

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 20-0401.01 Shelby Ross x4510

SENATE BILL 20-029

SENATE SPONSORSHIP

Fields and Moreno,

HOUSE SPONSORSHIP

Coleman and Duran,

Senate Committees

Finance

Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING AN ANNUAL COST OF LIVING ADJUSTMENT TO THE**
102 **AMOUNT OF BASIC CASH ASSISTANCE A COLORADO WORKS**
103 **PROGRAM RECIPIENT RECEIVES.**

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>.)

For the state fiscal year commencing July 1, 2020, the amount of basic cash assistance a Colorado works program recipient (recipient) receives must equal or exceed 100% of the amount of basic cash assistance in 2019 plus 10%.

Commencing July 1, 2021, the department must annually increase

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.

the amount of basic cash assistance a recipient receives by a cost of living adjustment equal to 1.5% or the federal social security administration's cost of living adjustment that year, whichever is greater.

The joint budget committee (JBC) must review the sustainability of the Colorado long-term works reserve to fund the cost of living adjustment, and, if the JBC deems necessary, identify additional sources of funding.

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) The stress caused by living in poverty can inhibit young
5 children's early brain development and negatively impact children's ability
6 to succeed in school and to develop the social-emotional skills needed to
7 succeed as an adult;

8 (b) One study found that children experiencing poverty between
9 birth and age five completed two fewer years of school and were nearly
10 three times more likely to be in poor health as adults;

11 (c) Colorado families of all backgrounds work hard to provide a
12 better life for their children. However, poverty rates among children in
13 Colorado vary by race and ethnicity as a result of policies and practices
14 that have created and maintained inequitable opportunities in areas such
15 as housing and employment.

16 (d) In 2018, roughly 65,000 children in Colorado were
17 experiencing extreme poverty in families whose income was 50% below
18 the federal poverty level, or about \$12,875 a year for a family of four;

19 (e) Basic cash assistance is the most targeted approach Colorado
20 can take to reducing extreme childhood poverty, which has a lifelong
21 impact on a child's well-being;

22 (f) Income supports, such as basic cash assistance, are one

1 important strategy to decrease the number of children experiencing
2 poverty and should be combined with work and other supports to lift
3 children and families out of poverty;

4 (g) The purchasing power of basic cash assistance in Colorado has
5 not kept up with the cost of living because it does not adjust for inflation;

6 (h) As housing costs have continued to increase in Colorado, basic
7 cash assistance has not kept up and is far below the cost of rent for a
8 family. In every county in Colorado, the average rent for a two-bedroom
9 apartment exceeds the monthly amount of basic cash assistance for a
10 family with one adult and two children.

11 (i) A \$3,000 difference in annual household income in the first
12 five years of a child's life is associated with a score variance of 20 points
13 on the Scholastic Aptitude Test, or SAT; a 17% increase in the child's
14 future earnings; and 135 additional work hours per year as an adult.

15 (2) Therefore, it is the intent of the general assembly to adjust the
16 amount of basic cash assistance to make up for the lack of adjustment for
17 inflation since the program was created in 1996. It is also the intent of the
18 general assembly to implement an annual cost of living adjustment so the
19 value of basic cash assistance does not continue to erode in future years.

20 **SECTION 2.** In Colorado Revised Statutes, 26-2-709, **amend**
21 (1)(b) as follows:

22 **26-2-709. Benefits - cash assistance - programs - rules.**

23 (1) **Standard of need - basic cash assistance grant.** (b) (I) In
24 establishing the calculation for determining the amount of an eligible
25 applicant's or participant's basic cash assistance grant, the state
26 department shall ensure that the amount of the basic cash assistance grant
27 that a participant or applicant receives:

1 (A) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2020, is
2 equal to or exceeds one hundred ~~two~~ percent of the ~~need standard for a~~
3 ~~participant in a similarly sized household on January 1, 2008. The state~~
4 ~~department is encouraged to establish a calculation for determining the~~
5 ~~amount of a basic cash assistance grant that results in a basic cash~~
6 ~~assistance grant that is equal to or exceeds one hundred twelve percent of~~
7 ~~the need standard for a participant in a similarly sized household on~~
8 ~~January 1, 2008.~~ AMOUNT OF BASIC CASH ASSISTANCE IN 2019 PLUS FIVE
9 PERCENT; AND

10 (B) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2021, AND
11 EACH STATE FISCAL YEAR THEREAFTER, IS INCREASED BY A COST OF LIVING
12 ADJUSTMENT IN AN AMOUNT EQUAL TO ONE AND ONE-HALF PERCENT.

13 (II) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM
14 THE COLORADO LONG-TERM WORKS RESERVE CREATED IN SECTION
15 26-2-721 FOR THE IMPLEMENTATION OF THE INCREASE IN BASIC CASH
16 ASSISTANCE DESCRIBED IN SUBSECTION (1)(b)(I)(A) OF THIS SECTION AND
17 THE ANNUAL COST OF LIVING ADJUSTMENT DESCRIBED IN SUBSECTION
18 (1)(b)(I)(B) OF THIS SECTION.

19 (III) BEGINNING IN FISCAL YEAR 2021-22, AND EACH FISCAL YEAR
20 THEREAFTER, THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY
21 SHALL ANNUALLY REVIEW THE SUSTAINABILITY OF THE COLORADO
22 LONG-TERM WORKS RESERVE CREATED IN SECTION 26-2-721 TO FUND THE
23 INCREASE IN BASIC CASH ASSISTANCE DESCRIBED IN SUBSECTION
24 (1)(b)(I)(A) OF THIS SECTION AND THE ANNUAL COST OF LIVING
25 ADJUSTMENT DESCRIBED IN SUBSECTION (1)(b)(I)(B) OF THIS SECTION. IF
26 THE BALANCE OF THE COLORADO LONG-TERM WORKS RESERVE IS LESS
27 THAN THIRTY-FOUR MILLION DOLLARS, THE JOINT BUDGET COMMITTEE

1 SHALL CONSIDER ADDITIONAL SOURCES OF FUNDING FOR THE COST OF
2 LIVING ADJUSTMENT, WHICH MUST NOT INCLUDE COUNTY RESERVES.

3 **SECTION 3. In Colorado Revised Statutes, 26-2-721, add (2.5)**
4 as follows:

5 **26-2-721. Colorado long-term works reserve - creation - use.**
6 (2.5) THE GENERAL ASSEMBLY SHALL APPROPRIATE THE MONEY IN THE
7 RESERVE FOR THE PURPOSE OF IMPLEMENTING SECTION 26-2-709 (1)(b).

8 **SECTION 4. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety.