THE
25 OUTREACH AND ENGAGEMENT PLAN AND SHALL INCORPORATE FEEDBACK
26 FROM CURRENT AND FORMER PARTICIPANTS TO ENSURE PARTICIPANTS ARE
27 INFLUENTIAL STAKEHOLDERS IN THE PROCESS.

1 (3) AT A MINIMUM, THE OUTREACH AND ENGAGEMENT PLAN MUST
2 INCLUDE SPECIFIC STRATEGIES FOR:

3 (a) OUTREACH TO MONOLINGUAL, NON-ENGLISH SPEAKING
4 COMMUNITIES AND FAMILIES, INCLUDING A LINGUISTICALLY DIVERSE
5 WEBSITE AND TRANSLATION OF OTHER MATERIALS THAT INCLUDE
6 INFORMATION ABOUT THE WORKS PROGRAM IN THE SEVEN MOST COMMON
7 LANGUAGES SPOKEN IN EACH COUNTY OF THE STATE;

8

9 (b) DEVELOPING CULTURALLY APPROPRIATE MESSAGING;

10 (c) SHARING INFORMATION ABOUT THE SERVICES AND SUPPORTS
11 AVAILABLE AND PARTICIPANTS' RIGHTS AND RESPONSIBILITIES UNDER THE
12 WORKS PROGRAM;

13 (d) HOW TO APPEAL IF REDETERMINATION IS DENIED;

14 (e) CONFIDENTIALITY PROTECTIONS FOR APPLICANTS AND
15 PARTICIPANTS; AND

16 (f) OUTREACH THROUGH A VARIETY OF SETTINGS, INCLUDING BUT
17 NOT LIMITED TO SOCIAL MEDIA, SCHOOLS, CHILD CARE CENTERS, FOOD
18 BANKS, LIBRARIES, FEDERALLY QUALIFIED HEALTH CENTERS, HOME
19 VISITING PROGRAMS, MOBILE HOME PARKS, HEAD START AND EARLY HEAD
20 START CENTERS, AND MOBILE SITES.

21 (4) THE STATE DEPARTMENT SHALL:

22 (a) REQUIRE THAT COUNTY STAFF WORKING WITH APPLICANTS AND
23 PARTICIPANTS RECEIVE COMPREHENSIVE TRAINING REGARDING THE
24 WORKS PROGRAM. THE TRAINING MUST INCLUDE TRAUMA-INFORMED
25 APPROACHES TO INTERACTING WITH PARTICIPANTS, CONSISTENCY IN
26 COMMUNICATING INFORMATION ABOUT CHILD CARE ACCESS AND
27 ASSISTANCE, THE ALIGNMENT OF A PARTICIPANT'S WORK REQUIREMENTS

1 WITH CHILD CARE ACCESS AND FAMILY MEDICAL NEEDS, THE FULL SCOPE
2 OF OPTIONS FOR THE PARTICIPANT TO MEET WORK AND EDUCATION
3 REQUIREMENTS IN ALIGNMENT WITH THE PARTICIPANT'S GOALS, AND THE
4 AVAILABILITY OF SUPPORT SERVICES FOR FAMILIES.

5 [REDACTED]

6 (b) DEVELOP TOOLKITS, MANUALS, AND OTHER MATERIALS FOR
7 COUNTY STAFF, APPLICANTS, AND PARTICIPANTS THAT INCLUDE
8 INFORMATION ABOUT CHILD CARE ACCESS AND ASSISTANCE, THE
9 ALIGNMENT OF A PARTICIPANT'S WORK REQUIREMENTS WITH CHILD CARE
10 ACCESS, THE FULL SCOPE OF OPTIONS FOR THE PARTICIPANT TO MEET
11 WORK AND EDUCATION REQUIREMENTS IN ALIGNMENT WITH THE
12 PARTICIPANT'S GOALS, AND THE AVAILABILITY OF SUPPORT SERVICES FOR
13 FAMILIES;

14 (c) PARTNER WITH COUNTIES, NONPROFIT ORGANIZATIONS, AND
15 PARTICIPANTS TO DEVELOP CULTURALLY AND LINGUISTICALLY
16 APPROPRIATE MESSAGING AND ENSURE THAT APPLICANTS AND
17 PARTICIPANTS HAVE ACCESS TO SUFFICIENT SUPPORTS AND
18 COMMUNICATION IN THE SEVEN MOST COMMON LANGUAGES SPOKEN IN
19 EACH COUNTY OF THE STATE, OR, IN THE INSTANCE OF A MONOLINGUAL
20 SPEAKER OF A LANGUAGE OTHER THAN THE SEVEN MOST COMMON
21 LANGUAGES, USE BEST EFFORTS TO PROVIDE SUPPORTS AND
22 COMMUNICATION IN THE LANGUAGE SPOKEN BY THE INDIVIDUAL;

23 (d) ENSURE ADEQUATE AND MEANINGFUL REPRESENTATION BY,
24 FEEDBACK FROM, OR ENGAGEMENT WITH CURRENT AND FORMER
25 PARTICIPANTS WHEN MAKING DECISIONS AND RECOMMENDATIONS
26 REGARDING THE WORKS PROGRAM, INCLUDING DURING ANY RULE-MAKING
27 OR REGULATORY PROCESS AND OTHER POLICY CHANGES THAT IMPACT

1 RECIPIENTS. TO THE EXTENT POSSIBLE, THE STATE DEPARTMENT SHALL
2 ENSURE THAT PARTICIPANTS INVOLVED PURSUANT TO THIS SUBSECTION
3 (4)(d) ARE DIVERSE WITH REGARD TO RACE, ETHNICITY, AGE, ABILITY,
4 SEXUAL ORIENTATION, GENDER IDENTITY, AND GEOGRAPHY AND THAT
5 PARTICIPANT FEEDBACK HAS A GENUINE OPPORTUNITY TO INFLUENCE
6 SUBSTANTIAL CHANGES TO THE WORKS PROGRAM. THE STATE
7 DEPARTMENT MAY UTILIZE ANY ESTABLISHED COUNCILS AT THE STATE
8 AND LOCAL LEVEL THAT HAVE CURRENT AND FORMER PARTICIPANTS
9 REPRESENTED OR APPOINTED TO COMPLY WITH THE REQUIREMENTS OF
10 THIS SUBSECTION (4)(d). TO THE EXTENT POSSIBLE, THE STATE
11 DEPARTMENT SHALL CONSIDER REIMBURSING PARTICIPANTS INVOLVED
12 PURSUANT TO THIS SUBSECTION (4)(d) FOR TRAVEL EXPENSES AND
13 ATTENDANT AND DEPENDENT CARE.

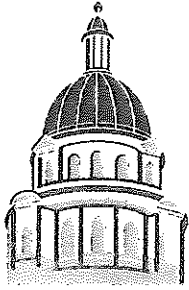
14 (5) BEGINNING JANUARY 2023, AND EACH JANUARY THEREAFTER,
15 THE STATE DEPARTMENT SHALL INCLUDE INFORMATION ON THE
16 IMPLEMENTATION OF THE REQUIREMENTS IN THIS SECTION IN ITS REPORT
17 TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH
18 AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN
19 SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AS PART OF ITS
20 "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND
21 TRANSPARENT (SMART) GOVERNMENT ACT" PRESENTATION REQUIRED
22 BY SECTION 2-7-203.

23 (6) THE STATE DEPARTMENT MAY REVIEW AND CONSIDER
24 INFORMATION TECHNOLOGY SOLUTIONS FOR THE IMPLEMENTATION OF
25 THIS SECTION.

26 **SECTION 11. Appropriation.** For the 2022-23 state fiscal year,
27 \$7,000,000 is appropriated to the department of human services for use

1 by the office of economic security. This appropriation is from the
2 economic recovery and relief cash fund created in section 24-75-228,
3 C.R.S., and is of money the state received from the federal coronavirus
4 state fiscal recovery fund. To implement this act, the office may use this
5 appropriation for the employment opportunities with wages program. Any
6 money appropriated in this section not expended prior to July 1, 2023, is
7 further appropriated to the office from July 1, 2023, through December
8 30, 2024, for the same purpose.

9 **SECTION 12. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety.



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

**Fiscal Note
Memorandum**

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April 12, 2022

TO: Representatives Duran and Jodeh

FROM: Bill Zepernick, Fiscal Note Manager
Bill.Zepernick@state.co.us | 303-866-4777

SUBJECT: Fiscal Assessment of Proposed Amendments **HB1259_L.001, L.002, and L.004**

This memorandum is a preliminary assessment of the fiscal impact of the attached proposed amendments L.001, L.002, and L.004 to HB 22-1259. This fiscal assessment is for the impact of the bill with inclusion of these amendment only. Any other added amendment could influence the fiscal impact. This memorandum focuses primarily on the costs of the bill, as amended, that are associated with benefit changes under the Temporary Assistance for Needy Families (TANF) program, i.e., Colorado Works, and county administration costs. Additional information on changes to fund sources and state administrative expenses will be addressed in a revised fiscal note prior to the bill's next committee.

Summary of Proposed Amendment

Concerning basic cash assistance payments under Colorado Works, the amendments to HB 22-1259 make the following changes:

- requiring that basic cash assistance payments increase by 20 percent in FY 2022-23 compared to the prior year and then by the greater of 2 percent or a three-year average of prior year social security cost of living increases in FY 2023-24 and future years (L.002), rather than requiring that payments increase to 50 percent of the federal poverty level by FY 2027-28 as required in the introduced bill;
- limiting eligibility for the introduced bill's exemptions to the 60-month lifetime service limit and work requirement under TANF by removing persons addressing family or medical needs (L.001); and
- removing the requirement in the introduced bill that counties disregard 6 months of income after an individual becomes employed, and instead maintains the introduced bill's requirement that program rules provide for a gradual step down of an individual's income disregard after becoming employed (L.002).

Amendment L.004 makes exit interviews with persons leaving the program voluntary and strongly encouraged, rather than mandatory, for counties.

Fiscal Impact of Amendments

Compared to the introduced bill, Amendments L.001 and L.002 increase the costs of basic cash assistance under Colorado works by \$9.5 million in FY 2022-23 and decrease costs by \$15.8 million in FY 2023-24. Costs in FY 2027-28 are \$101 million lower with these amendments compared to the introduced bill when fully implemented. These change in benefit costs are shown in Table 1 and discussed below. Other impacts of the bill, with the amendments, are also described below.

Table 1
Change in Basic Cash Assistance Costs under HB 22-1259
Introduced Bill compared to Bill as Amended by L.001 and L.002

	FY 2022-23	FY 2023-24	FY 2027-28
Introduced Bill			
Phased-in Increase to Cash Assistance	-	\$21,420,000	\$105,984,000
Income Disregard	\$3,505,200	\$9,269,568	\$16,720,440
Work Requirement Hardship Waiver	\$1,066,800	\$2,821,500	\$5,088,000
60-Month Lifetime Limit Waiver	\$975,360	\$3,235,320	\$5,838,480
Reduced Sanctions	\$278,709	\$368,480	\$664,411
Drug Felony Eligibility	\$426,720	\$1,128,600	\$2,035,200
Total Costs	\$6,252,789	\$38,243,468	\$136,330,531
As Amended by L.001 and L.002			
Increased Cash Assistance	\$13,171,200	\$17,075,520	\$28,914,908
Income Disregard	\$705,600	\$1,564,920	\$1,860,338
Work Requirement Hardship Waiver	\$592,704	\$1,314,533	\$1,562,684
60-Month Lifetime Limit Waiver	\$592,704	\$1,314,533	\$1,562,684
Reduced Sanctions	\$258,067	\$286,276	\$340,209
Drug Felony Eligibility	\$395,136	\$876,355	\$1,041,789
Total Costs	\$15,715,411	\$22,432,137	\$35,282,612
Change in Costs	\$9,462,622	(\$15,811,331)	(\$101,047,919)

Assumptions. The analysis above holds assumption from the March 18 fiscal note constant, with the following changes resulting from the amendments:

- basic cash assistance benefits will grow by 20 percent in FY 2022-23 compared to the prior year, and then grow by 4 percent in FY 2023-24 and FY 2024-25, 3 percent in FY 2025-26, and then 2 percent per year thereafter;
- the number of program participants receiving a hardship waiver to the work requirement or the 60-month lifetime limit will be about half as many compared to the assumed amount in the original fiscal note; and

- about 1,000 individuals per year will continue to receive an additional 3 months of benefits due to the income disregard under the amended bill (rather than 2,3000 individuals receiving an additional 6 months as previously assumed).

Changes to the assumed required benefit amounts in the bill as amended will also decrease the benefits resulting from other policy changes relative to the introduced bill, including adding eligibility for persons with a drug-related felony conviction and reduced sanctions for program noncompliance.

State administration. By making certain data and reporting optional, L.004 may also reduce the number of FTE required in the state Department of Human Services under the bill. This impact on state costs, as well as impacts from other any other amendments adopted, has not been fully assessed.

County administration. L.004 makes approximately \$3.75 million in costs for reimbursing counties for administrative expenses optional, rather than mandatory. This amount may be appropriated by the General Assembly at its discretion.

Bill's Revised Fiscal Impact with Amendments

As full assessment of all amendments likely to be offered has not been conducted as of this writing. Therefore, an updated estimate will be provided in a revised fiscal note for a future committee after accounting for all amendments adopted. Preliminarily, after accounting for the impacts from L.001, L.002, and L.004, the bill is estimated to increase state expenditures by at least the following amounts:

- \$17.3 million in FY 2022-23;
- \$22.9 million in FY 2023-24; and
- at least 2 percent more per year in each year thereafter.

HB1259_L.001

HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Public & Behavioral Health & Human Services.
HB22-1259 be amended as follows:

- 1 Amend printed bill, page 5, after line 27 insert:
- 2 "(3) The general assembly further finds and declares that the
- 3 increase in basic cash assistance grants and funding for subsidized
- 4 employment established in this act are critical government services."
- 5 Page 7, line 20, strike "INCLUDES" and substitute "INCLUDES, BUT IS NOT
- 6 LIMITED TO,".
- 7 Page 7, line 23, after "AGE;" insert "OR".
- 8 Page 7, line 25, strike "OR" and substitute "AND".
- 9 Page 7, strike lines 26 and 27.
- 10 Page 8, strike lines 1 and 2.
- 11 Page 8, strike lines 11 and 12 and substitute "REQUIRE COUNTIES TO
- 12 INFORM AND NOT PENALIZE ANY APPLICANT OR HOUSEHOLD THAT
- 13 DEMONSTRATES GOOD CAUSE FOR AN EXEMPTION FROM WORK
- 14 REQUIREMENTS, WHICH INCLUDES, BUT IS NOT LIMITED TO,".
- 15 Page 8, line 15, after "AGE;" insert "OR".
- 16 Page 8, line 17, strike "OR" and substitute "AND".
- 17 Page 8, strike lines 18 through 21.

** ** ** ** **